Westminster College
ACC-342 (01) – Not-for-Profit Accounting
Keith B. Bittel, CPA, EA, MS Ed
Old Main 314, Tuesday, 9:20 – 10:50 am

Office: Old Main 223
Office Hours: M-W-F 12:10 – 12:50 pm, 3:00-3:30 pm
T-9:00 – 9:20 am
R-10:20 – 11:00 am
& by appointment
Phone: 724 – 946 – 6834 – Campus
412 – 443 – 7850 – Mobile
E-mail: bittelkb@westminster.edu

COURSE DESCRIPTION:
ACC-342 – Not-For-Profit Accounting is an introductory course that will discuss the principles of accounting and reporting for not-for-profit organizations such as colleges, universities, and health care organizations. The course will highlight the differences between for-profit and not-for-profit accounting, cover how to prepare basic budgets and financial statements for not-for-profit organizations and examine the management and auditing requirements that are unique to not-for-profit organizations.

The process for forming a not-for-profit entity, obtaining exempt status from the Internal Revenue Service, fundraising/donor issues, achieving financial sustainability and measuring program effectiveness will also be explored.

COURSE LEARNING OUTCOMES & OBJECTIVES:
At the conclusion of this course, students should be able to:
I. Understand the purpose and structure of not-for-profit organizations.
II. Identify compliance and disclosure requirements related to not-for-profit organizations.
III. Interpret and apply financial accounting & reporting standards that pertain to not-for-profit organizations.
IV. Classify and report a not-for-profit’s net assets in three categories based on level of restrictions placed on the net assets by donors.
V. Account for donations, grants, pledges to give and other forms of revenue for not-for-profit organizations.
VI. Use resources available to the public to analyze the financial condition of a not-for-profit organization.
VII. Properly allocate costs between the program, administrative and fundraising functions of a not-for-profit organization.
VIII. Apply principles related to the recognition of revenue by not-for-profit and public institutions of higher learning.
IX. Account for student loans and grants.
X. Properly recognize the various types of revenues earned by not-for-profit health care organizations.
XI. Distinguish between bad patient debts and charity care.
XII. Understand the role of budgets as well as the budget process in a not-for-profit organization.
XIII. Compare and contrast program budgets vs object classification budgets.
XIV. Explain how to measure achievement of organizational objectives.
XV. Understand the audit process for not-for-profit organizations as well as when audits are necessary.
TEXT & SUPPLIES:

Non-programmable calculator: You will NOT be permitted to use a programmable (scientific) calculator or the calculator on your phone during quizzes and exams. Basic, inexpensive non-programmable calculators are available at Staples, Wal-Mart and other stores for less than $5.

CLASS PROCEDURES:
Classroom instruction will consist of lecture, discussion, problem solving and use of supplemental materials/resources to reinforce concepts covered in class. Students are expected to read each chapter prior to that particular chapter being discussed in class. This will allow for classroom discussions and provide students with information that will be necessary for completing in-class and homework assignments. Quizzes will be administered to periodically test student understanding of the text readings.

After introduction of the information in each new chapter, problems will be completed during class so that students can apply concepts covered in the reading. Completion of problems in the class will also provide students an opportunity to ask questions and get assistance from the instructor. Homework problems will be assigned to provide students with a chance to independently apply what they are learning. Selected homework problems will be reviewed in class.

Class time will be spent on problem solving, analyzing cases, applying concepts learned and dissemination of information required for classroom learning. Any concern that a student may have with the class should be addressed during a scheduled meeting with the instructor during office hours or other appointed time.

Cell phones are to be turned off and texting is not permitted. Failure to comply may result in a reduction of your grade. Those who are late or disruptive may be required to leave.

Leaving the class to go to the restroom or any other reason during an exam is discouraged. If it is an absolute necessity that you go to the restroom while taking an exam, you must ask for permission and leave your phone, any other electronic device and notes in the classroom.

ACADEMIC DISHONESTY
Cheating, plagiarism, use of unauthorized materials in class, turning in another students work as if it’s your own, divulging information regarding examinations and other forms of academic dishonesty will be taken very seriously and will be handled as noted in the Undergraduate Catalog. Suspension or permanent dismissal from the College is two of the possible consequences of academic dishonesty.

Refer to the College’s Academic Integrity policy on pages 65 – 69 of the Undergraduate Catalog for examples of academic dishonesty and the consequences of engaging in such activities.

ATTENDANCE:
In this course, attendance is required and is also necessary to achieve academic success. Regular attendance in class allows for in-depth discussion of accounting concepts with the instructor and classmates, guided practice in the completion of in-class problems and review of homework assignments all of which serve to enhance and reinforce student learning. Attendance is, therefore, expected at all regularly scheduled classes.

The grading for the course contains an attendance/participation component worth 20 points. Those students who have 2 or fewer unexcused absences will maintain this grade. After 2 unexcused absences, 10 points will be deducted from your grade for each absence. Accumulating more than 4 unexcused absences may result in further reduction to your course grade.

An excused absence, as defined by the Class Attendance and Excused Absences policy found on pages 64 & 65 of the Undergraduate Catalog, will not count as an absence in regards to determining your attendance grade. However, in order for the absence to be considered excused, written notification must be received prior to the class. E-mail is an acceptable form of communication. Written verification may be requested by the instructor in order to validate an absence as excused. The instructor withholds the right to determine whether an absence will be considered excused or not.
Missing class for reasons such as feeling run down, feeling stressed, being “under the weather”, your dog is having puppies, having to go to work, needing to drive someone to the airport, and etcetera will be counted as unexcused.

Students are expected to agree to a learning contract as part of this class. **10 points will be deducted from your grade should the learning contract not be returned by the 3rd scheduled class.**

**METHODS OF ASSESSMENT**

Student mastery of the course’s learning outcomes will be measured utilizing methods listed below.

**HOMEWORK ASSIGNMENTS:**

Homework will be completed on line using the textbook’s WileyPlus feature. Each chapter’s homework will be graded on line. In class, you will receive instructions on how to complete the homework and the different features of the online system.

Beyond any specific homework grade, homework will weigh heavily on an individual’s overall grade. Tests are heavily problem oriented, and thus memorization without problem practice will not be an effective way to prepare for tests. Accounting is learned with practice. Completing homework is the most effective test preparation method. Making notations during our class review of problems will help you identify what you did wrong when studying for tests.

Other problems not assigned as homework will be reviewed in class. Participation in the discussion of in class problems will significantly affect a student’s class participation grade. Not having prepared for these problems, and thus not being prepared for homework discussions, reduces a student’s class participation grade.

**CASE/INDEPENDENT PROJECT:**

You will have the opportunity to complete an exercise in writing, analysis and communication. You will analyze a business situation and write your recommendation. Each student will complete their own analysis. Full details will be presented in class.

**QUIZZES:**

Quizzes will occur throughout the term on an unannounced basis. The number of quizzes will depend on the level of preparedness the class as a whole demonstrates and will be at the instructor’s discretion. Quizzes serve as an important assessment tool that will be used by the instructor to evaluate student learning. However, students should also use the quizzes to self-evaluate their learning. The policy for make-up quizzes will follow the same policy as exams. Please read the Testing section of the syllabus for details.

**TESTING:**

All exams and quizzes are required. While the information covered in each chapter builds upon knowledge learned in previous chapters, only information presented since the prior exam will be tested. The testing format will consist of multiple choice, short answer, problem solving and essay. Each test will be comprised of some but not necessarily all of each component.

You should show all work when completing problems. Partial credit will be given only if it can be determined exactly what you did. In addition, the following could result in lost points.

1. You will be required to write in proper business style, **brief, concise and clear**, because only you are responsible for the successful communication of your thoughts. All work, not just the final answer, must be legible, comprehensible and easy to follow to insure maximum credit. It will help to use a pencil. I won’t try to “figure out” your work or your final answer.

2. A correct conclusion which contains incorrect methodology or supporting data (in other words, you got lucky) may result in less than full credit for a particular question.

3. Portions of responses written that do not address the question, even if the remainder of the answer correctly responds to the question, may also result in less than full credit. Providing information that is not requested is an incorrect response to the question.
EXAM MAKE-UP POLICY:

As a general rule, there will be no make-up exams. However, in certain situations a legitimate request may be granted. Requests may be granted if they meet the criteria for excused class absences and absences from exams as defined by the Class Attendance and Excused Absences Policy found on pages 64 & 65 of the Undergraduate Catalog. Feeling “under the weather”, “worn down” or being “very busy” does not qualify as acceptable excuses for missing class or an exam.

A written request must be submitted prior to the time of the exam. E-mail constitutes an acceptable method of written notification. The make-up exam must be taken before the regular test is returned to the class for review and it is up to the student to contact the instructor to make arrangements to take the make-up exam.

FINAL EXAM:

There will be a comprehensive final exam in this course. The exam may utilize one or several of the following testing formats: multiple choice, true false, short answer, problem solving and essay. The final exam for this class will take place in OM 314 on Wednesday, May 9, 2018 at 8:00 am.

GRADING:

Students will have the opportunity to earn points on exams, quizzes, assignments, class discussion, etc. At any point during the term, your average can be calculated by dividing the number of points you have earned by the total possible points. Extra credit will NOT be available for this class.

Grades may be calculated on a “curved” grading scale, however, do not expect this to be the case. The decision to implement a “curved” grading scale will not be made until the end of the term. Understand that your grade and whether or not a curve adjustment is utilized are at the discretion of the instructor.

<table>
<thead>
<tr>
<th>Grade</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>≥ 92%</td>
</tr>
<tr>
<td>A-</td>
<td>&lt; 92 ≥ 90%</td>
</tr>
<tr>
<td>B+</td>
<td>&lt; 90 ≥ 88%</td>
</tr>
<tr>
<td>B</td>
<td>&lt; 88 ≥ 83%</td>
</tr>
<tr>
<td>B-</td>
<td>&lt; 83 ≥ 80%</td>
</tr>
<tr>
<td>C+</td>
<td>&lt; 80 ≥ 78%</td>
</tr>
<tr>
<td>C</td>
<td>&lt; 78 ≥ 73%</td>
</tr>
<tr>
<td>C-</td>
<td>&lt; 73 ≥ 70%</td>
</tr>
<tr>
<td>D+</td>
<td>&lt; 70 ≥ 68%</td>
</tr>
<tr>
<td>D</td>
<td>&lt; 68 ≥ 63%</td>
</tr>
<tr>
<td>D-</td>
<td>&lt; 63 ≥ 60%</td>
</tr>
<tr>
<td>F</td>
<td>&lt; 60%</td>
</tr>
</tbody>
</table>

COMPONENTS OF EVALUATION:

Your grade will be comprised of the following components:

<table>
<thead>
<tr>
<th>Category</th>
<th>Points</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attendance/Learning Contract</td>
<td>30</td>
<td>7.5</td>
</tr>
<tr>
<td>Homework &amp; Writing Assignments</td>
<td>100</td>
<td>25.0</td>
</tr>
<tr>
<td>Quizzes</td>
<td>50</td>
<td>12.5</td>
</tr>
<tr>
<td>Exams</td>
<td>120</td>
<td>30.0</td>
</tr>
<tr>
<td>Final Project &amp; Final Exam</td>
<td>100</td>
<td>25.0</td>
</tr>
<tr>
<td>Totals</td>
<td>400</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Accessibility Statement

Westminster College actively strives for the full inclusion of all our students. Students with disabilities who require access solutions for environmental or curricular barriers should contact Faith Craig, Director of Disability Resources, located in 209 Thompson-Clark Hall. Phone: 724-946-7192 e-mail: craigfa@westminster.edu
## ACC 342 Not-for-Profit Accounting Course Schedule*

### Spring 2018

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Chapter</th>
<th>Pages</th>
<th>Related Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/16</td>
<td>Introduction to class /Formation &amp; Jurisdiction of Not-for-Profit entities/IRS Exempt status/Public Disclosure Requirements</td>
<td>N/A</td>
<td>N/A</td>
<td>I, II</td>
</tr>
<tr>
<td>1/30</td>
<td>Revenue Recognition and Accounting for Pledges &amp; Contributions</td>
<td>12</td>
<td>528 - 571</td>
<td>V, VI</td>
</tr>
<tr>
<td>2/6</td>
<td>Allocating Expenses Across Functions / Analyzing Effective Use of Funds</td>
<td>12</td>
<td>528 - 571</td>
<td>V, VI, VII</td>
</tr>
<tr>
<td>2/13</td>
<td>Ratio analysis of NPOs/Conclusion of unit</td>
<td>12</td>
<td>528 - 571</td>
<td>I – VII</td>
</tr>
<tr>
<td>2/20</td>
<td>Exam Unit 1</td>
<td>12</td>
<td>528 - 571</td>
<td>I - VII</td>
</tr>
<tr>
<td>2/27</td>
<td>Colleges &amp; Universities – Public v. Private, Recognizing Tuition Revenue</td>
<td>13</td>
<td>587 - 610</td>
<td>VIII</td>
</tr>
<tr>
<td>3/6</td>
<td><strong>No Class – Spring Break</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3/13</td>
<td>Accounting for student loans, grants, evaluating financial health of colleges</td>
<td>13</td>
<td>587 - 610</td>
<td>VIII, IX</td>
</tr>
<tr>
<td>3/20</td>
<td>Accounting for Not-for-Profit Healthcare Providers</td>
<td>14</td>
<td>626 - 644</td>
<td>X, XI</td>
</tr>
<tr>
<td>3/27</td>
<td>Conclusion of Higher Education and Healthcare Unit</td>
<td>14</td>
<td>626 - 644</td>
<td>VIII, IX, X, XI</td>
</tr>
<tr>
<td>4/3</td>
<td><strong>No Class – Monday Classes Meet</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4/10</td>
<td>Accountants’ role in the management of Not-for-Profit organizations/Internal Financial Reporting</td>
<td>15</td>
<td>661 - 688</td>
<td>XII</td>
</tr>
<tr>
<td>4/17</td>
<td>Budgeting Process and auditing requirements for Not-for-Profit organizations</td>
<td>15</td>
<td>661 - 688</td>
<td>XII, XIII, XIV</td>
</tr>
<tr>
<td>4/24</td>
<td>Service Effort &amp; Accomplishments Indicators/Final Project Interim Assessment</td>
<td>15</td>
<td>661 - 688</td>
<td>XIV, XV</td>
</tr>
<tr>
<td>5/1</td>
<td>Audit requirements for not-for-profits</td>
<td>16</td>
<td>702 - 722</td>
<td>XV</td>
</tr>
<tr>
<td>5/9</td>
<td><strong>Final Exam on Wednesday at 8:00am Final Projects Due</strong></td>
<td></td>
<td></td>
<td>I - XV</td>
</tr>
</tbody>
</table>

*Schedule is tentative and subject to change.
Learning Contract for ACC 342 – Not-for-Profit Accounting
(Please sign and turn in by 3rd scheduled class.)

Print Name _____________________________
                     Last, First

I have read and understand the course syllabus and agree to abide by the following:  

1. I read and understand the class procedures as listed in the course syllabus.  

2. I read and understand the attendance policy as listed in the course syllabus. Furthermore,  
   I recognize that missing even one class impairs my ability to get needed material from this course.  

3. I agree to bring the text and supplies as listed on the course syllabus to every class.  

4. I agree to make a good faith effort to complete my homework prior to class as noted in the  
   course syllabus.  

5. I understand that if I cannot take an exam or quiz at the scheduled time, it is my obligation  
   to personally contact the professor to find a viable alternative. Failure to follow these instructions  
   will result in a zero.  

6. I understand when the final exam is scheduled and will be available at that time.  

7. I understand that cell phones are to be turned off or set to vibrate during class.  

8. I am committed to abiding by the course syllabus & doing my best to be successful in this course.  

Signed ___________________________ Date ___________

Initials