

THE UNIVERSITY OF ILLIOIS AT CHICAGO
 College of Business Administration * Department of Accounting
 Course Syllabus
 Spring Semester 2007

Accounting 465 Government and Nonprofit Accounting

Important notice: Graduate students normally should take Accounting 565, and may take this course only if they have schedule conflicts and will soon graduate.

Credit Hours : 3 hours for undergraduate students; 4 hours for graduate students.

Class time : Tu Th 11:00 a.m. - 12:15 p.m. **Classroom:** Stevenson Hall 220

Instructor: Professor James L. Chan jimchan@uic.edu 312-996-2529

Homepage: www.uic.edu/~jimchan

Office: 2310 University **Office hours :** 2-3 Tu Th and by appointment

Catalog course description: Financial transaction analysis and recording system; budget preparation and control; concepts and principles underlying the financial reports of governmental and nonprofit organizations. Prerequisite: Accounting 316.

Course Materials on the Blackboard: Draft chapters from the instructor's textbook manuscript *Government and Nonprofit Accounting: Concepts, Standards and Analysis* will be available for your exclusive use in the course. Please do not distribute further. Course materials are organized in the following folders on the Blackboard:

| | |
|--------------------|---|
| Course Document | Draft chapters and related materials |
| Course Information | Homework answers, test answers |
| Assignments | Study Guides with reading and written assignments |
| Announcements | What you need to know on a timely basis |

Grade determination: A = excellent, B = good, C = average, D = poor, F = fail. The W (withdrawal) grade is not given for unsatisfactory performance after the drop deadline has passed. Students are expected to observe the drop deadline. Other University and Department of Accounting policies, including academic honesty, are incorporated into this course syllabus by reference. Your course grade will be determined as follows:

| Evaluation Criteria | Undergraduate Points | Graduate Points |
|---|----------------------|-----------------|
| Three tests (each 1 hour) | 300 | 300 |
| Final exam (2 hours, partly cumulative) | 200 | 200 |
| Written homework collections | 100 | 100 |
| 1 Case analysis, 2 short essays | | 100 |
| Total points | 600 | 700 |

Instructor: James L. Chan, Professor of Accounting, has served as the Ernst & Young Professor, head of the Department of Accounting and director of the Office (now Center) for Governmental Accounting Research and Education at UIC. He is also Professor by Special Appointment at the Graduate School of the Research Institute of Fiscal Science (Beijing), Consulting Professor at Shanghai University of Finance and Economics and at Xiamen University in China. He has also held visiting professorships at the University of Chicago, Tsinghua University (China) and Bocconi University (Italy). He founded and edited nine volumes of *Research in Governmental and Nonprofit Accounting*, and has written over fifty articles and book chapters on government accounting and budgeting issues. He has also consulted with international organizations, the Chinese government, and the Federal Government, state and local governments in the United States. Chan received his Ph.D. (1975), MAS (1973) and BS (1971) from the University of Illinois at Urbana-Champaign, and has been on the UIC faculty since 1981.

Accounting 465 Assignments for Spring Semester, 2007

| No. | Date | Topic/Activity | Guide |
|--|----------------|--|-------|
| 1 | January 16 Tu | Course objectives, contents, policy and procedure. Ch. 1 "Stakeholder Theory of Accounting" – a theoretical framework for govt. and nonprofit accounting | 1 |
| Nonprofit Accounting and Financial Reporting | | | |
| 2 | January 18 Th | Ch. 2 "Business Financial Accounting" -- underlying assumptions and general principles; applicability to govt. and nonprofit organizations, and limitations. | 2 |
| 3 | January 23 Tu | | |
| 4 | January 25 Th | Ch. 3 "Accounting for Contributions to/by Nonprofit Organizations" – non-reciprocal exchanges, promise to give as basis of recognizing pledges | 3 |
| 5 | January 30 Tu | | |
| 6 | February 1 Th | Ch. 4 "Nonprofit Organizations' Financial Reporting" – org.-wide financial statements, donor-imposed restrictions | 4 |
| 7 | February 6 Tu | | |
| Federal Government Accounting and Financial Reporting | | | |
| 8 | February 8 Th | Ch. 6 "American Govt. Accounting: Evolution and Principles" – introductory overview | 5 |
| 9 | February 13 Tu | Test 1 (Chapters 1-4, $\frac{3}{4}$ on nonprofit accounting) | |
| 10 | February 15 Th | Ch. 7 "Federal Government-wide Financial Reporting and Analysis" – value of accrual accounting and consolidated reporting, stewardship assets and responsibilities | 6 |
| 11 | February 20 Tu | | |
| 12 | February 22 Th | Ch. 8 "Federal Government-wide Accounting" – impact of recognition criteria on financial position and performance | 7 |
| 13 | February 27 Tu | Ch. 9 "Federal Budgeting in Comparison with Federal Accounting" – different and complementary perspectives | 8 |
| 14 | March 1 Th | Ch. 10 "Federal Agency Financial Statements and Budgetary Accounting" -- budgetary control | 9 |
| 15 | March 6 Tu | Test 2 (Chapters 6-10) | |
| State and Local Government Accounting and Financial Reporting | | | |
| 16 | March 8 Th | Ch. 11 "Govt.-wide Financial Statements and Accounting" – reporting entity, two major types of activities | 10 |
| 17 | March 13 Tu | | |
| 18 | March 15 Th | Ch. 12 "Fund Classification and Inter-fund Transactions" | 11 |
| 19 | March 20 Tu | Ch. 13 "CAFR and Government-wide Financial Analysis" – bringing together the whole and the parts of government | 12 |
| 20 | March 22 Th | | |
| Spring Vacation (No classes during the week of March 26) | | | |
| 21 | April 3 Tu | Test 3 (Chapters 11-13) | |
| 22 | April 5 Th | Ch. 14 "Governmental Activities and Operating Funds (I) – budget estimates, budgetary basis, operating debts | 13 |
| 23 | April 10 Tu | | |
| 24 | April 12 Th | Ch. 15 "Governmental Activities and Operating Funds (II) – revenue recognition, budget to GAAP reconciliation | 14 |
| 25 | April 17 Tu | Ch. 16 "Governmental Activities, Capital Project and Debt Service Funds" – financing and managing capital projects, resulting assets and liabilities | 15 |
| 26 | April 19 Th | | |
| 27 | April 24 Tu | Ch. 18 "Fiduciary Activities and Funds" – emphasis on financial time-bombs: pensions and OPEB | 16 |
| 28 | April 26 Th | | |
| 29 | May 1 Tu | Ch. 19 "Accounting from Different Perspectives" – reconciliation of alternative bases of accounting | 17 |
| 30 | May 3 Th | Conclusion and Review | 18 |
| Final Examination (Chapters 14,15,16,18,19) | | | |

