

## Accounting 370 – Fund Accounting

### MISSION STATEMENT:

Friends University, a Christian University of Quaker heritage, equips students to honor God and serve others by integrating their intellectual, spiritual and professional lives.

### Instructor information

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Name:

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Email:

### Course Description

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A study of accounting principles and procedures for governments and not-for-profit entities including an analysis of financial performance and the budgeting process.

**Credit Hours: 3**

### Overview and Course Goals

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Course Objectives: The student that successfully completes the ACCT 370 - Governmental and Not-for-Profit Accounting course will demonstrate the following:

1. Identify the sources of authoritative guidance, rules, and regulations that govern current reporting to external entities of governments and not-for-profit entities.
2. Understand the key accounting procedures used in accounting and reporting for governments and not-for-profit entities.
3. Apply key accounting procedures used in accounting and reporting for governments and not-for-profit entities.
4. Differentiate between accounting for governments and not-for-profits entities from for-profit entities.
5. Understand the budgeting process and procedures for a state or local government.

Understand and analyze the financial performance of a state or local government.

## Course Policies

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### ONLINE PARTICIPATION

Participation online is expected throughout the course. Content areas may include discussions, written assignments, quizzes, Internet resources, etc. Each week will be different depending on the assignments required. **A class week is defined as seven days: Monday through Sunday.**

All official university communication will use Friends University issued email accounts. All assignments will be submitted via the Moodle System.

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### ATTENDANCE POLICY

Online attendance is determined by participation in each weekly session.

Successful learning from online courses requires the active and frequent participation and interaction of students through discussion questions. Participation early in the week allows other students to learn and gain insight from your thoughts. Please make efforts to engage throughout the week.

## Course Materials

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REQUIRED SOURCES:

ADDITIONAL RESOURCES:

## Grading Policy

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A = 90 to 100%  
B = 80 to 89.9%  
C = 70 to 79.9%  
D = 60 to 69.9%  
F = Less than 60%

## Course Structure and Grades

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ACTIVITY	AMOUNT	POINTS	TOTAL POINTS	PERCENT
PARTICIPATION	6	5	30	5%

WEEKLY ASSIGNMENTS	8	10	80	13%
CHAPTER EXAMS	3	75	225	36%
PROJECTS	2	75	150	24%
FINAL EXAM	1	125	125	20%
REFLECTIONS	1	20	20	3%
<b>TOTAL</b>			630	

### **Weekly Assignments**

There will be assignments due each week in MOODLE. The assignments will cover concepts discussed during lecture that week. All assignments will be due by **Sunday at 11:59pm.**

### **Class Projects**

Students will complete two projects in this course. The first project will be a review of GASB standards and the second project will be a review and analysis of the financial performance of a local government.

### **Chapter Exams**

Chapter exams will be timed exams and you will have one attempt to complete the exam. Exams will be completed in MOODLE and due by **Tuesday at 11:59pm** of the week assigned.

### **Final Exam**

The final exam will be 60% new material and 40% comprehensive. The exam will be timed and you will have one attempt to complete the exam. **The final will be completed in MOODLE.**

## Friends University Catalog Links

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### ADA Student Services

[http://catalog.friends.edu/content.php?catoid=4&navoid=172#disa\\_serv](http://catalog.friends.edu/content.php?catoid=4&navoid=172#disa_serv)

### Student Conduct

[http://catalog.friends.edu/content.php?catoid=4&navoid=172#stud\\_cond\\_code](http://catalog.friends.edu/content.php?catoid=4&navoid=172#stud_cond_code)

### Academic Honesty & Honor Code

[http://catalog.friends.edu/content.php?catoid=4&navoid=172#acad\\_hono\\_code](http://catalog.friends.edu/content.php?catoid=4&navoid=172#acad_hono_code)

## Week 1

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### Lesson Title

#### Expected Outcomes:

After completing Week 1 activities, students will be able to:

#### Chapter 1:

- Identify and explain the characteristics that distinguish government and not-for-profit entities from for-profit entities.
- Identify the authoritative bodies responsible for setting financial reporting standards for (1) state and local governments, (2) the federal government, and (3) not-for-profit organizations.
- Contrast and compare the objectives of financial reporting for (1) state and local governments, (2) the federal government, and (3) not-for-profit organizations.
- Explain the minimum requirements for general purpose external financial reporting for state and local governments and how they relate to comprehensive annual financial reports.
- Identify and describe the required financial statements for the federal government and not-for-profit organizations.

#### Chapter 2:

- Identify and explain the characteristics that distinguish government and not-for-profit entities from for-profit entities.
- Identify the authoritative bodies responsible for setting financial reporting standards for (1) state and local governments, (2) the federal government, and (3) not-for-profit organizations.
- Contrast and compare the objectives of financial reporting for (1) state and local governments, (2) the federal government, and (3) not-for-profit organizations.
- Explain the minimum requirements for general purpose external financial reporting for state and local governments and how they relate to comprehensive annual financial reports.
- Identify and describe the required financial statements for the federal government and not-for-profit organizations.

***Readings and Materials:***

Chapters 1 & 2

## **Week 2**

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### **Lesson Title**

**Expected Outcomes:**

After completing Week 1 activities, students will be able to:

Chapter 3:

- Describe how operating revenues and expenses related to governmental activities are classified and reported in the government-wide financial statements.
- Distinguish, in governmental funds, between Revenues and Other Financing Sources and between Expenditures and Other Financing Uses.
- Explain how revenues and expenditures are classified in the General Fund and other governmental funds.
- Explain how budgetary accounting contributes to achieving budgetary control over revenues and expenditures, including such aspects as:
  - Recording the annual budget.
  - Accounting for revenues.
  - Accounting for encumbrances and expenditures.
  - Accounting for allotments.
  - Reconciling GAAP and budgetary amounts.
- Describe governmental accounting systems.
- Explain the classification of revenues and expenditures of a public school system.

***Readings and Materials:***

## Week 3

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### Lesson Title

#### Expected Outcomes:

After completing Week 1 activities, students will be able to:

Chapter 4:

- Analyze typical operating transactions for governmental activities and prepare appropriate journal entries at both the government-wide and fund levels.
- Prepare adjusting entries and a pre-closing trial balance.
- Prepare closing journal entries and year-end General Fund financial statements.
- Account for interfund and intra- and inter-activity transactions.
- Account for transactions of a permanent fund.
- Distinguish between exchange and nonexchange transactions, and define the classifications used for nonexchange transactions.

#### *Readings and Materials:*

Chapter 4

## Week 4

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### Lesson Title

#### Expected Outcomes:

After completing Week 1 activities, students will be able to:

Chapter 5:

- Describe the nature and characteristics of general capital assets.
- Account for general capital assets, including: acquisition, maintenance, depreciation, impairment, and disposition.
- Explain the purpose, characteristics, and typical financing sources of a capital projects fund.
- Prepare journal entries for a typical capital project, both at the fund level and within the governmental activities category at the government-wide level.
- Prepare financial statements for capital projects funds.

Chapter 6:

- Explain what types of liabilities are classified as general long-term liabilities.
- Make journal entries in the governmental activities general journal to record the issuance and repayment of general long-term debt.
- Prepare note disclosures for general long-term debt.
- Describe the reasons for statutory debt limits and explain the terms debt margin and overlapping debt.
- 6-5 Explain the purpose and types of debt service funds.
- 6-6 Make appropriate journal entries to account for activities of debt service funds.

***Readings and Materials:***

Chapters 5 & 6

## **Week 5**

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### **Lesson Title**

**Expected Outcomes:**

After completing Week 1 activities, students will be able to:

Chapter 7:

- Describe the characteristics of proprietary funds, including those unique to internal service and enterprise funds.
- Distinguish between the purposes of internal service funds and enterprise funds.
- Explain proprietary fund financial reporting requirements, including the differences between the reporting of internal service and enterprise funds in the government-wide and fund financial statements.
- Describe accounting procedures and prepare journal entries and financial statements for an internal service fund.
- Describe accounting procedures and prepare journal entries and financial statements for an enterprise fund.
- Explain special topics in accounting for the business-type activities of state and local governments.

Chapter 8:

- Explain how trust and agency funds are used to report on the fiduciary activities of a government.
- Distinguish among agency funds and trust funds (private-purpose, investment, and pension).
- Describe the uses for and characteristics of agency funds.
- Explain the activities of and accounting and financial reporting for commonly used agency funds.

- Explain the purpose, accounting, and financial reporting for a cash and investment pool (including an investment trust fund); a private-purpose trust fund; and a pension trust fund.
- Describe accounting for other postemployment benefits plans.

***Readings and Materials:***

Chapters 7 & 8

## **Week 6**

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### **Lesson Title**

**Expected Outcomes:**

After completing Week 1 activities, students will be able to:

Chapter 9:

- Describe the concepts related to the financial reporting requirements of the GASB reporting model.
- Explain the key concepts and terms used in describing the governmental reporting entity.
- Apply the GASB criteria used to determine whether a potential component unit should be included in the reporting entity and, when included, the manner of reporting component units.
- Identify and describe the contents of a comprehensive annual financial report (CAFR).
- Prepare governmental fund financial statements and government-wide financial statements and understand how to reconcile the two.
- Identify and explain financial reporting issues and topics.

Chapter 10:

- Explain the importance of evaluating governmental financial performance.
- Distinguish among and describe key financial performance concepts, such as: financial position, financial condition, and economic condition.
- Explain the relationships among environmental factors, organizational factors, and financial factors in determining governmental financial condition.
- Identify, calculate, interpret, and analyze key ratios that measure financial performance.
- Describe how benchmarks can aid financial analysis and identify possible sources of government information that can be helpful when benchmarking.

***Readings and Materials:***

Chapters 9 & 10



## Week 7

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### Lesson Title

#### Expected Outcomes:

After completing Week 1 activities, students will be able to:

Chapter 13:

- Distinguish not-for-profit organizations (NFPs) from entities in the governmental and commercial sectors of the U.S. economy.
- Identify the authoritative standards-setting body for establishing GAAP for nongovernmental NFPs.
- Explain financial reporting and accounting for NFPs, including required financial statements; classification of net assets; accounting for revenue, gains, and support; accounting for expenses; accounting for assets; and accounting for NFP combinations and consolidations.
- Prepare financial statements in accordance with the generally accepted accounting principles governing NFP organizations.

#### *Readings and Materials:*

Chapter 13

## Week 8

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### Lesson Title

#### Expected Outcomes:

After completing Week 1 activities, students will be able to:

Chapter 15:

- Distinguish between generally accepted accounting principles for public and private colleges and universities.
- Describe financial reporting for public and private colleges and universities.
- Discuss accounting and reporting issues for all colleges and universities, such as accounting for assets, liabilities, and net assets/net position; accounting for revenues and expenses; and accounting for cash flows.
- Journalize transactions and prepare financial statements for private colleges and universities.
- Discuss issues related to colleges and universities, such as planned giving, auditing, and federal financial assistance.

Chapter 16:

- Identify the different organizational forms and the related authoritative accounting literature for health care organizations.
- Explain unique accounting and reporting issues in health care organizations.
- Journalize transactions and prepare the basic financial statements for not-for-profit and governmental health care organizations.
- Describe other accounting issues in the health care industry, including legislation, auditing, taxation and regulation, prepaid health care services, and continuing care retirement communities.
- Explain financial and operational analysis of health care organizations.

**Readings and Materials:**

Chapters 15 and 16

WEEK	READINGS	ACTIVITIES  (Assignments Due Sunday after class at 11:59pm)  (Exams Due Tuesday at 11:59pm)
#1	Chapter 1: Introduction to Accounting and Financial Reporting for Governmental and Not-for-Profit Entities  Chapter 2: Principles of Accounting and Financial Reporting for State and Local Governments	
#2	Chapter 3: Governmental Operating Statement Accounts; Budgetary Accounting  <i>*This week, lecture is online only. There will be no physical class on Wednesday night.</i>	
#3	Chapter 4: Accounting for Governmental Operating Activities	
#4	Chapter 5: Accounting for General Capital Assets and Capital Projects	

	Chapter 6: Accounting for General Long-term Liabilities and Debt Service	
#5	Chapter 7: Accounting for Business-type Activities of State and Local Governments  Chapter 8: Accounting for Fiduciary Activities—Agency and Trust Funds	
#6	Chapter 9: Financial Reporting of State and Local Governments  Chapter 10: Analysis of Governmental Financial Performance	
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#7	Chapter 13: Accounting for Not-for-Profit Organizations	
#8	Chapter 15: Accounting for Colleges and Universities  Chapter 16: Accounting for Health Care Organizations	

## STUDENT RESOURCES

### Friends University Technology

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Technology at Friends University is provided by the Office of Online Learning and Information Technology departments. The Office of Online Learning provides support for Moodle, online learning resources, and technology. The Information Technology department provides technical support, manages hardware and network services, classroom technology and computer labs. Please reference the following links for Friends University technology resources:

- **Self-service Banner (SSB):** When you are on a Friends University campus computer or away from campus, access with Banner ID and PIN.
- **Moodle:** Web-enhanced courses can be accessed with network username and password.
- **Email:** Access your Friends University email account and view instructions for connecting your email to your smartphone.
- **Getting Started with Office 365:** Instructions for accessing and initially using Office 365 accounts for students.
- **Library:** Online library resources. Access with network username and password.
- **Password Reset:** Reset your password for email, Moodle, and on-campus computer access. You will need to know your current password to register with this self-service tool. Once registered with the tool you will be able to reset your password as often as you need.
- **Free Anti-Virus:** McAfee Anti-Virus is available free to all students, faculty and staff with a username and password. [“Free Anti-Virus”](#)
- **Lync:** Communicate with staff and faculty members through our campus instant messaging software.  
[Windows 32-bit Operating System](#)  
[Windows 64-bit Operating System](#)
- **Windows VPN client:** For remote access please choose the appropriate download:  
[Windows Operating System.](#)  
Please click open to run the automatic install and select all the defaults.

You may download installation instructions [here](#).

- **Macintosh VPN client:** For remote access, it can be downloaded [here](#). Please click open to run the automatic install and select all the defaults. You may download installation instructions [here](#).