

# ACC214 Accounting for Non-Profit Organizations – Administration Outline

## Course Information

Organization	Mercer County Community College
Course Number	ACC214
Credits	3
Contact Hours	3

## Description

Study of generally accepted accounting principles as they apply to non-profit organizations, with emphasis on governmental agencies. Additional focus includes accounting for colleges and universities as well as hospitals and health organizations.

## Prerequisite

ACC 111 with a minimum C grade

**Revised: Spring 2019**

## Course Competencies/Goals

- A. Define and interpret the basic accounting principles and concepts as they relate to not-for-profit organizations.
- B. Analyze and record entries typical for not-for-profit organizations.
- C. Complete the accounting cycle for not-for-profit organizations.
- D. Analyze and interpret key economic and financial ratios to measure the performance and financial condition of not-for-profit organizations.

## General Education Knowledge Outcomes

Goal 1: Communications. Students will communicate effectively in both speech and writing.

Goal 2: Mathematics. Students will use appropriate mathematical and statistical concepts and operations to interpret data and to solve problems.

Goal 9: Ethical Reasoning and Action. Students will understand ethical issues and situations.

## MCCC: Core Skills:

Goal A:	Written and Oral Communications in English. Students will communicate effectively in speech and writing, and demonstrate proficiency in reading.
Goal B:	Critical Thinking and Problem-solving. Students will use critical thinking and problem solving skills in analyzing information.
Goal C:	Ethical Decision-making. Students will recognize, analyze and assess ethical issues and situations.
Goal F:	Collaboration and Cooperating. Students will develop the interpersonal skills required for effective performance in group situations.

## Units of Study in Detail

### **Competencies**

#### 1. **Governmental and Nonprofit Accounting: Environment and Characteristics**

##### **Learning Objectives**

- a. Describe the key unique characteristics of government and nonprofit organizations. (Course Competencies A; General Education Goals 1; MCCC Core A)
- b. Discuss the major types of G & NP organizations and their importance in our economy. (Course Competencies A; General Education Goals 1; MCCC Core A)
- c. Discuss the similarities and differences between profit-seeking and G&NP organizations. (Course Competencies A; General Education Goals 1; MCCC Core A)
- d. Understand the key distinguishing characteristics, concepts, and objectives of G&NP accounting and financial reporting.(Course Competencies A; General Education Goals 1; MCCC Core A)
- e. Identify and discuss the users and uses of government financial statement information. (Course Competencies A; General Education Goals 1; MCCC Core A)

#### 2. **State and Local Government Accounting and Financial Reporting**

##### **Learning Objectives**

- a. Discuss the major overall aspects of the GASB state and local government financial reporting model. (Course Competencies A; General Education Goals 1; MCCC Core A)
- b. Define fund, identify and explain the three broad categories of funds and the types of funds within each fund category.( Course Competencies A; General Education Goals 1; MCCC Core A)
- c. Identify the measurement focus and basis of accounting used for each category of funds and the financial statements required for funds of each category. (Course Competencies A; General Education Goals 1; MCCC Core A)
- d. Analyze the effects of transactions on the proprietary fund and governmental fund categories and on the General Capital Assets and General Long-Term Liabilities accounts. (Course Competencies A, B; General Education Goals 1, 2; MCCC Core A, B)
- e. Discuss typical budgetary accounting and reporting requirements. Course Competencies A;, General Education Goals 1; MCCC Core A)
- f. Understand the specific types of funds in each fund category and the different uses of each fund type in each category. (Course Competencies A; General Education Goals 1; MCCC Core A)
- g. Explain the financial reporting requirements for a government's basic financial statements and its comprehensive annual financial report. (Course Competencies A;

General Education Goals 1; MCCC Core A)

3. **Budgetary Procedures – Operating Accounts**

**Learning Objectives**

- a. Explain how operating revenues and expenses related to governmental activities are classified and reported (Course Competencies A; General Education Goals 1; MCCC Core A)
- b. Distinguish, at the fund level, between revenues and other financing sources and between expenditures and other financing uses (Course Competencies A; General Education Goals 1; MCCC Core A)
- c. Explain how revenues and expenditures are classified in the General Fund (Course Competencies A, B; General Education Goals 1, 2; MCCC Core A, B)
- d. Explain how budgetary accounting contributes to achieving budgetary control over revenues and expenditures (Course Competencies A, B, C; General Education Goals 1, 2; MCCC Core A)
- e. Describe computerized accounting systems (Course Competencies A; General Education Goals 1; MCCC Core A)
- f. Explain the classification of revenues and expenditures of a public school system (Course Competencies A, B; General Education Goals 1, 2; MCCC Core A, B)

4. **Journalize the operating activities of a governmental General Fund**

**Learning Objectives**

- a. Analyze typical operating transactions for governmental activities and prepare appropriate journal entries (Course Competencies A; General Education Goals 1; MCCC Core A)
- b. Prepare and explain interim financial statements and schedules (Course Competencies A; General Education Goals 1; MCCC Core A)
- c. Prepare adjusting entries at year-end and a pre-closing trial balance (Course Competencies A; General Education Goals 1; MCCC Core A)
- d. Prepare closing entries and year-end general fund financial statements (Course Competencies A; General Education Goals 1; MCCC Core A)
- e. Account for interfund, intrafund, and interfund activity (Course Competencies A; General Education Goals 1; MCCC Core A)

5. **Accounting for general capital assets and Capital projects**

**Learning Objectives**

- a. Describe the nature of and characteristics of general capital assets (Course Competencies A; General Education Goals 1; MCCC Core A)
- b. Account for the acquisitions of general capital assets, including infrastructure assets (Course Competencies A; General Education Goals 1; MCCC Core A)
- c. Explain the purpose of, characteristics, and typical financial sources of a capital projects fund (Course Competencies A, B; General Education Goals 1, 2; MCCC Core A, B)
- d. Prepare journal entries for a typical capital project fund (Course Competencies A,

- B; General Education Goals 1, 2; MCCC Core A, B)
- e. Prepare financial statements for capital project funds (Course Competencies A; General Education Goals 1; MCCC Core A)
- f. Explain the concepts and accounting procedures for special assessment capital projects (Course Competencies A, B; General Education Goals 1, 2; MCCC Core A)

6. **Accounting for general long-term liabilities and debt services**

**Learning Objectives**

- a. Explain what kinds of liabilities are classified as general long-term (Course Competencies A, B; General Education Goals 1, 2; MCCC Core A, B)
- b. Journalize entries in the general fund to record the issuance of general long-term debt Course Competencies A; General Education Goals 1; MCCC Core A, B)
- c. Prepare note disclosures for general long-term liabilities (Course Competencies A, B; General Education Goals 1, 2; MCCC Core A, B)
- d. Describe the reasons for and nature of statutory debt limits and explain the meanings of debt margin and overlapping debt (Course Competencies A, B; General Education Goals 1, 2; MCCC Core A, B)
- e. Explain the purpose and types of debt service funds (Course Competencies A, B; General Education Goals 1, 2; MCCC Core A, B)
- f. Describe the budgeting requirements for debt service funds and journalize appropriate entries for debt service transactions (Course Competencies A, B; General Education Goals 1, 2; MCCC Core A, B)

7. **Business Type Activities of State and Local Governments**

**Learning Objectives**

- a. Distinguish between the purposes of internal service funds an enterprise funds (Course Competencies A; General Education Goals 1;MCCC Core A, B)
- b. Describe the characteristics of proprietary funds (Course Competencies A; General Education Goals 1; MCCC Core A, B)
- c. Explain the financial reporting requirements of internal service funds and enterprise funds (Course Competencies A, B; General Education Goals 1, 2; MCCC Core A, B)
- d. Journalize entries for internal service and enterprise funds (Course Competencies A; General Education Goals 1, MCCC Core A, B)

8. **Fiduciary Funds**

**Learning Objectives**

- a. Explain the purposes of fiduciary funds – agency funds and trust funds(Course Competencies A; General Education Goals 1; MCCC Core A, B)
- b. Explain the financial reporting requirements of fiduciary funds(Course Competencies A; General Education Goals 1; MCCC Core A, B)
- c. Journalize entries for fiduciary funds (Course Competencies A; General Education Goals 1; MCCC Core A, B)

9. **Financial reporting – State and Local Governments**

**Learning Objectives**

- a. Describe the concepts related to the financial reporting requirements of the GASB model (Course Competencies A; General Education Goals 1; MCCC Core A, B)
- b. Explain the key concepts and terms used in describing the governmental reporting entity (Course Competencies A,B; General Education Goals 2; MCCC Core A, B)
- c. Identify the contents of a Comprehensive Annual Financial Report (CAFR) (Course Competencies A; General Education Goals 1; MCCC Core A, B)

10. **Analyze governmental performance**

**Learning Objectives**

- a. Explain the importance of evaluating governmental performance (Course Competencies A; General Education Goals 1; MCCC Core A, B)
- b. Describe the key financial performance concepts—financial position, financial condition, and economic condition (Course Competencies A; General Education Goals 1; MCCC Core A, B)
- c. Explain the relationships among environmental factors, organizational factors, and financial factors (Course Competencies A; General Education Goals 1; MCCC Core A, B)
- d. Calculate and interpret key ratios that measure financial performance (Course Competencies A, B; General Education Goals 2; MCCC Core A, B).

11. **Auditing of governmental and not-for-profit organizations**

**Learning Objectives**

- a. Explain the essential elements of financial audits by independent CPA'S (Course Competencies A; General Education Goals 1; MCCC Core A, B)
- b. Explain GAGAS and compare/contrast with GAAS (Course Competencies A; General Education Goals 1; MCCC Core A, B)
- c. Define the types of GAGAS audits (Course Competencies A, B; General Education Goals 2; MCCC Core A, B).
- d. Discuss the concept of a single audit (Course Competencies A, B; General Education Goals 2; MCCC Core A, B).
- e. Describe the impact of the Sarbanes-Oxley Act of 2002 (Course Competencies A, B; General Education Goals 2; MCCC Core A, B).

12. **Implementing, Budgeting, and Costing of government services**

**Learning Objectives**

- a. Explain the objectives of budgeting (Course Competencies A, B; General Education Goals 2; MCCC Core A, B).
- b. Describe methods of integrating planning, budgeting, and performance measurement (Course Competencies A, B; General Education Goals 2; MCCC Core A, B).
- c. Discuss the differences among various budgeting approaches (Course Competencies A, B; General Education Goals 2; MCCC Core A, B).
- d. Explain the budgeting process for state and local governments (Course Competencies A; General Education Goals 1; MCCC Core A, B)
- e. Define appropriation budgets, revenue budgets, cash budgets and capital budgets
- f. Describe the tools used to improve performance and communicate the results of the budgeting process

13. **Accounting for other not-for-profit organizations (NPOS)**

**Learning Objectives**

- a. Distinguish not-for-profit organizations from entities in the governmental and commercial sectors of the U. S. economy (Course Competencies A; General Education Goals 1; MCCC Core A, B)
- b. Identify the authoritative standard-setting body for establishing GAAP for nongovernmental NPOs (Course Competencies A; General Education Goals 1; MCCC Core A, B)
- c. Explain financial reporting and accounting for NPOs (Course Competencies A, B; General Education Goals 2; MCCC Core A, B).
- d. Identify the unique accounting issues of financially interrelated organizations (Course Competencies A, B; General Education Goals 2; MCCC Core A, B).
- e. Describe optional fund accounting (Course Competencies A; General Education Goals 1; MCCC Core A, B)
- f. Prepare financial statements using SFAS No. 117 (Course Competencies A, B; General Education Goals 2; MCCC Core A, B).

14. **Not-for-profit organizations: regulatory, taxation, performance issues**

**Learning Objectives**

- a. Identify oversight bodies and the source of their authority over not-for-profit organizations (Course Competencies A; General Education Goals 1; MCCC Core A, B)
- b. Describe how and why states regulate NPOs (Course Competencies A; General Education Goals 1; MCCC Core A, B)
- c. Identify how the federal government regulates NPOs (Course Competencies A; General Education Goals 1; MCCC Core A, B)
- d. Describe governance issues of NPO boards (Course Competencies A; General Education Goals 1; MCCC Core A, B)
- e. Identify how benchmarks and performance measures can be used to evaluate NPOs (Course Competencies A; General Education Goals 1; MCCC Core A, B)
- f. Describe uniform policies and practices for NPOs across states (Course Competencies A, B; General Education Goals 2; MCCC Core A, B).
- g. Prepare journal entries for common transactions of nongovernment not-for-profit

organizations. (Course Competencies A, B; General Education Goals 2; MCCC Core A, B).

15. **Accounting for colleges and universities**

**Learning Objectives**

- a. Distinguish between GAAP for public and private colleges and universities
- b. Describe financial reporting for public and private colleges and universities
- c. Discuss accounting and reporting issues for public and private colleges and universities
- d. Journalize transactions for public and private colleges and universities
- e. Prepare financial statements for public and private colleges and universities
- f. Discuss managerial, auditing and reporting issues for public and private colleges and universities

16. **Accounting for health care organizations**

**Learning Objectives**

- a. Identify the different organizational forms and related authoritative accounting literature for health care organizations
- b. Describe financial reporting for health care organizations
- c. Explain unique accounting and measurement issues in health care organizations: revenues, assets, expenses, and liabilities
- d. Journalize transactions and prepare the basic financial statements for not-for-profit and governmental health care organizations
- e. Describe other accounting issues in the health care industry: budgeting, costs, auditing, taxation, regulation, prepaid health care services, continuing care retirement communities
- f. Explain financial and operational analysis of health care organizations

17. **Federal Government Accounting**

**Learning Objectives**

- a. Describe the financial management structure of the federal government (Course Competencies A; General Education Goals 2; MCCC Core A, B)
- b. Discuss the process of establishing GAAP for federal agencies (Course Competencies A; General Education Goals 2; MCCC Core A, B)
- c. Explain the concepts underlying federal agency accounting and reporting (Course Competencies A; General Education Goals 2; MCCC Core A, B)

- d. Describe government-wide financial statements for the federal government (Course Competencies A; General Education Goals 2; MCCC Core A, B)
- e. Describe federal agency performance and financial reporting requirements (Course Competencies A; General Education Goals 2; MCCC Core A, B)
- f. Compare and contrast budgetary accounting with proprietary accounting (Course Competencies A; General Education Goals 2; MCCC Core A, B)
- g. Record budgetary and proprietary journal entries and prepare financial statements for federal agencies (Course Competencies A; General Education Goals 2; MCCC Core A, B)

**Reaction Papers:**

Mercer County Community College libraries offer a wide selection of journal and research databases for your term papers, reports or essay topics. In many cases, it is possible to obtain entire articles which can be printed or e-mailed. If you have questions, please ask for reference assistance. If you are not in the library, please call 609-586-4800 ext. 3560.

Go to the online data bases at- [http://www.mccc.edu/student\\_library\\_online.shtml#bus](http://www.mccc.edu/student_library_online.shtml#bus), select an article that relates to a topic that we have studied. Write a two-page summary of this article. Include your reaction as part of your paper. The papers are due during the following classes:

Week	5
	10
	14

***Grading Information***

**Grading Scale**

Tests	80% (1 to 15)*
Homework,	5%
Class Work,	
Quizzes	
Reaction Papers	15% (Course Competencies D, General Education Goals 1, 9; MCCC Core A, C, F)



\*The instructor will announce during the first class meeting the number of tests and the chapters covered in each test.

### Reasonable Accommodations for Students with Documented Disabilities

Mercer County Community College is committed to supporting all students in their academic and co-curricular endeavors. Each semester, a significant number of students document disabilities, which may require learning, sight, hearing, manual, speech, or mobility accommodations to ensure access to academic and co-curricular activities. The college provides services and reasonable accommodations to all students who need and have a legal entitlement to such accommodations.

### **Academic Integrity**

ACADEMIC INTEGRITY: Academic integrity refers to the total quality of the search for knowledge which a student undertakes. A student will be guilty of violating academic integrity if he/she:

- A. knowingly represents the work of others as his/her own.
- B. uses or obtains unauthorized assistance in the execution of an academic work
- C. gives fraudulent assistance to another student.

For any single violation of any of the College's policies on Academic Integrity in this course, the student will receive a zero for the assignment AND the final course grade will be lowered by one full letter grade (for example, a B would become a C). For a second violation, the student will fail the course. In all cases, the Chair of the Academic Integrity Committee will be notified of the violation and the penalty imposed. When two (or more) violations of academic integrity are reported on a student, the Academic Integrity Committee (AIC) may impose disciplinary penalties beyond those imposed in this course. The student shall have the right to a hearing before the AIC or a designated AIC subcommittee.