



Rev 3/18/14

Public Affairs 7930
CAPSTONE STRATEGIC BUDGETING AND FINANCIAL MANAGEMENT
Spring 2014
Mondays 5:00-7:40pm
Hagerty Hall, Room 0186

INSTRUCTOR

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TA

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Thurs 12:30-2:30 Room 240A

PREREQUISITES

PA 6030 and PA 6040, or permission of instructor.

STUDENT LEARNING GOALS AND OBJECTIVES: Upon completion of this course, students will be skilled in strategic budgeting and financial management tools to advance the goals of their respective government agency or non-profit organization. Students completing the course will earn 3 credit hours.

COURSE DESCRIPTION: As a capstone course, PA 7930 emphasizes integrating financial tools with strategic planning, data analysis, management and communications. Course materials include readings, guest speakers and in class exercises. A more detailed schedule of classes and readings is included (see Attachment A).

REQUIRED TEXTS

Allen J. Proctor

Linking Mission to Money (2nd Edition)

LMM Press: Worthington, OH (2010)

ISBN 10: 1453793380

Lynne A. Weikert et al

Budgeting & Financial Management for Non Profit Organizations

CQ Press: Washington, Dc.,(2013)

ISBN 978-1-60871-693-7

Students can access textbook information via the Barnes & Noble bookstore website: www.shopOhioState.com as well as form BuckeyeLink Student Center. This information is disseminated by B&N to all area bookstores. You may buy form a store of your choice and/or shop for books (always use ISBN# for searches) online.

A list of other required readings is included in Attachment B

GRADING INFORMATION

Midterm I (Individual capstone Project) – will be due the eighth week of the semester and will fulfill the capstone requirement for those students who are eligible. It will be a take home essay focusing on the Strategic Budgeting portion of the course. It will be worth 30%. For more information see Attachment C.

Midterm II – will be given in class the twelfth week of the semester. It will be an open book essay exam focused on the Financial Management portion of the course. It will be worth 20% (see Attachment D).

Final (Group Project) – students will work in three to four person teams that will prepare a five year financial plan for a government agency, university business unit, or non-profit organization. Each group will make an oral progress report of 20 minutes late in the semester. This will be worth 30%. See Attachment C for more details.

Short Exercises – students will be expected to submit two short (one page) memos on individual topics spread out through the semester. These will be worth 5% each (10% in aggregate) and are described in greater detail in Attachment D.

Class Participation – regular attendance is encouraged but not required. Students will be graded on the amount and quality of their classroom participation both in response to the questions asked of them and the questions they ask of the instructor, guest speaker and student presenters. This will be worth 10% of the total grade.

GRADING SUMMARY

Grading weights are summarized below:

Indiv Capstone/Midterm I	30%
Midterm II	20%
Group Capstone/Final	30%
Exercises (2)	10%
<u>Class Participation</u>	10%
	100%

GRADING SCALE: The standard university grading scale will apply as follows:

A	93-100	B-	80-82	D+	68-69
A-	90-92	C+	78-79	D	64-67
B+	88-89	C	73-77	E	63 & below
B	83-87	C-	70-72		

CLASS ATTENDANCE POLICY: Regular attendance is encouraged, but not required.

ACADEMIC INTEGRITY (ACADEMIC MISCONDUCT)

The Ohio State University and the Committee on Academic Misconduct (COAM) expect that all students have read and understand the University’s Code of Student Conduct, and that all students will complete all academic and scholarly assignments with fairness and honesty. Failure to follow the rules and guidelines established in the University’s Code of student conduct may constitute “Academic Misconduct”. Sanctions for the misconduct could include a failing grade in this course and suspension or dismissal from the University

In The Ohio State University’s Code of Student conduct Section 3335-23-04 defines academic misconduct as “any activity that tends to compromise the academic integrity of the University, or subvert the educational process”. Examples of academic misconduct include (but are not limited to) plagiarism, collusion (unauthorized collaboration), copying the work of another student, and possession of unauthorized materials during an examination. Ignorance of the University’s Code of Student Conduct is never considered an “excuse” for academic misconduct.

DISABILITY SERVICES

Students with disabilities that have been certified by the Office for Disability Services will be appropriately accommodated, and should inform the instructor as soon as possible of their needs. The Office for Disability Services is located in 150 Pomerene Hall, 1760 Neil Avenue. Telephone: 292-3307. TDD: 292-0901. <http://www.ods.ohio-state.edu/>

ATTACHMENTS

- A – Class Schedule
- B – Reading List
- C – Capstone Project
- D – Capstone Project Components
- E – Capstone Requirements
- F – Capstone Deliverables
- G – Other Assignments

ATTACHMENT A
Class Schedule
Public Affairs 7930
Spring 2014

<u>Session</u>	<u>Date</u>	<u>Theme</u>
Part One: Strategic Budgeting		
1	1/13	Course Overview
2	1/13	Linking Planning and Budget
	1/20	<i>MLK Holiday</i>
3	1/27	Using Financial Information
4	2/3	Sustaining Mission
Part Two: Strategic Financial Management		
5	2/10	Information Management (Accounting)
6	2/17	Process Management (Audits and Internal Controls)
7	2/24	Asset Management (Capital)
8	3/3	Asset Management (Cash) <i>First Midterm Due</i>
	3/10	<i>Spring Break</i>
9	3/17	Financial Risk Management

Part Three: Integration

10	3/24	Strategic Communications
11	3/31	Strategy in the New Normal <i>Second Midterm</i>
12	4/7	Thinking Outside the Box Strategically
13	4/14	Tying It All Together
14	4/21	Project Presentations
	4/28	<i>Group Project Reports Due</i>

SAMPLE

ATTACHMENT B
PA 7930 Reading List
Spring 2012

1. Course Overview
 - Proctor, “Planning & Priorities,” 1-15
 - Weikart, “Preface,” xxv-xxviii
 - *GFOA, “What Is Long Range Financial Planning.”

2. Linking Planning and Budget
 - Proctor, “Mission Focused Budget,” 15-35
 - Weikart, “Budgeting,” 17-50
 - *Jones, “Key Concepts,” *AGB Occasional Paper # 28*, 1-9.
 - *Federation for Community Agency Research R, “Characteristics of a Successful Strategic Plan.” Best Practices Report # 3, (2001).
 - *Kaplan and Martin, “Four Barriers To Implementation.” *CPA Trend lines*, November 2010.

3. Analyzing Financial Information
 - Proctor, “Profit Making by Nonprofits,” 51-56.
 - Weikert, “Cost Analysis,” 68-87 and “Understanding Revenues,” 187-20
 - *Skostad, “Using Benchmarks,” *IT Management*, 7/1/03.
 - *Massey and Tedeschi, “When Data Guys Triumph.” *New York Times*, 10/1/11
 - *Silver, “Introduction” to *The Signal and the Noise*, (2013), 1-15

4. Sustaining Mission
 - Proctor, “Effective Budgeting,” 36-62 and “Sustaining Mission,” 118-146
 - *Jones, Strategic Budget,” 9-15.
 - *Chen et al, “Multiyear Plans and Analysis,” *Budget Tools* (2009).
 - *GFOA, “Use of Trend Data.”
 - *Lewis and Logabutto, “Cutback Checklist.” *Public Administration Review*, March/April 1980.

5. Information Management
 - Proctor, “Focusing on Mission,” 78-115
 - Weikart, “Accounting & Reporting,” 88-186
 - *GFOA, “Relationship Between Budget & Financial Information.”
 - *Walters, “Are CAFR’s Useless?” *Governing*, Sept 2012.

6. Process Management
 - Weikart, “Internal Controls,” 288-301
 - *Joe Stephens & Tracy Pat Flaherty, “Inside the hidden world of ...non-profits,” *Washington Post*, October 23, 2013.
 - *Dominick, “Tactical vs Strategic Purchasing.” *Punch Tips*, 9/6/06.

7. Asset Management (Capital)
 - Weikart, “Capital Budgeting and Finance,” 246-266
 - *Jones, “Maintenance of Assets,” 13-15
 - *GFOA, “Multiyear Capital Planning.”

8. Asset Management (Cash)

Weikart, "Time Value of Money," 227-245

Weikart, "Capital Financing," 253-265

Weikart, "Investment Strategy," 266-287

9. Risk Management

*GFOA "Risk Management"

*Ionmy.com, "Risk Matrix," (2013)

*OSU "Quarterly Report," November 6, 2008.

*NASBO, "Lessons Learned from the Downturn," 8/7/13

*Operating Reserve Policy Toolkit.

*GovBeat, "California Rainy Day Fund".

10. Communications Management

Proctor, "Communications," 147-165

*Jones, "Strategic Budget," 16-19

*GFOA, "Providing A Concise Summary."

*GFOA, "Presenting Capital Budgets."

11. Strategy in the New Normal

Weikart, "Non-Profits," 1-13

*NASBO, "Federal Shutdown: Understanding the Impact and Challenges for States." 10/10/13.

*Liz Farmer, "Is There a Plot Against Pensions?" *Governing*, October 2013

*Joseph Stiglitz, "The Wrong Lessons From Detroit's Bankruptcy" *New York Times*, July 11, 2013.

12. Outside the Box

Weikart, "New Directions," 302-322

*Collins, "Hedgehog & Flywheel." *Good to Great in the Public Sector* (2005)

*La Piana Consulting, "The Partnership Matrix." (2013).

*Compass Point, "Non Profit Fund Raising." (1/14/13).

*Conlin, "States and Cities Selling Public Assets." *CNS News*, 8/13/11.

13. Tying It All Together

*GFOA, "Building a Financially Resilient Government."

*Collins, "Defining Great."

*NASBO "Using Performance Information," October 28, 2013.

*GovBeat, "State Planning Poor".

GFOA = Government Financial Officers Association (www.gfoa.org).

NASBO = National Association of State Budget Officers (www.nacubo.org).

* Document is available on Carmen a week before the respective class session

ATTACHMENT C Capstone Project Overview

The preparation of a five year financial plan that integrates strategy and good management practices is a key component of this course. The goal of the exercise is to help students become proficient in developing and implementing a multi-year financial strategy. Students will choose a real life agency for this project. It could be a unit of federal, state or local government, a unit of a university, or a stand-alone non-profit agency. The unit should be large enough to reflect some diversity of sources and uses, but small enough so that you can get your arms around it. The specific issues to be addressed are spelled out in Attachment C. This Capstone project will consist of both an individual and group graded component. Students will choose their agency as part of a group early in the semester.

The individual component is a take home midterm due the 8th week of the semester (March 3) that will also meet the Glenn School comprehensive exam requirement. The paper will be treated as a take home midterm. It will be graded individually and will also constitute the comprehensive exam for the Master of Arts (MA) degree (In-career, Dual) program and the comprehensive exam for the MPA students (see Attachment D). Students will respond to six to eight specific questions drawn from the issues listed in Attachment C. These specific questions will be distributed in class session 7 (February 24). Obviously some portions of the work will be more developed than others. The grading weights will be as follows:

Context 70% Analysis
20% Recommendations
10%

The group component will be a presentation and paper due at the end of the semester. This will be graded as a group project. Groups will be three to four members. The agency should be chosen from one of those done for an individual project by a group member. The oral presentations will be scheduled for either April 14 or the 21st. The completed group paper will count as the final exam for the course. It is due April 28th. Weighting for the grades on the group project will be as follows:

Context 10% Analysis
45% Recommendations
45%

A summary of deliverables is included in Attachment F.

ATTACHMENT D
ORGANIZATION OF LONG TERM FINANCIAL PLAN PROJECT

The project is designed to address the three tasks listed below:

I. Context - Define the Problem, Identify Goals and Objectives and Assemble Evidence

- What are the agency's mission and goals?
- How well are they linked to the budget?
- Who are the relevant stakeholders?
- What are the major sources and uses; what drives them and how have they changed?
- Is the agency in structural balance? Why or why not?
- Does the agency have debt and how is it being managed?
- What are the financial benchmarks and are they being met?

II. Analysis - Construct and Analyze Alternatives

- Based on present trends, what does a continuation of current policies look like over the next five years?
- Identify and describe alternatives for raising revenue, reducing expenses and other balancing techniques.
- Describe the impact of these alternatives on the agency and its stakeholders, including possible trade-offs, spillovers and externalities.
- What financial management tools might be appropriate and why?

III. Recommendations - Recommended Course of Action

- Describe your conclusions, including your recommended solution(s)
- Address political, organizational and economic conditions that may affect successful implementation of your choices
- What outside the box approaches might be appropriate?
- How will this advance mission and sustainability?
- Summarize a monitoring and evaluation plan that defines success and includes a financial risk management component.

ATTACHMENT E

School Requirements and the Capstone Project

The exam committee is assigned by the Glenn School's curriculum committee and approved by the School's director and includes two core faculty members plus the instructor of the class. While the instructor assigns the grade for the assignment as part of the grade for the course, the three member examination committee evaluates separately whether the student achieves successful pass ("Pass" or "marginal pass").

Students who fail the written comprehensive exam will be required to stand for an oral examination with the exam committee during which they will have the opportunity to expand further on their answers to the written exam. MA students failing the oral exam will be required to take a second capstone class in a future semester and also successfully pass the comprehensive exam for that course.

An MA student has only two chances to pass the comprehensive exam. Students passing the exam but failing to achieve a "B" or higher in the course will be required to take another capstone class and exam. Both criteria ("B" or higher in the course and "Pass" or Marginal pass on the exam) are required to graduate.

For Master of Public Administration (MPA) students, the comprehensive examination will simply serve as a midterm examination for the course. Completion of the capstone class with a grade of "B" or higher satisfies the School's capstone requirement for the MPA degree. All other degree requirements must also be successfully met in order to graduate (See Master's Handbook for full requirements).

ATTACHMENT F CAPSTONE PROJECT DELIVERABLES

The analysis and development of a five year financial plan consists of two parts. An individual project focused on context and analysis. And a group project focused on analysis and recommendations.

Individual Portion

Students will choose a government agency or non-profit organization to work on. They are required to submit via e-mail a one page proposal by midnight on January 22 describing the agency, its mission and data availability. These will be discussed in class on January 27. A take home midterm exam to be distributed at the class session on February 24. It will be due at the start of the next session, (March 3). It will be a paper of no more than eight double spaced pages (about 2,400 words) that addresses six to eight questions drawn from Attachment C that will be distributed February 24. It is to be done as an individual project and will be graded individually. This will serve as the capstone exam for all students to whom this requirement applies (see Attachment D).

Group Portion

Students will organize themselves into groups of three to four to work on the second stage of the Capstone project. The group will select an agency or non-profit from one of the approved projects of an individual member of that group. A one page project proposal is due via e-mail by midnight March 13. The end product of the group project will be a presentation and paper, both of which are described below.

Oral presentation – will occur the 13th or 14th sessions (April 14 and 21). This will be a group presentation of no longer than 20 minute progress report on the group project.

Completed Group Project Paper - is due April 28 and will serve as the final exam. This document should include a one page executive summary, about 3,000 words of text, plus up to four graphs or tables.

Summary

Individual project = 1st midterm = comprehensive exam for JG School

Group project = final exam for course

ATTACHMENT G Other Graded Activities

Second Midterm

This will be a written, open book exam administered during the class session on April 7. It will consist of 3-5 short essay questions focusing on the strategic financial management concepts discussed in the second half of the course.

Short Assignments

Students will be expected to complete two short assignments on a contemporary topic related to strategic budgeting. These will be handed out one week in advance and are designed to develop individual skills and are not a formal part of the group project. Each memo should be no longer than one page or 300 words, whichever is less. Each assignment will count for 5% of the student's grade (total 10%). Each assignment will be graded as follows:

- Excellent
- Good
- Satisfactory
- Unsatisfactory
- Missing in Action

Note: Late papers drop one level every six hours. An assignment more than a day late is a zero.