

ACC 240
GOVERNMENT AND NOT-FOR-PROFIT ACCOUNTING

COURSE DESCRIPTION:

Prerequisites: ACC 121

Co-requisites: 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 Hours Credit, 3.

LEARNING OUTCOMES:

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

1. Classify accounts and record transactions
 - a. Know account titles, classifications, and normal balances
 - b. Record transactions in journals
 - c. Construct and use special-purpose journals
 - d. Post transactions to ledgers
 - e. Reconcile all subsidiary accounts to controlling accounts
 - f. Prepare schedules of accounts payable and accounts receivable
 - g. Analyze accounts receivable aging schedule
 - h. Account for bad debts
 - i. Identify, compute and record current liabilities
 - j. Account for investments
2. Account for specific industries and organizational structures
 - a. Account for government and not-for-profit organizations
 - b. Apply budgeting concepts
 - c. Compute and interpret variances from budgets and standards
3. Complete the accounting cycle and use its outputs
 - a. Prepare a working trial balance
 - b. Journalize and post adjusting entries
 - c. Prepare an adjusting trial balance
 - d. Journalize and post closing entries
 - e. Prepare a post-closing trial balance
 - f. Prepare financial statements and necessary disclosures
 - g. Use accounting cycle to create interim reports

OUTLINE OF INSTRUCTION

- I. Governmental and not-for-profit accounting environment and Characteristics
- II. The use of funds in governmental accounting
 - A. The framework of fund accounting
 - 1) The fund
 - 2) Fund categories
 - 3) Modified accrual accounting
 - B. Governmental-type funds and account groups
 - 1) The general fund
 - 2) Special revenue funds
 - 3) Debt service funds
 - 4) Capital project funds
 - 5) Permanent funds
 - C. Proprietary-type funds
 - 1) Enterprise
 - 2) Internal service
 - D. Fiduciary-type funds
- III. The budgetary process
 - A. Types of budgets
 - B. Budget preparation
 - C. Using the budget
- IV. The governmental fund accounting cycle: Introduction to general and special revenue funds
 - A. A basic fund accounting system
 - 1) The budget
 - 2) Opening entries
 - 3) Recording revenues and expenditures
 - 4) Closing entries
 - B. System refinements
 - 1) Receivables
 - 2) Control and subsidiary accounts
 - 3) Vouchers
 - 4) Encumbrances
- V. The governmental fund accounting cycle: Special problems of general and special revenue funds
 - A. Property taxes
 - 1) Uncollectible
 - 2) Over- and under-assessed
 - 3) Tax discounts
 - 4) Delinquent taxes
 - 5) Deferred taxes

- B. Budget
 - 1) Revisions
 - 2) Allotments
 - 3) Partial orders
 - 4) Open encumbrances
 - 5) Reserves and designations

C. Interfund transactions

D. Grants

E. Other issues

F. Permanent funds

VI. The governmental fund accounting cycle: Debt service funds and capital projects funds

- A. Debt service funds
 - 1) Definition and activities
 - 2) Accounting entries

- B. Capital projects funds
 - 1) Definition and activities
 - 2) Accounting entries

VII. The governmental fund accounting cycle: Proprietary-type funds

- A. Internal service funds
 - 1) Definition and activities
 - 2) Accounting entries

- B. Enterprise funds
 - 1) Definition and activities
 - 2) Accounting entries

VIII. The governmental fund accounting cycle: Fiduciary funds and special assessment accounting

- A. Pension trust funds
- B. Investment trust funds
- C. Private purpose trust funds
- D. Agency funds
- E. Special assessment projects

IX. Reporting principles and preparation of fund financial statements

- A. Financial reporting objectives
- B. The new reporting model-GASB Statement 34
- C. The reporting entity
- D. Overview of comprehensive annual financial report
- E. Preparing fund financial statements

- X. Government-wide financial statements
 - A. Types
 - B. Measurement focus and basis of accounting
 - C. Required reconciliation
 - D. Reporting on capital assets

- XI. Accounting for not-for-profit organizations
 - A. Description of not-for-profit organizations
 - B. Contributions
 - C. Investments
 - D. Funds used
 - 1) Current fund
 - 2) Endowment funds
 - 3) Plant funds

 - E. Interfund transfers

 - F. Financial statements

- XII. Accounting for health care organizations
 - A. Funds used

 - B. Accounting procedures
 - 1) General funds
 - 2) Restricted funds

 - C. Statements

REQUIRED TEXTBOOK AND MATERIALS:

To be selected by Instructor/Discipline Chair.