PAD 5227
Managing Public Financial Resources

Summer 2014  
Instructor: Raoul A. Lavin

Tuesday 5:30 to 8:15 pm  
Office: Bellamy 211

Room: Bellamy 0114  
Phone: 850-212-3673

Office Hours: Tuesday 4:15 -5:15 or by Appt.  
E-mail: ral14f@my.fsu.edu

REQUIRED TEXT

READINGS
Other readings will be available on Blackboard. You will be held accountable for ALL the readings in the required book and posted on Blackboard.

TOOLS
The course identifies and manipulates spreadsheet software. The most common spreadsheet software used in budgeting and financial management is Microsoft’s EXCEL which is the focal tool used in this course. A financial calculator (or computer/smart device application with similar functions) is also recommended.

Course Objective:
The purpose of this course is to develop your fundamental knowledge and skills in the management of public financial resources. During the semester we will,
1. Understand the role of financial management in the public sector.
2. Learn various budgeting concepts.
3. Become knowledgeable of the costs in financial management, capital budgeting, long-term financing, and managing short-term resources and obligations.
4. Analyze balance sheets, activity and cash flow statements, financial statement, and financial condition of government or not-for-profit organizations.
5. Gain an understanding of unique aspect of accounting for state and local governments.

Course Methodology:
Most class presentations will include guest speakers, lecture and/or computational problems. However, students are encouraged to ask questions and participate in class discussions. You are expected to complete all required readings and also think about them prior to coming to class, so that you will be able to participate fully and contribute to the exchange of information. Guest speakers will touch upon topic areas as identified in the syllabus. I encourage each of you to take advantage of the expertise of the guest speakers and be prepared to ask questions on issues related to the topic being discussed. Because research, analysis, and written communication are important elements of successful administrators, students will be involved in individual and team assignments. The assignments will involve researching topics, analyzing the results and reporting on the outcomes. Assignments will be evaluated for the logical coherency of thought, accuracy of computations, and quality of written presentation
Evaluation:

*Class Participation (20%)*

Attendance at every class is expected. Completion of readings, participation in discussions, work on in-class discussions, and attendance all count toward participation, which accounts for 20% of the final grade.

University policy on excused absences includes documented illnesses, deaths in the immediate family and other documented crises, call to active military or jury duty, religious holy days, and official University activities. Accommodations for these excused absences will be made in a way that does not penalize students who have a valid excuse. Consideration will also be given to students whose dependent children experience serious illness. If you miss a class, it is your responsibility to obtain complete information on that class from another student in the course. For purposes of this course, work conflicts also constitute excused absences. Up to two such excused absences can be made up with advance notice to the instructor and completion of the homework problems from the book for that week (or another assignment by the instructor), due by the start of the next class date. If you anticipate missing more than two classes, meet with the instructor at the beginning of the course to discuss or consider taking another course. Each unexcused absence or unmade-up absence will lower participation by one half-letter grade (i.e. lowering an A- to a B+).

*Budget Project (20%)*

Develop a budget proposal for a program competing for federal grant funding. The proposal will need to meet the requirements established by the granting agency while accomplishing priorities and goals established by the municipal government. Further instructions and materials for the project will be provided during the course.

Due June 24th.

*Financial Analysis Project (20%)*

The project is focused on offering an applied project in financial management. You are expected to analyze a government or not-for-profit organization’s financial condition and make suggestions for improvement. Instructions for the project will be provided during the course.

Due July 29th.

*Exams (40%. 20% per exam)*

There are TWO take-home exams. The first exam will cover the first half of the course, the other the second half. Exam questions may include short answers, brief essays, problem sets, and/or brief case analyses. All exams are open book, open note, and open technology, but must be entirely your own work.

Mid-term June 24th. Final due July 29th.

REQUIREMENTS AND GRADING

<table>
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<tr>
<th>Component</th>
<th>Percentage</th>
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<tr>
<td>Exams</td>
<td>40% (20% each)</td>
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<tr>
<td>Financial Analysis Project</td>
<td>20%</td>
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<tr>
<td>Budget Project</td>
<td>20%</td>
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<tr>
<td>Participation</td>
<td>20%</td>
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The final grade will be calculated as follows:

A  = 92.50% and ↑  C+  = 77.50% - 79.99%
A-  = 90.00% - 92.49%  C  = 72.50% - 77.49%
B+  = 87.50% - 89.99%  C-  = 70.00% - 72.49%
B   = 82.50% - 87.49%  F   = 69.99% and ↓
B-  = 80.00% - 82.49%

TIME COMMITMENT
Depending on your background in financial management and on the requirements of the week, you should expect to devote five to ten hours of out-of-class study each week. If you do not read the text closely, prepare for and attend class, and complete the assigned work, you will struggle in this class.

POLICIES

The FSU Honor Code
Students are expected to uphold the Academic Honor Code published in the Florida State University Bulletin and the Student Handbook. The Academic Honor Code of The Florida State University requires students to (1) uphold the highest standards of academic integrity in their own work, (2) refuse to tolerate violations of academic integrity in the university community, and (3) foster a high sense of integrity and social responsibility. Violations of the Academic Honor Code are available at http://dof.fsu.edu/honorpolicy.htm and are listed in general from the Academic Honor Code Policy as:

1. PLAGIARISM. Intentionally presenting the work of another as one's own (i.e., without proper acknowledgement of the source).
2. CHEATING. Improper application of any information or material that is used in evaluating academic work.
3. UNAUTHORIZED GROUP WORK. Unauthorized collaborating with others.
4. FABRICATION, FALSIFICATION, AND MISREPRESENTATION. Intentional and unauthorized altering or inventing of any information or citation that is used in assessing academic work.
5. MULTIPLE SUBMISSION. Submitting the same academic work (including oral presentations) for credit more than once without instructor permission. It is each instructor’s responsibility to make expectations regarding incorporation of existing academic work into new assignments clear to the student in writing by the time assignments are given.
6. ABUSE OF ACADEMIC MATERIALS. Intentionally damaging, destroying, stealing, or making inaccessible library or other academic resource material.
7. COMPLICITY IN ACADEMIC DISHONESTY. Intentionally helping another to commit an act of academic dishonesty.
8. ATTEMPTING to commit any offense as outlined above.

The student is responsible for understanding the legitimate use of sources, the appropriate ways of acknowledging academic, scholarly or creative indebtedness, and the consequences of violating this responsibility. Students should pay special attention to # 2, above. Any instance of intellectual dishonesty will result in a grade of F for the course and may result in
suspension or expulsion. If you do not understand the rules for intellectual dishonesty, please ask since you are responsible for adhering to this policy.

**ADA Policy**
Students with disabilities needing academic accommodation should (1) register with and provide documentation to the Student Disability Resource Center; and (2) bring a letter to the professors indicating the need for accommodation and what type. This should be done during the first week of class. The SDRC can be reached at (850) 644-9566. More information can be found at [http://www.fsu.edu/~staffair/dean/StudentDisability/index.html](http://www.fsu.edu/~staffair/dean/StudentDisability/index.html)
<table>
<thead>
<tr>
<th>Date</th>
<th>Session</th>
<th>Topic</th>
<th>Readings</th>
<th>Speaker</th>
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<tbody>
<tr>
<td>May 13</td>
<td>1</td>
<td><strong>Introduction</strong>&lt;br&gt;<strong>Public Financial Management</strong>&lt;br&gt;Topics: Introducing the Importance of Public Financial Management</td>
<td><strong>Readings:</strong> Finkler, Chapter 1  &lt;br&gt;<strong>Guest Speaker:</strong> Challenges in Financial Management for Non-Profit Organizations, Chucha Barber, Past Director of Mary Brogan Museum of Art &amp; Science</td>
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<td>May 20</td>
<td>2</td>
<td><strong>Introduction to Budgeting &amp; Budgeting Approaches</strong>&lt;br&gt;Topics: Importance of Budgeting, Budgeting concepts, different levels of budgets, Performance Based Budgeting.</td>
<td><strong>Readings:</strong> Finkler, Chapter 2 &amp; 3; NASBO, 2008 (skim); Joyce &amp; Pattison, 2010 Appendix 3-A; Ho, 2011  &lt;br&gt;<strong>Guest Speaker:</strong> Importance of Budgeting from Elected Official Perspective - TBA</td>
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<td>May 27</td>
<td>3</td>
<td><strong>Cost Analysis &amp; Revenues</strong>&lt;br&gt;Topics: Cost behavior, Mixed cost analysis, cost allocations, accounting terminology, taxes, fees, equity concerns, rate studies.</td>
<td><strong>Readings:</strong> Finkler, Chapter 4, Appendices 1-A and 11-A; Bartlett, 2012; Marr &amp; Huang, 2012; Tax Policy Center, no date</td>
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<td>June 3</td>
<td>4</td>
<td><strong>Forecasting</strong>&lt;br&gt;Topics: Developing forecasts, assumptions</td>
<td><strong>Readings:</strong> Finkler, Appendix 3-B; Wachs, 1982; Leal, et al., 2008</td>
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<td><strong>Guest Speaker:</strong> State Budget process, forecasting and challenges in a down economy, Jerry McDaniel, Former State of Florida Budget Director</td>
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<td>June 10</td>
<td>5</td>
<td><strong>Capital Budgeting</strong>&lt;br&gt;Topics: Long-term financing, bonds</td>
<td><strong>Readings:</strong> Finkler, Chapters 5 and 6</td>
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<td><strong>Speaker:</strong> Municipal financing, challenges and how to maintain bond ratings, TBA</td>
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<td>June 17</td>
<td>6</td>
<td><strong>Midterm &amp; Budget Project Review</strong></td>
<td><strong>Readings:</strong> Finkler, Chapter 9 (exam questions will draw on this chapter)</td>
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<td>June 24</td>
<td>7</td>
<td><strong>Controls &amp; Managing Cash Flow</strong>&lt;br&gt;Topics: Financial controls, systems, short term obligations, cash flow management</td>
<td><strong>Readings:</strong> Finkler, Chapter 7 &amp; 8; McCall &amp; Klay, 2010, Martell &amp; Kravchuk, 2012  &lt;br&gt;<strong>Guest Speaker:</strong> The Importance of Internal Controls, Sam McCall, Chief Audit Officer – FSU Office of Inspector General Services (former City of Tallahassee Auditor &amp; Deputy Auditor General at Florida Office of the Auditor General)</td>
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<td><strong>Budget Project Due</strong>  &lt;br&gt;<strong>Midterm Exam Due</strong></td>
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<td>July 1</td>
<td>8</td>
<td><strong>Balance sheets</strong>&lt;br&gt;Topics: Accounting practices, assets, liabilities, equity/net assets</td>
<td><strong>Readings:</strong> Finkler, Chapter 10 and Appendix 10-B</td>
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<td>July 8</td>
<td>9</td>
<td><strong>Activity and Cash Flow Statements</strong>&lt;br&gt;Topics: Preparing statements, expenses, revenues, cash flows</td>
<td><strong>Readings:</strong> Finkler, Chapter 11 and Appendices 11-D and 11-E</td>
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<td>July 15</td>
<td>10</td>
<td><strong>Governmental Accounting</strong>&lt;br&gt;Topics: Reporting requirements, government fund accounting</td>
<td><strong>Readings:</strong> Finkler, Chapters 13 and 14  &lt;br&gt;<strong>Speaker:</strong> Governmental Accounting and Challenges - Rick Feldman, City of Tallahassee Accounting Services Manager</td>
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**Notes:**
- June 10: **Capital Budgeting**
  - Topic: Long-term financing, bonds
  - Readings: Finkler, Chapters 5 and 6
  - Speaker: Municipal financing, challenges and how to maintain bond ratings, TBA

**Midterm Exam Due:**
- June 24: **Controls & Managing Cash Flow**
  - Topic: Financial controls, systems, short term obligations, cash flow management
  - Readings: Finkler, Chapter 7 & 8; McCall & Klay, 2010, Martell & Kravchuk, 2012
  - Guest Speaker: The Importance of Internal Controls, Sam McCall, Chief Audit Officer – FSU Office of Inspector General Services (former City of Tallahassee Auditor & Deputy Auditor General at Florida Office of the Auditor General)

**Budget Project Due:**
- June 24: **Controls & Managing Cash Flow**
  - Topic: Financial controls, systems, short term obligations, cash flow management
  - Readings: Finkler, Chapter 7 & 8; McCall & Klay, 2010, Martell & Kravchuk, 2012
  - Guest Speaker: The Importance of Internal Controls, Sam McCall, Chief Audit Officer – FSU Office of Inspector General Services (former City of Tallahassee Auditor & Deputy Auditor General at Florida Office of the Auditor General)
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<tr>
<td>July 22:</td>
<td>Session 11</td>
<td>Financial Statement Analysis</td>
<td>Topics: Reporting requirements, the Audit, Opinion Letters</td>
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<td>Readings: Finkler, Chapters 15</td>
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<td>July 29:</td>
<td>Session 12</td>
<td>Financial Condition Analysis</td>
<td>Topics: Analyzing statements, financial condition, ratio analysis</td>
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<td>Readings: Finkler, Chapters 16; Bifulco, et al., 2012</td>
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<td>Financial Analysis Project Due</td>
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<td>Final Exam Due</td>
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*Syllabus may be modified as necessary during the semester.*