

# AC-335 Government and Non-Profit Accounting

## Course Description:

This course is designed to be a survey of accounting for state and local governments, the federal government, colleges and universities, and other nonprofit organizations. It is expected that students will attain a basic understanding of accounting procedures in government and nonprofit organizations and appreciate the differences between private and public sector accounting.

## A. PROGRAM LEARNING OUTCOMES (PLOs):

The student will be able to:

1. Demonstrate an understanding of *intermediate accounting* principles by describing the financial reporting environment and the conceptual framework of financial accounting, analyzing financial statements in detail, and accounting for cash and receivables, inventories, property, plant and equipment, intangibles, liabilities, stockholders' equity, and other special areas.
2. Demonstrate an understanding of *cost accounting* systems relevant to managerial-decision making, planning and control by solving problems involving various costing and budgeting methods; by applying financial, inventory and production management techniques in cost accounting; and by accurately measuring short- and long-term organizational performance.
3. Demonstrate competence in analyzing and recording various transactions for state and local *governments*, the federal government, colleges and universities, and other *nonprofit organizations*; in preparing and interpreting financial statements; and in explaining differences between public and private sector accounting.
4. Demonstrate an understanding of wide range of tax concepts with special focus on the *taxation* of business entities in the United States and the Federated States of Micronesia and a minor emphasis on the individual taxation in the two countries.
5. Demonstrate an understanding of the *statistical methods* of sampling and estimating population statistics and competence in using computer software to calculate point estimates and confidence intervals and use statistical methods to test hypotheses, recognize trends and make forecasts to support decisions in the business/economics environment
6. Apply knowledge acquired from accounting and other courses by solving real world accounting and general workplace problems in a particular organization in the COM-FSM *Internship Program*.

## B. STUDENT LEARNING OUTCOMES (SLOs)– GENERAL:

The student will be able to:

1. Appreciate the differences between private and public sector accounting
2. Attain a basic understanding of accounting procedures in government and nonprofit organizations
3. Develop competency in computing financial ratios and interpreting governmental financial statements .

| SLO | PLO1 | PLO2 | PLO3 | PLO4 | PLO5 | PLO6 |
|-----|------|------|------|------|------|------|
| 1   |      |      | IDM  |      |      | ID   |
| 2   |      |      | IDM  |      |      | ID   |
| 3   |      |      | IDM  |      |      | ID   |

I = Introduced

D = Demonstrated

M = Mastered

### C. STUDENT LEARNING OUTCOMES (SLOs) – SPECIFIC:

The student will be able to:

General SLO 1. Appreciate the differences between private and public sector accounting.

| Student Learning Outcomes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Assessment Strategies |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| 1.1. Obtain an overview of financial reporting for non-business entities. Distinguish between private and public sector accounting. Identify the sources of authoritative accounting standards for various public and private sector organizations. Define the 11 fund types used by state and local governments. Obtain an overview of the contents of a government financial report. Define the governmental reporting entity. Illustrate the basic financial statements for a state or local government. | Pre-/Post-Testing     |

General SLO 2. Attain a basic understanding of accounting procedures in government and nonprofit organizations.

| Student Learning Outcomes                                                                          | Assessment Strategies |
|----------------------------------------------------------------------------------------------------|-----------------------|
| 2.1. Record the budget in accounts and discuss the importance of budgets in government accounting. | Pre-/Post-Testing     |

|                                                                                                                                               |                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| 2.2. Compute property taxes.                                                                                                                  | Pre-/Post-Testing |
| 2.3. Record inter-fund transactions and other financing sources.                                                                              | Pre-/Post-Testing |
| 2.4. Explain accounting for non-exchange transactions.                                                                                        | Pre-/Post-Testing |
| 2.5. Apply the modified accrual basis of accounting.                                                                                          | Pre-/Post-Testing |
| 2.6. Record common entries during the year and closing entries.                                                                               | Pre-/Post-Testing |
| 2.7. Identify common characteristics of governmental type funds.                                                                              | Pre-/Post-Testing |
| 2.8. Record capital project, debt service and permanent fund transactions and prepare financial statements for the funds.                     | Pre-/Post-Testing |
| 2.9. Report Fund statements- Government type funds.                                                                                           | Pre-/Post-Testing |
| 2.10. Identify common characteristics of proprietary type funds.                                                                              | Pre-/Post-Testing |
| 2.11. Record internal service and enterprise funds and prepare financial statements for them.                                                 | Pre-/Post-Testing |
| 2.12. Review Fund statements- Government type funds.                                                                                          | Pre-/Post-Testing |
| 2.13. Describe fiduciary funds and prepare fiduciary financial statements.                                                                    | Pre-/Post-Testing |
| 2.14. Record and report agency funds, private-purpose trusts, investment trust, and pension (employee benefit) funds.                         | Pre-/Post-Testing |
| 2.15. Describe and give examples of the entity-wide conversion process.                                                                       | Pre-/Post-Testing |
| 2.16. Prepare reconciliation schedules.                                                                                                       | Pre-/Post-Testing |
| 2.17. Account for fixed assets and long-term debt.                                                                                            | Pre-/Post-Testing |
| 2.18. List and explain Government Accounting Standards Board (GASB) requirements for special purpose entities.                                | Pre-/Post-Testing |
| 2.19. Account for Public Institutions of Higher Education.                                                                                    | Pre-/Post-Testing |
| 2.20. Identify the Standard setting authority on not-for-profit organizations.                                                                | Pre-/Post-Testing |
| 2.21. Perform accounting tasks for Voluntary Health and Welfare and Other Not For Profits.                                                    | Pre-/Post-Testing |
| 2.22. Identify the standard setting authority on College and University – Private Institutions; and Hospitals and Other HealthCare Providers. | Pre-/Post-Testing |
| 2.23. Explain the general reporting principles on Hospitals and Other Health Care Providers.                                                  | Pre-/Post-Testing |

General SLO 3. Develop competency in computing financial ratios and interpreting governmental financial statements.

| Student Learning Outcomes                                             | Assessment Strategies |
|-----------------------------------------------------------------------|-----------------------|
| 3.1. Compute common ratios used in financial analysis of SLG entities | Pre-/Post-Testing     |

#### **D. COURSE CONTENT**

- I. Financial Reporting for State and Local Governments
- II. Budgetary Accounting for the General and Special Revenue Funds
- III. Accounting for the General and for Special Revenue Funds
- IV. Accounting for other Governmental Fund Types: Capital Projects, Debt Services, and Permanent
- V. Proprietary Funds
- VI. Fiduciary Funds
- VII. Government-Wide Statements; Fixed Assets; Long-Term Debt
- VIII. Analysis of Governmental Financial Statements; GASB Accounting for Special-Purpose Entities; Accounting for Public Institutions of Higher Education
- IX. Accounting for Not-For-Profit Organizations
- X. College and University Accounting-Private Institutions
- XI. Accounting for Hospitals and Other Health Care Providers

#### **E. METHODS OF INSTRUCTION**

Lectures and electronic presentations

Simulation activities

Provide student learning resources online.

#### **F. REQUIRED TEXT(S) AND COURSE MATERIALS:**

Copley, Paul: **Essentials of Accounting for Governmental and Not-for-Profit Orgnaizations**  
9<sup>th</sup> Edition, McGraw Hill / Irwin, New York, New York: 2007 (or most recent edition).

Journals, calculator, pens, pencil and ruler

#### **G. REFERENCE MATERIAL**

Ruppel, Michael: **Governmental Accounting Made Easy** 2<sup>nd</sup> Edition, Wily, USA: 2009 (or most recent edition).

#### **H. INSTRUCTIONAL COSTS**

None

#### **I. EVALUATION**

None

#### **J. CREDIT BY EXAMINATION**

None