

ACCT A107: NOT FOR PROFIT RECORDKEEPING AND COMPLIANCE

- 8. Understand the requirements of and the preparation for financial and regulatory audits.
- 9. Determine the appropriate recording of Program, Management and General, and Fundraising activities.

Item	Value
Curriculum Committee Approval Date	02/28/2018
Top Code	050200 - Accounting
Units	3 Total Units
Hours	54 Total Hours (Lecture Hours 54)
Total Outside of Class Hours	0
Course Credit Status	Credit: Degree Applicable (D)
Material Fee	No
Basic Skills	Not Basic Skills (N)
Repeatable	No
Open Entry/Open Exit	No
Grading Policy	Standard Letter (S), • Pass/No Pass (B)

Course Description

A course utilizing the theory and fundamentals of generally accepted accounting principles and industry-specific guidance in conjunction with legal and regulatory issues needed for managing the recordkeeping and compliance documentation for Not-for-Profit entities. Creation of recordkeeping systems and various financial statements/reports that will help to evaluate accountability, transparency, and persuasiveness of a Not-for-Profit entity. Topics will include day to day transaction and special project accounting, tax and audit issues, endowments and grants, reporting obligations and other legal considerations. Transfer Credit: CSU.

Course Level Student Learning Outcome(s)

1. Demonstrate knowledge of appropriate accounting principles, records, and reports for the various business transactions of a not for profit entity.
2. Define and demonstrate an understanding of the organizational structure, legal and regulatory compliance requirements of not for profit organizations.

Course Objectives

- 1. Describe and perform accounting and recordkeeping functions for a not-for-profit entity.
- 2. Prepare and analyze basic reports of financial information for not-for-profit organizations.
- 3. Discuss how proper recording of transactions provide day to day information for tracking cash balances and requirements.
- 4. Demonstrate how transactions and financial records provide information to internal and external users regarding essential tasks, decisions, and transparency.
- 5. Identify and use basic federal, state, payroll, and other tax filing requirements.
- 6. Perform not-for-profit accounting, recordkeeping and reporting using manual and computer software systems.
- 7. Describe federal and other grant-making organizations applications, accounting processes, and reporting requirements.

Lecture Content

Introduction to Not-for-Profit organizations and basic accounting Organization/Legal Structure of Not-for-Profit Types of Not-for-Profit entities and exemptions Staying in Not-for-Profit compliance Basic Bookkeeping and Accounting functions Accounting Equation for Not-for-Profits Recordkeeping and Accounting systems Manual system Computer software Chart of Accounts Setting up Files/Records Alternative recordkeeping approaches Security and Backups Financial Statements Statement of Financial Position Statement of Activities Statement of Cash Flows Statement of Functional Expenses Full accounting cycle adjustments and closing entries Financial ratios and basic statement analysis Revenue/Resources Journal entries to record recognition of revenues Contribution vs. exchange transaction Membership dues and Gifts in Kind Cash and Non-Cash receipt documentation Investment Income Public Support Test Expenses Journal entries to record recognition of expenses Functional vs. Natural Expense classifications Costs of program services provided Cost allocations to programs/fundraising/general and management Investment costs, gains and losses Board Member and Executive Compensation Assets and Liabilities Journal entries to record recognition of assets and liabilities Property, Plant and Equipment including depreciation Investments Board decisions vs Donor, Endowments, Trusts Inventory and Prepaid Expenses Receivables and Pledges to give Debt and other liabilities Fundraising and Unrelated Business Income Journal entries to record recognition of fundraising activities Gaming and Raffle regulations Solicitation rules Other state restrictions Crowd Funding Unrelated Business Income Ratios and analysis Budgeting Operating Budgets Budget Reports Cash Budgeting Internal Controls and Cash Cash Receipts Controls Cash Disbursements Controls Reconciliations of Cash Accounts Financial and Regulatory Audits Preparing for the Financial Audit Internal Revenue Service Audit Common errors Internal Revenue Service/State/Attorney General filing requirements IRS 990 filings Franchise Tax Board annual filings Attorney General Annual and Raffle Registration Other filing regulations and taxes Payroll and Payroll Tax Sales and Use Tax Seller s Permits Property Tax State Corporation filings Fundraising in other states or across state lines Federal and Other grants Grant Applications Budgets Grant funds and expense tracking and reporting Audits

Method(s) of Instruction

- Lecture (02)
- DE Live Online Lecture (02S)
- DE Online Lecture (02X)

Instructional Techniques

Lecture including handouts, PowerPoints slides, text readings, problems application and discussion important concepts. Written assignments in and out of class including problem solving and analysis Individual and group problem solving activities Current event readings and presentations Guest Speakers Internet assignments

Reading Assignments

Students will spend approximately 2 hours per week on reading: Materials from text and instructor resources Materials from Federal, State, and other regulatory agencies

Writing Assignments

Student will spend approximately 2 hours per week on assignments including: Preparation and interpretation of financial and regulatory reports Case problems in not-for-profit recordkeeping and compliance Analysis of transaction data

Out-of-class Assignments

Student will spend approximately 2 hours per week on assignments including: Analysis of various financial transaction data Preparation and analysis of financial and regulatory reports Case Problems covering not-for-profit recordkeeping and compliance

Demonstration of Critical Thinking

Quizzes and Exams on course content testing recall, comprehension, analysis and problem-solving skills Completing assignments manually, written assignments, group activities, and presentations to the class. Completion of processing transactions and report preparation

Required Writing, Problem Solving, Skills Demonstration

Analysis of financial data Completion of processing transactions and report preparation Case Problems in accounting and regulations compliance Completion of student projects

Eligible Disciplines

Accounting: Master's degree in accountancy or business administration with accounting concentration OR bachelor's degree in business with accounting emphasis or business administration with accounting emphasis or economics with an accounting emphasis AND master's degree in business, business administration, business education, economics, taxation, or finance OR the equivalent. Master's degree required. (NOTE: A bachelor's degree in accountancy or business administration with accounting concentration, with a CPA license is an alternative qualification for this discipline)

Textbooks Resources

1. Required Murray Dropkin, James Halpin. Bookkeeping for Nonprofits: A step-by-Step Guide to Nonprofit Accounting, Most Recent ed. Wiley, 2012 Rationale: Bookkeeping for Nonprofits is a step-by-step introduction to keeping accounting records, which form the foundation for a nonprofit organization's financial reports, tax returns, budgets, cash forecasts, and grant proposals. Using this volume as a guide, nonprofit leaders and staff will be able to set up books with or without accounting software and ensure that the records meet the needs of their organization. 2. Required Sharon Farris. Nonprofit Bookkeeping and Accounting for Dummies, Most Recent ed. Wiley, 2009 Rationale: Provides a hands on guide to keeping great records and keeping your not for profit running smoothly 3. Required Thomas A. McLaughlin. StreetSmart Financial Basics for Nonprofit Managers, 4th, or later ed. Wiley, 2016

Other Resources

1. Internal Revenue Service publications, forms, videos and exempt organizations newsletters. California Attorney Generals Guide for Charities and website <http://www.nonprofitaccountingbasics.org/> California State Board of Equalization Publications and website Franchise Tax Board publications and websites