

ACC 240 Governmental and Not-For-Profit Accounting

COURSE DESCRIPTION:

Prerequisites: ACC 121

Corequisites: None

This course introduces principles and procedures applicable to governmental and not-for-profit organizations. Emphasis is on various budgetary accounting procedures and fund accounting. Upon completion, students should be able to demonstrate an understanding of the principles involved and display an analytical problem-solving ability for the topics covered. Course Hours Per Week: Class 3, Semester Hour Credit 3.

LEARNING OUTCOMES:

Upon completion of this course, the student will be able to:

1. Describe and define the nature of accounting in governmental and not-for-profit organizations.
2. Evaluate and analyze the financial statements of governmental and not-for-profit accounting applying budgeting concepts and computing and interpreting variances from standards.
3. Demonstrate the ability to collaboratively solve problems and cases dealing with governmental and not-for-profit issues.
4. Obtain the skills necessary to research and solve unstructured problems in governmental and not-for-profit accounting.

OUTLINE OF INSTRUCTION:

- I. The foundation of governmental and not-for-profit accounting
 - A. Similarities and differences between governmental and not-for-profit
 - B. Hierarchy of generally accepted accounting principles (GAAP)
 - C. Governmental accounting and financial reporting concepts
 1. Accountability
 - a. Influence of the budget
 - b. Fund accounting
 2. Interperiod equity
 3. Basis of accounting
 - a. Accrual
 - b. Modified accrual
 4. Measurement focus
 - a. Current financial resources measurement
 - b. Economic resources measurement
- II. The basics of fund accounting
 - A. Types of funds
 1. Governmental type category
 - a. General fund
 - b. Special revenue funds

- c. Capital projects funds
 - d. Debt service funds
 - e. Permanent funds
 - 2. Proprietary fund category
 - a. Enterprise funds
 - b. Internal service funds
 - 3. Fiduciary fund category
 - a. Pension (and other employee benefit) trust funds
 - b. Investment trust funds
 - c. Private-purpose trust funds
 - d. Agency funds
 - B. Budgetary accounting
 - 1. Recording the budget
 - 2. Recording encumbrances
 - 3. Budgetary control
- III. Governmental operating activity
- A. Exchange and nonexchange transactions
 - B. Recognition and recording of governmental revenue sources
 - 1. Taxes
 - 2. Licenses and permits
 - 3. Government-mandated programs
 - 4. Grants and entitlements
 - 5. Shared revenues
 - 6. donations and endowments
 - 7. Special assessments
 - 8. Charges for goods or services
 - C. Recognition and recording of expenditures and expenses
 - D. Other financing sources and other financing uses
 - E. Interfund transactions
 - 1. Reciprocal interfund activity
 - 2. Nonreciprocal interfund activity
- IV. Governmental balance sheet accounts
- A. Current assets
 - 1. Cash and cash equivalents
 - 2. Investments
 - 3. Due from other funds
 - 4. Prepaids
 - B. Noncurrent assets
 - 1. Restricted assets
 - 2. Capital assets
 - C. Current liabilities
 - 1. Payables
 - 2. Amounts due to other funds
 - D. Noncurrent liabilities
 - 1. Long-term payables

- 2. Pensions and postemployment healthcare benefits
 - 3. Capital lease payable
 - E. Fund balance (or equity)
 - 1. Reserved and unreserved
 - 2. Designated and undesignated
 - IV. Governmental financial reporting
 - A. Primary government and component units
 - B. Comprehensive Annual Financial Report (CAFR)
 - 1. Introductory Section
 - 2. Financial Section
 - a. Auditor's Report
 - b. Management's Discussion and Analysis (MD&A)
 - c. Basic Financial Statements
 - i. Government-wide statements
 - ii. Fund financial statements
 - iii. Notes to the financial statements
 - d. Required supplementary information (RSI)
 - e. Combining statements and individual fund statements and schedules
 - 2. Statistical Section
- V. Not-for-profit accounting and financial reporting
 - A. Types of not-for-profit organizations
 - B. Funds and fund accounting
 - 1. Current fund
 - 2. Plant fund
 - 3. Loan funds
 - 4. Endowment funds
 - 5. Annuity and life-income funds
 - 6. Agency funds
 - C. Revenues
 - 1. Contributions
 - D. Expenses
 - 1. Program services
 - 2. Supporting services
 - E. Asset, liability, and net asset accounts
 - F. Basic financial statements
 - 1. Statement of Financial Position
 - 2. Statement of Activities
 - 3. Statement of Cash Flows
 - 4. Statement of Functional Expense
- VI. Miscellaneous
 - A. Health care organizations
 - 1. Health care environment
 - 2. Health care reimbursement and contracts
 - 3. Revenues and expenses
 - 4. Financial reporting

- B. Colleges and universities
 - 1. Revenues and expenses
 - 2. Financial reporting
- C. Auditing

REQUIRED TEXTBOOK AND MATERIAL:

The textbook and other instructional material will be determined by the instructor.