

ACCT A216: NOT-FOR-PROFIT ACCOUNTING

Item	Value
Curriculum Committee Approval Date	03/11/2020
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 accounting for and the administration of not-for-profit organizations and governmental entities. Application of accounting principles for both not-for-profit organizations and government entities. Preparation and analysis of various financial statements and introduction to the required not-for-profit federal, state and local tax filings. PREREQUISITE: ACCT A100, ACCT A101, or ACCT A101H. Transfer Credit: CSU.

Course Level Student Learning Outcome(s)

1. Demonstrate knowledge of appropriate fund accounting for the general business transactions of a not for profit entity.
2. Recognize the organizational structure and legal existence of not for profit organizations.

Course Objectives

- 1. Differentiate Fund accounting from Generally Accepted Accounting Principles and determine the appropriate use of Fund Accounting.
- 2. Recognize the organizational structure and legal existence of non for profit organizations and how they differ from government organizations.
- 3. Prepare and analyze basic reports of financial position for not for profit organizations.
- 4. Describe and perform accounting functions for a not for profit entity.
- 5. Discuss and complete the process of being legally designated as and maintaining the distinction, a not for profit entity with Federal, State and Sales tax exempt status.
- 6. Identify basic federal state and sales tax filing requirements.
- 7. Recognize and discuss the various types of not for profit entities.
- 8. Understand the concepts of Fiduciary and Fiscal responsibility and ethical behavior.

Lecture Content

1. Introduction to Not-for-Profit entities Definition Purpose and Organizational Structure Corporation or not Board of Directors - Differences from For-Profit organizations GAAP for Not-for-Profits Fund vs. Governmental Accounting Public Support vs. Private Support Types of Not-for-Profits Charities Churches School Boards Governments Private Foundations Trade Associations Hospitals and other Healthcare Organizations2. Tax and Regulatory Considerations Internal Revenue Service Basis of Exemption Filing Requirements Unrelated Business Income ; State and Local Regulations Employment Taxes3. Financial Statements, the Reporting Entity, and General F?inancial Reporting Matters Financial Statements Statement of Financial Position Statement of Activities Statement of Cash Flows Statement of Functional Expenses Restrictions, Designations and other Limitations on Liquidity Reporting related entities Use of fair value measures4. Revenue/Resources Revenues vs. gains Recognition, Measurement, and Display of Revenue Contributions/Exchange Transactions, including services and gifts in kind Fundraising Membership Dues Grants, Awards, and scholarships Naming Opportunities Donations, Donor Imposed Restrictions5. Expenses, Gains and Losses nbsp; Program Services, Management and General, Membership Development Fundraising costs, sale of goods or services and special events Financial Aid and other reductions in amounts charged Contributions made to others Contributed use of facilities Gains and Losses6. Fiscal Responsibility Sarbanes Oxley Ethics Fiduciary responsibility Governance Board Duties and Responsibilities Use of Restricted Assets Compensation7. Assets and Liabilities Investments, Donor Restricted or not Endowments Promises to give unconditional vs conditional Intention to give Contributions Receivablen b sp; Inventory, Prepaid expenses and Deposits Property Plant and Equipment and Depreciation Debt and other liabilities8. Unrelated Business Income Definition Tests to determine if activity is actually UBI9. Fundraising Gaming and Raffle regulations in CA Professional Fundraising contracts Solicitation rules Gaming10. Sales and Use, Employment, and Property Tax No Blanket exemption, specific exemptions only Sales vs Use tax Activities of Non-Profits, taxable vs non-taxable Seller s permit Filing requirements Unemployment Insurance Registering with Attorney General in California Property Tax Exemptions in CA11. Applying for no nprofit status Umbrella exemption Types of 501c State not automatic12. Governments Schools School Boards Difference in accounting structure Mission statement and purposes13. Private Foundations Legal designation Difference from 501c314. Private organizations Legal designations PTA/PTO, Booster Clubs

Method(s) of Instruction

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

Instructional Techniques

A. Lecture including PowerPoint slides, handouts, text reading, problems and application of concepts. B. Individual and group problem-solving activities C. Guest Lecturers D. Internet assignments

Reading Assignments

Materials from State and Federal regulatory agencies. Materials from text and class resources.

Writing Assignments

1. Analysis of accounting data 2. Preparation and Interpretation of financial reports 3. Case problems in not for profit accounting

Out-of-class Assignments

Analysis of various accounting data Preparation and interpretation of financial and regulatory reports Case problems in not for profit accounting

Demonstration of Critical Thinking

A. Exams on course content testing recall, comprehension, analysis and problem solving skills B. Computing assignments manually, written assignments, group activities involving selected topics appropriate to subject matter. C. Midterm and final examination

Required Writing, Problem Solving, Skills Demonstration

A. Analysis of accounting data B. Interpretation of financial reports C. Case problems in accounting

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 America Institute of Certified Public Accountants. Audit Accounting Guide Not-for-Profit Entities, March 2014 ed. New York: AICPA, 2014 2. Required Warren Ruppel. Not for Profit Accounting Made Easy, Most recent ed. Wiley, 2007 Rationale: Option for most up to date information 3. Required Murray Dropkin, James Halpin. Bookkeeping for Nonprofits: A Step-by-Step Guide to Nonprofit Accounting, ed. Wiley, 2005 Rationale: Additional Option

Other Resources

1. California Attorney General's Guide for Charities 2. California State Board of Equalization, Publication 18, Nonprofit organizations 3. Various Internal Revenue Service publications, forms, and Exempt Organization newsletters. 4. Financial Accounting Standards Board website, FASB.org