The Hebrew University of Jerusalem

Syllabus

FINANCIAL MANAGEMENT OF NONPROFIT ORGANIZATIONS - 3144

Last update 21-07-2017

<u>HU Credits:</u> 2

<u>Degree/Cycle:</u> 2nd degree (Master)

<u>Responsible Department:</u> management of ngo"s and social organizations

<u>Academic year:</u> 0

<u>Semester:</u> 1st Semester

<u>Teaching Languages:</u> Hebrew

<u>Campus:</u> Mt. Scopus

<u>Course/Module Coordinator:</u> Elli Malki

<u>Coordinator Email:</u> malki@netmedia.net.il

<u>Coordinator Office Hours:</u> By appointment

Teaching Staff:
  Mr. Elli Malki

Course/Module description:
  The significant increase in the scope and importance of the Third Sector is a big challenge for employees and managers of nonprofit organizations. Limited resources, the need for transparency and the requirement for proper use of donors' funds, leads to non-profit organizations being required to conduct their activities professionally and efficiently. To do that NPOs should adopt effective managerial tools that will allow them to make better decisions and improve the organization's performance.
This course will present quantitative tools for economic and financial management that are adapted to the unique characteristics of NGOs.

Course/Module aims:
  The purpose of the course is to provide students with tools and skills in economic and financial management of non-profit organizations. The course will focus on tools for planning, budgeting, financial reporting, efficiency measurement, control and risk management of NGOs.

Learning outcomes - On successful completion of this module, students should be able to:
  Analysis of NGOs budgets and understanding their economic situation.
Risk management using budgetary and cash flow reports.
Analysis of financial stability of NGOs according to their financial statements.
Examining the alignmnet of the organization's budget with its social goals.
Acquaintance with the different loading methods and their appropriate use.
Acquaintance with methods for examining economic effectiveness of NGOs.

Attendance requirements(%):
  100

Teaching arrangement and method of instruction: Frontal + practice using case studies

Course/Module Content:
  1. Economic Management Tools
A. Economic management in organizations from a strategic aspect
In . Financial reporting systems

C. Building a budget -oriented economic management
D. Revenue Forecast
E . Economic Map
F. Budgetary Control
G. Cash Flow Management
H. Pricing - loading methods
2. Choice between alternative
A. Analytic Hierarchy Process (AHP)
B. Choosing the winner of a bid
C. Building a corporate strategy map
D. Adjusting the budget for the organization
3. Analysis of financial stability.
A. The financial statements.
B. Simple stability measures.
C. Prediction models for financial stability.
4. Effectiveness and efficiency
A. Concepts and Definitions
B. Overhead rate as a measure of efficiency
C. Other efficiency measures

<u>Required Reading:</u>
 Abt Associates Inc., Fundamentals of NGO Financial Sustainability, Chapter 5: Financial Accounting; Chapter 6: Budgeting; Chapter 7: Cost Accounting.
http://www.inbest.co.il/NGO/NGOFinancial.pdf

Center on Nonprofits and Philanthropy, Urban Institute Center on Philanthropy, Indiana University, What We Know About Overhead Costs in the Nonprofit Sector, Research Brief #1. Nonprofit Overhead Cost Project; 2004.
http://nccsdataweb.urban.org/FAQ/index.php?category&eq;51#521

Goggins Gregory A. & Howard D., The Nonprofit Starvation Cycle, Stanford Social Innovation
Review, Fall 2009.
http://www.ssireview.org/images/articles/2009FA_feature_Gregory_Howard.pdf

Malki E., Measuring the things that count: Quantitative methods for the management of nonprofits, LAP Lambert Academic Publishing, 2010. Chapters III, IV and V.

Malki E., Guidelines for the Preparation of Budgets in Not-for-Profit Organizations, SSRN, 2010.
http://papers.ssrn.com/sol3/papers.cfm?abstract_id&eq;1667575

Malki E., *A servant of two masters: The dual role of the budget in nonprofits*, Journal of Accounting, Auditing and Taxation, 1(1): 002-007, 2014
http://premierpublishers.org/jaat/020920141690

Malki E., *A Simple Model for Cash Flow Management in Nonprofit*, SSRN, 2016.
http://papers.ssrn.com/sol3/papers.cfm?abstract_id&eq;2732052

Neuhoff A. and Searle R., *More Bang for the Buck*, Stanford Social Innovation Review, Spring 2008.
http://www.ssireview.org/images/articles/2008SP_feature_neuhoff_searle.pdf

מלכי א., *דיבורים לחוד ומעשים לחוד: התאמת תקציב הארגון למטרותיו*, אתר "שיתופים", מרץ 2009.
http://www.sheatufim.org.il/website/Modules/Database/PoolItemPage.aspx?PoolItemType&eq;2&PoolItemID&eq;323

מלכי א., *קווים מנחים להכנה ולהצגה של תקציב בארגונים שלא למטרות רווח*, אפריל 2010.
http://www.inbest.co.il/NGO/Budget_Guide.pdf

מלכי א., *מודל פשוט לניהול תזרים מזומנים בעמותות*, נובמבר 2015.
http://www.inbest.co.il/NGO/Cash%20Flow%20Management.pdf

 Additional Reading Material:
  Bradley B., Jansen P. & Silverman L., *The Nonprofit Sector's $100 Billion Opportunity*, Harvard Business Review, 2003.
http://www.inbest.co.il/NGO/Bradley.pdf

Haas R. & Meixner O., *An Illustrated Guide to the Analytic Hierarchy Process*, Institute of Marketing & Innovation, University of Natural Resources and Applied Life Sciences, Vienna.
http://www.inbest.co.il/NGO/ahptutorial.pdf

Kamal M. A-S. A-H., *Application of the AHP in project management*, International Journal of Project Management 19, 2001.
http://www.civil.uwaterloo.ca/tarek/AHP-2.pdf

Kleiman N. & Rosenbaum N., *The Limits of Social Enterprise: Case Study & Analysis.* The Seedco Policy Center, 2007.
http://www.inbest.co.il/NGO/social_enterprise.pdf

Massarsky C. W. & Beinhacker S. L., *Enterprising Nonprofits: Revenue Generation in the Nonprofit Sector*, Yale School of Management -The Goldman Sachs Foundation Partnership on Nonprofit Ventures, 2002.

http://www.inbest.co.il/NGO/Enterprising_Nonprofits.pdf

גולדרט א., המטרה (1988); ערימת השחת (1991), הוצאת מטר .

דרוקר פ., עשה לך מנהג קבוע קצץ בעלויות בכל שבוע, מתוך: מהניהול של אתמול למנהיגות של מחר , הוצאת מטר , 2004.

 Course/Module evaluation:
 End of year written/oral examination 0 %
 Presentation 0 %
 Participation in Tutorials 0 %
 Project work 100 %
 Assignments 0 %
 Reports 0 %
 Research project 0 %
 Quizzes 0 %
 Other 0 %

Additional information:
  None