

**The University of Western Ontario
Department of Political Science**

**PUBLIC ADMINISTRATION 9912b - FINANCIAL MANAGEMENT
Course Outline
Winter 2011**

Instructor: Ruth Ann Strickland, BA, CGA
Office: Social Science Centre, Room 2234
Office Hours: Monday: 11:00–12:00; Tuesday: 11:00-1:00
Email: rstrickl@uwo.ca
Class Schedule:

Date	Time	Room
January 21, 2011	3:30 to 6:30	SSC 4255
January 22, 2011	9:00 to 4:00	SSC 4255
February 25, 2011	3:30 to 6:30	SSC 4255
February 26, 2011	9:00 to 4:00	SSC 4255
April 1, 2011	3:30 to 6:30	SSC 4255
April 2, 2011	9:00 to 4:00	SSC 4255

Course Objectives:

The purpose of this course is to provide students with a framework for analyzing resource allocation issues in municipal organizations in particular and in non profit organizations in general. The student will develop a background in the assessment of effectiveness and efficiency within individual work units and in the organization as a whole. This course will focus on problem solving and decision making through the use of case analysis. Topics cover a broad spectrum including financial accounting, management accounting, management control systems and financial management. We will address the external reporting environment, cost behaviour and analysis, allocated costs, relevant costs, capital budgeting, budgeting and responsibility centres, and financial analysis.

Required Texts:

Bergeron, Pierre, 2011, *Finance for Non-Financial Managers*, 6th edition, Nelson Canada: Toronto
Siegel, David, *Preparing the Budget in River City*, IPAC Case Study 1.72, Institute of Public Administrators of Canada Case Study Program.

Evaluation:

Individual Take-Home Assignments (2 x 25%)	50%
Group or Individual Project	40%
Class Participation	10%
Total Course Evaluation	100%

Individual Take-Home Assignments:

Individual take-home assignments will give the students an opportunity to apply their knowledge of Financial Management to several topics in greater depth. Assignments are due two weeks after their distribution and are to be submitted electronically to the email address above. See Class Schedule below for due dates. Take-home assignments will be graded by the next weekend session. Late submissions will not be accepted for grading and will receive a grade of zero.

All required readings and additional resources will serve as a starting point for each assignment, but further supplementation may occur with other relevant articles, books, websites and journals as appropriate. Literature sources from local government and business may also be consulted.

Group or Individual Project:

The group project will allow groups of 2 to 4 students (or individuals if that is a personal preference) to work on a financial management decision made at the municipal or not-for-profit level. Groups will be required to select a local government or organization and analyze one of its financial decisions in a written submission. **The organization must be one that has not employed any of the group members.** The paper must contain a description of the nature of the decision, the ramifications of the decision, and the related political and other issues that may have an impact on the decision. You are required to present your own recommendation with respect to the decision. Late submissions will not be accepted for grading and will receive a grade of zero.

Your analysis must involve working with the financial analysis tools discussed in this course. Your final written submission must include an analysis and evaluation of the risks inherent in the assumptions that underlie your recommendations.

Specifically, your group is required to perform the following tasks:

1. Using PUBLICLY AVAILABLE documents only, gather as much background information as you can about a decision that has already been made, or that is currently in process. The documents you review could include Council, Board or Committee minutes, copies of reports presented to Council, newspaper articles,

etc. Suggested decisions might include: departmental budgets, decisions regarding the purchase of capital equipment, financing decisions, contracting out decisions, deficit management decisions, decisions related to productivity of staff, or decisions regarding expansion or reduction of services.

2. If possible, interview the people involved in the decision - this could involve municipal staff, council or board members, or members of the public who have played an active role in the decision making process.
3. Your final written assignment must provide a detailed analysis of the decision you have selected. Discuss various points of view and persons or groups impacted. STATE your recommendations.

Please consult the checklist for minimally acceptable standards for written papers in this course at the end of this course outline. Citations and references should follow the APA style as detailed on the checklist on the last page of this course outline. Each assignment must follow these guidelines:

- Page limit – fifteen (15) pages of text, not including Title Page, Appendix and Bibliography
- Spacing – double-spaced
- Font – 12 - Arial or Times New Roman
- Margins – one inch
- Due Date: April 21, 2011, noon.

Group assignments will be evaluated with the following criteria:

1. concise statement of problem, question or issue
2. evidence to support the argument
3. relevant strategies or recommendations
4. appropriate use of available resources
5. application of financial management tools
6. logical structure and organization
7. professional appearance
8. grammar, punctuation and citation format

Policy on Plagiarism:

Plagiarism is a serious academic offence and will not be tolerated. As quoted in the Handbook of Academic Policy of The University of Western Ontario, Plagiarism is defined as "The act of appropriating the literary composition of another, or parts of passages of his/her writings, or the ideas or language of the same, and passing them off as the product of one's own mind." (See www.uwo.ca/univsec/handbook). "Plagiarism can apply to any type of academic assignment, including essays, labs, journals, computer projects, media projects, etc."

Class Participation:

Class participation marks are awarded to students that make individual and thought-provoking contributions during each class. These contributions are expected to reflect positive, respectful interactions with other students and the instructor and the application of relevant materials to the discussion. Class participation marks also ensure good attendance for each class. Missed classes will negatively affect your grade.

CLASS SCHEDULE (May be subject to revisions)

Date	Topics	Readings
Jan 21, 22, 2011	1) Course Introduction 2) Financial Accounting 3) Financial Statements 4) Tangible Capital Assets Reporting 5) Analysis of Financial Statements Assignment #1 Distributed	Textbook: <ul style="list-style-type: none"> • Finance for Non-Financial Managers, Chapters 1, 2 and 4 (pages 148-163 and 191-192) WebCT: <ul style="list-style-type: none"> • Conceptual Framework for Accounting – PowerPoint presentation • PSAB/Asset Management • 20 Questions About the Government Reporting Entity • Guide To Accounting For And Reporting Tangible Capital Assets (Chapter 1 – pages 7-13) • City of London Financial Report – 2009 – (print and bring to class) • Financial Statement Review document – (print & bring to class) • BMA Report – (<u>Key pages to be discussed in class</u>) • <u>Case Study - please review this case BEFORE class, and bring a copy of it with you. We will discuss it in class.</u> Case Study 1: City of Sweetwater
Feb 3, 2011	Assignment #1 Due via email	
Feb 25, 26, 2011	Operational Budgeting Capital Budgeting Assignment #2 Distributed	Textbook: <ul style="list-style-type: none"> • Finance for Non-Financial Managers – Chapter 7 (pages 298-334 and 338-352), 10, and 11 (pages 512 to 533 and 536-553) WebCt <ul style="list-style-type: none"> • Power Point Presentation(s) • Recommended Budget Practices – Government Finance Officers Association Publication • <u>Please review the following cases before class, and bring a copy of them with you. They will be done in class.</u> Case Study 2 – Budget Simulation – <i>Preparing the Budget in River City</i> Case Study 3: Parking Garage Woes

March 10, 2011	Assignment #2 Due via email	
April 1, 2, 2011	6) Management Accounting 7) Cost Allocations 8) Relevant Costs 9) Activity Based Costing 10) Pricing 11) Output Measures	Textbook: <ul style="list-style-type: none"> • Finance for Non-Financial Managers – Chapter 5 WebCt <ul style="list-style-type: none"> • PowerPoint Presentation(s): • Guide to Preparing Public Performance Reports • City of London MPMP Report Cards • Ontario's MPMP – Fostering Innovation and Accountability in Local Government • Please READ the following case for this weekend before class, and bring a <u>copy of it with you. It will be discussed in class.</u> Case Study 4: Charlottesville Fire Department • Other cases may be added if time allows
April 21	Group Project Due	<ul style="list-style-type: none"> • Email submission of group project

CHECKLIST FOR MINIMALLY ACCEPTABLE WRITTEN PAPERS

This checklist should serve as a guide to minimally acceptable criteria for written papers. Please note that these are MINIMAL guidelines. Adhering to them without the content specified in the assignment is not enough for a passing grade. The checklist includes:

- ✓ Title page with title of paper, name of student, mailbox number, class, section, semester and date
- ✓ Minimum font size is 12-point type
- ✓ Suitably dark impression
- ✓ Double-spaced lines
- ✓ Pages numbered
- ✓ Section headings relevant to content
- ✓ Citations in APA style (see below) for all ideas or claims drawn from other sources, including personal and online sources
- ✓ Reference list of all cited works in APA style at end of paper
- ✓ Includes print as well as web-based sources
- ✓ Includes peer-reviewed articles and/or scholarly works
- ✓ Correct grammar and spelling, particularly:
 - Knowing the difference between plurals and possessives, such as *governments* (plural) and *government's* (possessive) or *governments'* (plural-possessive)
 - Agreement between the subject and verb
 - Using complete sentences, not sentence fragments
 - Not using single-sentence or run-on paragraphs
 - Using *a*, *an*, and *the* appropriately
 - Agreement in number between pronouns and the nouns to which they refer; i.e., do not use sentences like "*the student (singular) must turn in their (plural) papers by...*"

Citation in APA Style:

Details of this style can be found in the Publication Manual of the American Psychological Association, Fifth Edition. Weldon Library has a copy. There is a web-based guide at: <http://www.lib.uwo.ca/weldon/guides/styleguides/apastyle.html> which will help you get started. However for more complex sources (e.g., article with three to five authors) you will need to consult the APA publication manual. In particular, citations for electronic sources must include the source such as the aggregated database from which the article was retrieved; online journal; website or web page; newsgroup; web- or email-based discussion group; or web- or email-based newsletter. A brief guide to citation of electronic sources can be found at: <http://www.apastyle.org/elecref.html>.

Example of online periodical:

Author, A.A., Author, B.B., & Author, C.C. (year of publication). Title of article. *Title of Periodical*, v, pages. Retrieved <date> from <source>.

Example of online document:

Author, A.A. (year of publication). *Title of Work*, v, pages. Retrieved <date> from <source>.

Example of newspaper article:

Author, A.A. (year, date of publication). Title of article. *Title of Newspaper*, v, pages.

Introduction to Case Analysis

What is a Case?

- A case is a representation of an organizational situation that typically has issues or problems that need to be resolved.
- Some introductory cases are directed to financial management audiences primarily while other more demanding cases increase the complexity of analysis by citing many disciplines in a comprehensive manner.
- A case is commonly written from the perspective of one individual and so it is important to adopt a “role” from that one individual’s perspective.
- A case is an instructional tool that is used to expand a student’s analytical skills associated with certain conceptual and human dimensions in a limited time horizon.

What is included in a Case Analysis?

- Whether analyzed in written or spoken form, a case analysis follows a basic problem solving model.
- Some generic questions that may be applicable to a variety of cases include:
 1. What is the main issue or problem that must be addressed by the decision maker? If this issue is not addressed immediately what consequences might result?
 2. What are some of the minor issues or problems that are important but do not have to be resolved right away?
 3. What assumptions are you making to narrow down the scope of the case into a manageable size?
 4. Who is the decision maker? Are you adopting this person’s perspective?
 5. What information will be generated from that analysis and who will use it, and for what purpose?
 6. What is the time-frame in which the problem must be solved? Make this your time-frame.
 7. What is the relevant information upon which decisions can be made?
 8. What are the alternative solutions to the problems or issues?
 9. What is recommended as the most suitable solution (as opposed to the most ideal) to these issues or problems? And why?
 10. When, how, and by whom will the solution be implemented?
 11. How and by whom will this situation be monitored in the future?
 12. What are your final comments and insights into the effectiveness of the resolution to this case?

Case Analysis Format

The questions above may be organized into a generic format like:

- 1. INTRODUCTION (BACKGROUND OF CASE)**
- 2. FINANCIAL MANAGEMENT ISSUES OR PROBLEM IDENTIFICATION**
- 3. ASSUMPTIONS**
- 4. ANALYSIS OF ISSUES/PROBLEMS**
- 5. ALTERNATIVE SOLUTIONS TO ISSUES/PROBLEMS**
- 6. RECOMMENDATION (PRESENT MOST REALISTIC SOLUTION)**
- 7. IMPLEMENTATION, FEEDBACK AND MONITORING**

Other comments

- Students are often a bit apprehensive about learning how to analyze cases because they try to search for the one correct answer and it does not exist.
- Life experience and work experience give each student a unique perspective which is important in the case analysis process.
- Fortunately, with effective case analysis there are many relevant and appropriate solutions to different issues and as many as possible should be exposed.
- Students are encouraged to explore the knowledge they have in a particular course and attempt to apply it to a case situation.
- With time and practice, most students enjoy the case method experience because it allows them to be creative and think outside of the box about real issues faced by real people in the political environment.
- Students are advised to focus their attention on relevant issues only and remember that time and space constraints will require concise writing.
- Case analysis is enhanced with lots of communication and brain-storming sessions with your peers.
- Start your case analysis early and give your ideas time to evolve.