



## ACT410: ARTIFICIAL INTELLIGENCE IN GOVERNMENT AND NONPROFIT ACCOUNTING

**Credit Hours:** 3

**Contact Hours:** This is a 3-credit course, offered in accelerated format. This means that 16 weeks of material is covered in 8 weeks. The exact number of hours per week that you can expect to spend on each course will vary based upon the weekly coursework, as well as your study style and preferences. You should plan to spend 14-20 hours per week in each course reading material, interacting on the discussion boards, writing papers, completing projects, and doing research.

---

### **COURSE DESCRIPTION AND OUTCOMES**

---

#### **Course Description:**

This course introduces specialized accounting standards for governmental and not-for-profit entities using artificial intelligence (AI) applications. Students will record transactions using the latest trends in accounting software programs designed for government and nonprofit accounting. Students will develop an understanding of the financial reporting and analysis of state and local governments, governmental operating statement accounts and budgetary accounting, accounting for general capital assets and capital projects. Additional concepts include specialized accounting practices for various types of non-governmental, and not-for-profit organizations.

#### **Course Overview:**

In this course, we will examine the foundation of government and not-for-profit accounting, integrating the Governmental Accounting Standards Board (GASB) statements, Financial Accounting Standards Board (FASB) pronouncements, American Institute of Certified Public Accountants (AICPA) audit and accounting guidance, Office of Management and Budget, and the U.S. Government Accountability Office (GAO) positions. You will be exposed to many topics including recognizing revenues and expenditures, valuing assets and liabilities, reporting cash flows, and defining the scope of the reporting entity.

After the basic concepts are presented, we go further by presenting opportunities to integrate technology (specifically artificial intelligence, data analytics, and machine learning) into the existing framework of the accounting process. You will explore the benefits and drawbacks of integrating these trendy technologies, even engaging in discussions with your classmates to evaluate the suitability of technology options based on a given scenario. The focus is the real-world applicability to an accounting career after college.

#### **Course Learning Outcomes:**

1. Compare government and nonprofit entities with business entities' characteristics.
2. Apply artificial intelligence (AI) to fund accounting with governmental, proprietary, and fiduciary funds.
3. Articulate budgetary accounting and its related reporting practices using artificial intelligence (AI).

4. Analyze the format and content of fund financial statements and government-wide financial statements.
5. Assess the timing of recognition and classification of revenues and expenses of non-government not-for-profit entities.
6. Prepare governmental and non-government not-for-profit organization financial statements using artificial intelligence (AI).
7. Apply financial and single audit procedures and discuss accounting for federal government and its agencies.

---

## **PARTICIPATION & ATTENDANCE**

---

Prompt and consistent attendance in your online courses is essential for your success at CSU-Global Campus. Failure to verify your attendance within the first 7 days of this course may result in your withdrawal. If for some reason you would like to drop a course, please contact your advisor.

Online classes have deadlines, assignments, and participation requirements just like on-campus classes. Budget your time carefully and keep an open line of communication with your instructor. If you are having technical problems, problems with your assignments, or other problems that are impeding your progress, let your instructor know as soon as possible.

---

## **COURSE MATERIALS**

---

**Textbook Information is located in the CSU-Global Booklist on the Student Portal.**

---

## **COURSE SCHEDULE**

---

### **Due Dates**

The Academic Week at CSU-Global begins on Monday and ends the following Sunday.

- **Discussion Boards:** The original post must be completed by Thursday at 11:59 p.m. MT and peer responses posted by Sunday at 11:59 p.m. MT. Late posts may not be awarded points.
- **Opening Exercises:** Take the Opening Exercise before reading each week's content to see which areas you will need to focus on. You may take these exercises as many times as you need. The Opening Exercises will not affect your final grade.
- **Mastery Exercises:** Students may access and retake Mastery Exercises through the last day of class until they achieve the scores they desire.
- **Critical Thinking:** Assignments are due Sunday at 11:59 p.m. MT.
- **Live Classroom:** Although participation is not required, Live Classroom sessions are held during [Week 1 and Weeks 6 or 7]. There are two total sessions. (Note that your course may have NO live sessions. If not, remove this section and all Live Classroom sessions from the course schedule.)

---

## **WEEKLY READING AND ASSIGNMENT DETAILS**

---

### **Module 1**

#### **Readings**

- Chapters 1 & 2 *Essentials of Accounting for Governmental and Not-for-Profit Organizations*

- Association of Certified Fraud Examiners (n.d.). Government accountant.
- Bora, I. (2018). Urgent need for governmental accounting education: New generation needed to fill retirements at federal, state, and local Agencies. *CPA Journal*, 88(4), 31-32.

**Opening Exercise (0 points)**

**Discussion (25 points)**

**Live Classroom (0 points)**

**Critical Thinking (60 points)**

**Option 1: Accounting Differences Between Governments, Nonprofits, and Businesses/Career Exploration**

Please respond to the questions below:

1. In your own words, summarize the five environmental factors relating to how governments are different from commercial businesses as mentioned in Chapter 1, and taken from the GASB white paper entitled: Why Governmental Accounting and Financial Reporting Is – and Should Be – Different. In your response, articulate which of these differences you believe is the most noteworthy and why.
2. Using the information from your readings and independent research, select two potential careers in governmental or not-for-profit accounting. Write in detail what you can find or hypothesize on the knowledge, skills, and experience that would be appropriate for those roles. If one of the roles interests you as a potential career path, share why you find that career option interesting.

In your analysis, include the following:

1. An introduction,
2. Requirements 1 – 2, and
3. Conclusion.

Paper Requirements:

- Submit your responses to the questions in a 3-4-page document in MSWord. Label each question clearly. For computations, please include them in a table.
- For written answers, please make sure your responses are well written.
- The assignment should follow APA guidelines for the use of subheadings, 1” margins, and double-spaced.
- The required number of pages for the assignment does not include the title page and references page.
- References need to include your textbook plus two additional credible academic references. All sources used, including your textbook, must be referenced; paraphrased and quoted material must have accompanying citations and cited per APA guidelines. Use of the CSU Global library is necessary.

Review the grading rubric, which can be accessed from the Course Information page. Reach out to your instructor if you have any questions about the assignment.

**Option 2: Understanding the Users of Governmental and Not-for-Profit Financial Information**

1. Apply the information you learned in the readings, and research (if appropriate), to the following scenario.

Who are the users of the financial documents for a state or city government and a non-profit charity organization? Articulate in your response at least one item found in the financial information that would be relevant to each user.

2. Using the budget documents from the discussion board exercise, assume you are a Certified Fraud Examiner with a public accounting firm. Based on your review of the budget, compose a letter to the head of the government agency or not-for-profit organization or written summary of the areas of the budget document that would potentially be areas of risk for fraud. In your analysis, include the following:

1. An introduction,
2. Requirements 1 – 2, and
3. Conclusion.

Paper Requirements:

- Submit your responses to the questions in a 3-4-page document in MSWord. Label each question clearly.
- For written answers, please make sure your responses are well written.
- The assignment should follow APA guidelines for the use of subheadings, 1” margins, and double-spaced.
- The required number of pages for the assignment does not include the title page and references page.
- References need to include your textbook plus two additional credible academic references. All sources used, including your textbook, must be referenced; paraphrased and quoted material must have accompanying citations and cited per APA guidelines. Use of the CSU Global library is necessary.

Review the grading rubric, which can be accessed from the Course Information page. Reach out to your instructor if you have any questions about the assignment.

### **Mastery Exercise (10 points)**

## **Module 2**

### **Readings**

- Chapters 3 (including Appendix) & 4 *Essentials of Accounting for Governmental and Not-for-Profit Organizations*
- Arria announces launch of RECOUNT(TM) --- a business reporting tool powered by NLG artificial intelligence technology that turbocharges online accounting systems such as xero, QuickBooks and sage. (2016, September 02). *PR Newswire*.
- Needleman, T. (2018, January). Cloud accounting just gets better: And now it's getting ready to embrace artificial intelligence. *Accounting Today*, 32(1), 22-23.
- SecurityScorecard exposes government security vulnerabilities across federal, state and local levels. (2018, March 29). *PR Newswire*.

**Opening Exercise (0 points)**

**Discussion (25 points)**

**Critical Thinking (60 points)**

**Option 1: Budgets Journal Entries**

Please provide responses in Excel to the following scenario:

- A. Prepare the General Ledger journal entries for the General Fund for the City of Corona for the fiscal year ended May 31, 2018.
  - a. The budget was formally adopted. Estimated revenues are \$8,520,000 and appropriations are estimated to be \$8,204,500.
  - b. Revenues were received for \$6,562,000.
  - c. Purchase orders were issued for \$2,950,000.
  - d. Purchase orders were filled for \$2,436,000. The invoice amount was \$2,443,000, which has been paid.
  - e. Expenditures, not encumbered, amounted to \$3,225,000 which was paid.

Please provide a response in Word to the following exercises:

- B. Differentiate between imposed nonexchange revenues and derived tax revenues.
- C. Find and provide a link, citation, and written summary of a recent podcast, article, video, or other short media that discuss one or both of these types of revenues and the difficulty that results when economic conditions change straining the operations of the recipients of government funding. An example of such as scenario could be a public-school system's financial struggles when its constituents are not paying their property tax bills timely or at all. Media chosen should be current, dated not before 2016.

Paper Requirements:

- Submit your responses to the questions in a 3-4-page document in MS Word plus the MS Excel documents as indicated. Label each question clearly. For computations, please include them in a table.
- For written answers, please make sure your responses are well written.
- The assignment should follow APA guidelines for the use of subheadings, 1" margins, and double-spaced.
- The required number of pages for the assignment does not include the title page and references page.
- References need to include your textbook plus two additional credible academic references. All sources used, including your textbook, must be referenced; paraphrased and quoted material must have accompanying citations and cited per APA guidelines. Use of the CSU Global library is necessary.

Review the grading rubric, which can be accessed from the Course Information page. Reach out to your instructor if you have any questions about the assignment.

**Option 2: Special Fund Entries and Inventories Reporting**

Please respond in Excel to the following two problems:

- A. Prepare entries in general journal form to record the following transactions in the Roadway Fund general ledger accounts for City of Kettering for the fiscal year 2018. Use modified accrual accounting.
1. At the beginning of the fiscal year, the fund \$1,360,000 offset by assigned fund balance in the same amount.
  2. The city was awarded \$4,200,000 for road inspections and repairs during the year. The award requires reimbursement for expenditures not an allotment up front.
  3. Work contracted for the year amounted to \$4,175,000.
  4. Invoices received for the work performed totaled \$4,150,000. \$3,980,000 of that amount was paid in cash as of year-end.
  5. The state reimbursed the city \$4,000,000 for the completed work before year-end.
- B. Prepare a statement of Revenues, Expenditures, and Changes in Fund Balance for the Roadway Fund.

Please respond in Word to the following task:

- C. Find and provide a link, citation, and written summary of a recent podcast, article, video, or other short media that provides an example (positive or negative) of special funds allocations like Federal Highway Funds or public works project funding like building a new stadium or new community center. An example of such a scenario could be an emergency allocation of federal highway funds to a locality after a natural disaster. Media chosen should be current, dated not before 2016. Include in the summary how the accounting treatment would occur for such allocation.

Paper Requirements:

- Submit your responses to the questions in a 3-4-page document in MS Word plus MS Excel documents as noted. Label each question clearly.
- For written answers, please make sure your responses are well written.
- The assignment should follow APA guidelines for the use of subheadings, 1" margins, and double-spaced.
- The required number of pages for the assignment does not include the title page and references page.
- References need to include your textbook plus two additional credible academic references. All sources used, including your textbook, must be referenced; paraphrased and quoted material must have accompanying citations and cited per APA guidelines. Use of the CSU Global library is necessary.

Review the grading rubric, which can be accessed from the Course Information page. Reach out to your instructor if you have any questions about the assignment.

**Mastery Exercise (10 points)**

### **Module 3**

#### **Readings**

- Chapter 5 *Essentials of Accounting for Governmental and Not-for-Profit Organizations*

- Irizarry, A. M. H. (2017). If you build it, they will relocate: Public private partnerships in sport stadium financing. *Public Contract Law Journal*, 46(4), 853-872.
- Jarvis, G. (2015). The robots you're looking for. *Financial Director*, 38-39.
- Lacity, M. C., & Willcocks, L. P. (2016). A new approach to automating services. *MIT Sloan Management Review*, 58(1), 41-49.

### **Opening Exercise (0 points)**

### **Discussion (25 points)**

### **Critical Thinking (60 points)**

#### **Option 1: Accounting Process Automation**

Employees in all businesses train for years on ways to obtain efficiency without sacrificing accuracy. “Best practices” and standardized procedures were once the human employees’ goals. With the increasing capabilities in business intelligence technology, organizations can turn human best practices into machine-driven processes. By doing so, it is possible to harness the massive quantities of information already contained within an accounting system in a more strategic manner.

As part of the initial process to automate accounting tasks, accounting staff knowledgeable about the organization’s operations and conventional methods needed to assess which tasks could be automated and how quickly. For this assignment, you will formulate a “mapping” plan as if you were beginning the process of accounting system automation for a governmental unit. Utilizing the required reading content on process automation, assess the following and provide support for your response.

1. What overall considerations do you think you would make in deciding whether or not to automate an organization?
2. How will you assess a particular task on its ability to be automated?

For the next 3 questions, please create a table in MS Word to summarize your responses with your written response and rationale to follow in the Word document.

3. Which of the accounting entries covered in this or previous modules would be suitable for process automation? Provide at least 5 along with your rationale.
4. Which entries could be automated but might require human interaction to review for accuracy? Provide at least 5 along with your rationale.
5. Which entries are nearly impossible to automate? Provide at least 5 along with your rationale.

#### **Paper Requirements:**

- Submit your responses to the questions in a 3-4-page document in MS Word as indicated. Label each question clearly.
- For written answers, please make sure your responses are well written.
- The assignment should follow APA guidelines for the use of subheadings, 1” margins, and double-spaced.
- The required number of pages for the assignment does not include the title page and references page.
- References need to include your textbook plus two additional credible academic references. All sources used, including your textbook, must be referenced; paraphrased and quoted material must have accompanying citations and cited per APA guidelines. Use of the CSU Global library is necessary.

Review the grading rubric, which can be accessed from the Course Information page. Reach out to your instructor if you have any questions about the assignment.

## **Option 2: “Fund”amentals of Fund Accounting**

In the required reading for this module, the article “If You Build It, They Will Relocate: Public Private Partnerships in Sport Stadium Financing” describes the unique relationship formed between a jurisdiction and a sports franchise that is potentially “on the move” with the common goal of attracting/retaining lucrative revenue streams for the related public and private sector businesses.

Public private partnerships are one recommended mechanism for brokering the financial side of the transaction where public funding and private funding combine to sponsor the construction/rehabilitation efforts of a sporting facility. Using taxpayer dollars for such projects can often be a tenuous proposition, so as accountants, we need to make sure this project’s accounting will withstand potentially intense scrutiny.

Please respond in MS Word to the following questions related to this scenario:

1. In your own words, summarize the “If You Build It...” article in two to three paragraphs, specifically evaluating the financing vehicle of the public private partnership.
2. Based on the article content, how would you set up the public private partnership financing arrangement on the books of the jurisdiction using fund accounting? What items should you consider in your decision?
3. Assume instead that the sports franchise and private donors will sponsor the entire cost of the project on a reimbursement basis, but the local government will handle the management of the project, including handling the bookkeeping and paying the bills. What factors would you need to know to properly account for the transaction? For each possible type of fund, identify the factors that determine the classification of the project into a particular fund.
4. The construction of major facilities like a sports stadium often encounter challenges during the construction process that create budget overruns. When additional public funds will be needed to cover some or all of these overruns, what are the jurisdiction’s options for obtaining additional funds to finance large projects were discussed in the textbook Chapter 5? How would those options be accounted for on the jurisdiction’s books?
5. What is your opinion on whether taxpayer funds should be utilized for building sports arenas that benefit a for-profit business for a limited period before the facility starts to become undesirable and obsolete? (There is no right or wrong answer here, but make sure your side is well supported.) If there were any other opinions, thoughts, commentary from the authors that you agreed or disagreed with, feel free include them in this section!

Paper Requirements:

- Submit your responses to the questions in a 3-4-page document in MS Word as indicated. Label each question clearly. For computations, please include them in a table.
- For written answers, please make sure your responses are well written.

- The assignment should follow APA guidelines for the use of subheadings, 1" margins, and double-spaced.
- The required number of pages for the assignment does not include the title page and references page.
- References include your textbook plus two additional credible academic references. All sources used, including your textbook, must be referenced; paraphrased and quoted material must have accompanying citations and cited per APA guidelines. Use of the CSU Global library is necessary.

Review the grading rubric, which can be accessed from the Course Information page. Reach out to your instructor if you have any questions about the assignment.

### **Mastery Exercise (10 points)**

### **Portfolio Milestone (25 points)**

#### **Options 1 & 2**

Please review the requirements for the Portfolio Project Options.

Submit your selected option and write 1-2 paragraphs on the reasoning behind your selection, the course of action and timelines to tackle the assignment in Microsoft Word.

Include in your submission a timeline of milestones in your project and when you expect to complete each one.

This submission is worth 25 points of your portfolio project due in Module 8.

Your paper must meet the following requirements:

- Your written paper should be 1 page in length, not including the title page, and reference page, which must include.
- Use terms, evidence, and concepts from class readings.
- You need to cite at least 2 sources for this assignment, plus the textbook. The CSU-Global Library is a great place to find resources.
- Your paper must be formatted according to CSU-Global Guide to Writing and APA Requirements.
- If you need assistance with your writing style, start with the links under the Research Help and Writing Help tabs on the CSU-Global Library's homepage.

Review the Portfolio Project Milestone Rubric for full details on how you will be graded on this assignment.

## **Module 4**

### **Readings**

- Chapters 6 & 7 *Essentials of Accounting for Governmental and Not-for-Profit Organizations*
- Part 4: Enterprise funds. (2018, July 31). *Melrose Massachusetts Inside the Budget*.
- Rîndașu, S. (2017). Emerging information technologies in accounting and related security risks – What is the impact on the Romanian accounting profession. *Accounting and Management Information Systems, 16(4)*, 581-609.

**Opening Exercise (0 points)**

**Discussion (25 points)**

**Critical Thinking (60 points)**

**Option 1: Proprietary Funds**

Please respond in Word to the following exercise:

1. In your own words, articulate the differences in cash flow statements required under GASB standards when compared with cash flow statements required by FASB standards. Provide specific examples of the differences.

Using the fact scenario below, please respond in Excel to the following exercises:

2. Prepare the journal entries to record revenues and disbursements if the city treats the program as an enterprise fund.
3. Prepare the journal entries to record revenues and disbursements if the city treats the program as a special revenue fund.

**Facts:**

The City of Duluth teamed with a professional football franchise to offer one day “Learn to Play Football” clinics for kids during the summer. The City provided the Town Green as a location, and the franchise covered all costs.

1,500 kids registered for the Duluth clinics during 2018. The franchise contributed upfront \$100 per registered child to the city to cover expenses. Each child attending received a replica jersey of the team.

The city also had a four-year loan from the bank for \$24,000 at a 7% interest rate.

Cash disbursements occurred for wages of clinic workers and on-site medical staff in the amount of \$31,000, advertising and promotional items \$40,000, payroll taxes \$9,300, insurance \$10,000, equipment rentals \$12,800, interest on banknote paid semi-annually \$840, landscaping repairs and clean up services \$6,700, refreshments, \$20,400, and parking for volunteers \$2,300. All disbursements occurred at year end except \$5,000 of wages and \$1,500 of payroll taxes.

**Paper Requirements:**

- Submit your responses to the questions in a 3-4-page document in MS Word plus MS Excel documents as indicated. Label each question clearly.
- For written answers, please make sure your responses are well written.
- The assignment should follow APA guidelines for the use of subheadings, 1” margins, and double-spaced.
- The required number of pages for the assignment does not include the title page and references page.
- References need to include your textbook plus two additional credible academic references. All sources used, including your textbook, must be referenced; paraphrased and quoted material must have accompanying citations and cited per APA guidelines. Use of the CSU Global library is necessary.

Review the grading rubric, which can be accessed from the Course Information page. Reach out to your instructor if you have any questions about the assignment.

### **Option 2: Tax Agency Funds**

Please respond in Word to the following exercise:

1. In your own words, distinguish the types of scenarios where a tax agency fund would apply from scenarios where a tax agency fund would not apply. Please provide two or more examples of both situations. What are the legal implications of a tax agency relationship?

Using the fact scenario below, please respond in Excel to the following two exercises:

2. Prepare the journal entries to reflect the transactions on the City of San Francisco's books.
3. Prepare the journal entries to reflect the transactions on each recipient county's books.

#### **Facts:**

The City of San Francisco assesses a 15-cent telecommunications tax per call on calls initiated and terminated within the jurisdiction. During 2017, there were approximately 978,000,000 calls upon which the tax should be imposed. In addition, the city also collects sales taxes for the 3 counties that are part of incorporated San Francisco. Those taxes collected are \$12,000,000 for County A, \$7,500,000 for County B, and \$4,130,000 for County C. Assume the amount of both taxes assessed were collected in their entirety. Fees for the collection services are 2% of tax collected. Residual cash after the fees assessed was disbursed to the counties.

#### **Paper Requirements:**

- Submit your responses to the questions in a 3-4-page document in MS Word plus MS Excel documents as indicated. Label each question clearly.
- For written answers, please make sure your responses are well written.
- The assignment should follow APA guidelines for the use of subheadings, 1" margins, and double-spaced.
- The required number of pages for the assignment does not include the title page and references page.
- References include your textbook plus two additional credible academic references. All sources used, including your textbook, must be referenced; paraphrased and quoted material must have accompanying citations and cited per APA guidelines. Use of the CSU Global library is necessary.

Review the grading rubric, which can be accessed from the Course Information page. Reach out to your instructor if you have any questions about the assignment.

### **Mastery Exercise (10 points)**

## **Module 5**

### **Readings**

- Chapter 8 (including Appendix) *Essentials of Accounting for Governmental and Not-for-Profit Organizations*
- Hladika, M., M.A., Vasicek, V., PhD., & Dragija, M., M.A. (2012). Challenges in management – the transition from cash to accrual accounting in the public sector. *An Enterprise Odyssey. International Conference Proceedings*.
- Moretti, D. (2016). Accrual practices and reform experiences in OECD countries - results of the 2016 OECD accruals survey. *OECD Journal on Budgeting*, 16(1), 9-28.

### **Opening Exercise (0 points)**

### **Discussion (25 points)**

### **Critical Thinking (60 points)**

#### **Option 1: Conversion Entries Podcast**

Embrace technology in this activity! Please write a script for a podcast with you explaining and /or demonstrating how to convert fund specific financials on a modified accrual accounting basis to a full accrual basis. Once you are comfortable with your script, take it a step further and record your own podcast video.

Include a link to your podcast in your written script.

Note: Two platforms that could be used for your podcast are:

- Audacity (<https://www.audacityteam.org/>)
- Google Hangouts (<https://www.razorsocial.com/podcast-software/>)

Paper Requirements:

- Submit your responses to the questions in a 3-4-page document in MS Word as indicated.
- For written answers, please make sure your responses are well written.
- Assignment should follow APA guidelines with respect to use of subheadings, 1" margins, and double spaced.
- The required number of pages for the assignment does not include the title page and references page.
- References need to include your textbook plus two additional credible academic references. All sources used, including your textbook must be referenced; paraphrased and quoted material must have accompanying citations and cited per APA guidelines. Use of the CSU Global library is necessary.

Review the grading rubric, which can be accessed from the Course Information page. Reach out to your instructor if you have any questions about the assignment.

#### **Option 2: Accrual Basis Podcast**

Pick an article on the use of accrual basis accounting for a foreign government unit (aside from the ones included in the required readings).

Select a topic from the article related to the accrual accounting method and prepare a podcast script on the topic. Once your script is complete, record a podcast on your topic. Include the link to your podcast on the script written document.

#### Paper Requirements:

- Submit your responses to the questions in a 3-4-page document in MS Word as indicated.
- For written answers, please make sure your responses are well written.
- Assignment should follow APA guidelines with respect to use of subheadings, 1" margins, and double spaced.
- The required number of pages for the assignment does not include the title page and references page.
- References need to include your textbook plus two additional credible academic references. All sources used, including your textbook, must be referenced; paraphrased and quoted material must have accompanying citations and cited per APA guidelines. Use of the CSU Global library is necessary.

Review the grading rubric, which can be accessed from the Course Information page. Reach out to your instructor if you have any questions about the assignment.

#### Mastery Exercise (10 points)

### Module 6

#### Readings

- Chapters 9 & 10 *Essentials of Accounting for Governmental and Not-for-Profit Organizations*
- Carey, T., & Dyson, R. A. (2017). Implementing ASU 2016-14 on the presentation of not-for-profit financial statements: Changes aim to provide more relevant information and perspective. *CPA Journal*, 87(4), 24.
- Nordby, L. (2017, July 31). New options for creating fire and metro park districts [Web log post].

#### Opening Exercise (0 points)

#### Discussion (25 points)

#### Live Classroom (0 points)

\*The Live Classroom will be assigned in Week 6 or Week 7, not both\*

#### Critical Thinking (70 points)

##### **Option 1: State and Local Government Reporting**

(Inspired by end of chapter 9 questions and exercises #2-10)

The information below should be used to prepare (in proper form in Excel) a Public Transportation column for the proprietary fund Statement of Revenues, Expenses, and Changes in Fund Net Position for the fiscal year ending May 31, 2018.

Operating Revenue (Services)	\$25,705,000
Interest Revenue	\$36,000
Intergovernmental Revenue	\$140,000
Capital Contributions	\$1,200,000
Operating Expenses:	

Employee Wages	\$8,654,000
Temporary Labor	\$750,000
Repairs and Maintenance	\$6,425,000
Depreciation	\$4,532,000
Utilities	\$948,000
Interest Expense	\$475,000
Transfer to General Fund	\$315,000
Net position, June 1, 2017	\$3,820,000

Please also answer the following questions in MS Word:

1. What observations can you make about the fund's activity from June 1, 2017-May 31, 2018?
2. Identify the other proprietary fund statements and what measurement focus and basis for accounting are used in those statements.
3. What reports and schedules are included in the CAFR as required supplementary information?

Paper Requirements:

- Submit your responses to the questions in a 3-4-page document in MS Word/MS Excel as indicated. Label each question clearly. For computations, please include them in a table.
- For written answers, please make sure your responses are well written.
- Assignment should follow APA guidelines with respect to use of subheadings, 1" margins, and double spaced.
- The required number of pages for the assignment does not include the title page and references page.
- References need to include your textbook plus two additional credible academic references. All sources used, including your textbook, must be referenced; paraphrased and quoted material must have accompanying citations and cited per APA guidelines. Use of the CSU Global library is necessary.

Review the grading rubric, which can be accessed from the Course Information page. Reach out to your instructor if you have any questions about the assignment.

### **Option 2: Not-for-Profit Financial Statement Analysis**

This exercise will build on the discussion board activity using the same 3 organizations you claimed.

Prepare an Excel spreadsheet summarizing the following data for each of the 3 organizations:

1. Restricted net assets (permanent and temporary);
2. Total net assets;
3. Ratio of restricted net assets to total net assets;
4. Company's contribution revenue recognition policy, if disclosed;
5. Two most significant expenses contained in the note disclosures; and
6. The amount of unconditional promises receivable due in 1 to 5 years from the balance sheet date.

Next, in MS Word, please provide your thoughts, ideas, questions, or commentary on the information you have reviewed for each entity. You could search for news stories regarding the organizations chosen that might help with your analysis or provide other defining information like fraud investigations, tax issues, or other positive or negative details of the organization that might provide some frame of reference for the data in the reports.

#### Paper Requirements:

- Submit your responses to the questions in a 3-4-page written document in MS Word and the MS Excel worksheets as indicated. Label each question clearly.
- For written answers, please make sure your responses are well written.
- Assignment should follow APA guidelines with respect to use of subheadings, 1" margins, and double spaced.
- The required number of pages for the assignment does not include the title page and references page.
- References need to include your textbook plus two additional credible academic references. All sources used, including your textbook, must be referenced; paraphrased and quoted material must have accompanying citations and cited per APA guidelines. Use of the CSU Global library is necessary.

Review the grading rubric, which can be accessed from the Course Information page. Reach out to your instructor if you have any questions about the assignment.

#### Mastery Exercise (10 points)

### Module 7

#### Readings

- Chapters 11 & 12 *Essentials of Accounting for Governmental and Not-for-Profit Organizations*
- Bump, S. M. (2015). Powering up: How we began with data analytics. *The Journal of Government Financial Management*, 64(2), 54-56.
- Meskovic, E., Garrison, M., Ghezal, S., & Chen, Y. (2018, May/June). Artificial intelligence: Trends in business and implications for the accounting profession. *Internal Auditing*, 33(3), 5-11.

#### Opening Exercise (0 points)

#### Discussion (25 points)

#### Live Classroom (0 points)

\*The Live Classroom will be assigned in Week 6 or Week 7, not both\*

#### Mastery Exercise (10 points)

### Module 8

#### Readings

- Chapters 13 & 14 *Essentials of Accounting for Governmental and Not-for-Profit Organizations*
- McAllister, B., C.P.A., Sawani, A. M., & Zahller, K. A., C.M.A. (2018). Adapting for the not-for-profit audit. *Strategic Finance*, 99(12), 46-53.

- Robey, C. (2015, 12). Capturing the flag: The potential role for artificial intelligence in U.S. federal government audits. *Contract Management*, 55, 38-45.

### **Opening Exercise (0 points)**

### **Discussion (25 points)**

### **Mastery Exercise (10 points)**

### **Portfolio Project (325 points)**

#### **Option 1: Governmental Accounting**

You are an accounting department employee of the State of Wisconsin with a love of all things technology. Because the head of your department knows you are the most technologically oriented person in the group, he has asked you to team up with the purchasing and IT departments to evaluate options for a more efficient accounting software system. The accounting system currently in use by Wisconsin is dated, and the system does not have the capability to perform data analytics. It would also be beneficial to be able to incorporate “machine learning” functionality to streamline the more routine tasks of the accounting function. And even though you didn’t need another reason to evaluate a new system, the software provider called to tell your supervisor that the technical support for your current product is being discontinued at the end of the year! This means you only have a few months to work with the cross-functional team to evaluate and price options.

Overwhelmed with the size of the task, you come up with a suggested plan of attack to present to the team at today’s meeting. The purchasing process requires that your team solicit bids via a Request for Proposal (RFP). There’s a template on the purchasing intranet site which you’ll review in a bit. The biggest challenge in front of the team, it seems, is to narrow down the list of vendors that you will submit the invitation to bid via the RFP. An internet search of vendors quickly informs you that there appear to be endless options in governmental accounting computer software applications. Every option you look at seems to be able to handle the basic accounting functionality, but from your discussion with the accounting department head, there needs to be significant improvements in efficiency and effectiveness for the new software to justify the cost of implementation. While you aren’t sure exactly what he has in mind, you know it will probably require some discussions with your teammates to develop a list of “must haves” and “nice to haves” if budget allows. In addition, you’ll need to find out from the IT group what the technical requirements are in terms of system capacity and data security. Purchasing can tell you about the RFP process as well as if there are any preferred/blacklisted vendors with whom the company has worked in the past.

With all this in mind, you head off to your meeting with the purchasing and IT guys. At the meeting, you are tasked with leading the RFP process with the support of purchasing and IT!

And the race has begun....

1. Locate a short RFP template either within Word or on a governmental entity website (note when you are looking on a government agency website, you are writing the actual RFP, not the entity bidding on the RFP). You are to prepare the RFP document to send to potential vendors.
2. Come up with 2 to 3 vendors that can provide what the department says they need in terms of capability (assume for this exercise that price is not a consideration).
3. Come up with a list of 4 “must have” and 2 “nice to have” features for the package based on feedback from your team (which should be able to be done by looking at the governmental accounting software options from different software providers on the Internet).

4. Create/research the technical specifications and number of users with the IT group's assistance (again, these can probably be found on the software providers' websites).

Good luck!

Paper Requirements:

- Submit your RFP document and potential vendor list in a 3-4-page MS Word document.
- Please make sure your responses are well written.
- Assignment should follow APA guidelines with respect to use of subheadings, 1" margins, and double spaced.
- The required number of pages for the assignment does not include the title page and references page.
- References need to include your textbook plus two additional credible academic references. All sources used, including your textbook, must be referenced; paraphrased and quoted material must have accompanying citations and cited per APA guidelines. Use of the CSU Global library is necessary.

Review the grading rubric, which can be accessed from the Course Information page. Reach out to your instructor if you have any questions about the assignment.

### **Option 2: Not-for-Profit Accounting Analysis**

(Based on an article "One Attorney General's Response to "Creative" Nonprofit Accounting" by Ruth McCambridge in NonProfit Quarterly May 11,2018)

You are a new auditor reviewing the financial statements for a not-for-profit charity providing overseas needs relief utilizing donated clothing, food, and medications. You recall from your Not-for-Profit Accounting Class in college that not-for-profit charities have some unique accounting rules that don't apply to other types of businesses, but you don't remember exactly what those rules were. You decide to make an overview of the financials before you look into those rules.

One of the first things you do is to compute the program's services ratio by taking program service expenses divided by total expenses. You are surprised to find that ratio is very high, which should be indicative of the organization's ability to operate with very low overhead costs. You've heard of the organization before, but it did not seem like the organization was of the size that it could operate very efficiently since they provided relief items to mostly third world countries.

Upon further examination, it comes to your attention is the substantial revenue claimed given the majority of its income is in-kind donations of pharmaceuticals. Although pharmaceuticals can be very expensive, these (you are told) are close to the expiration date and therefore, by law, they cannot be sold to customers in the United States. They are able to be utilized in foreign countries. The value of the in-kind pharmaceutical donations was in the financials as \$1.6 billion.

The more you review the financials the more you feel like something just doesn't seem right. Before you spend more time on the project, you approach your manager to run the scenario by her.

After a few minutes of your discussion, the manager agrees that something doesn't seem quite right.

She asks you to put together a memo to her that details:

1. What you have found in your review regarding accounting issues;
2. What you believe the appropriate accounting treatment should be on items you are questioning;
3. Any positive or negative informational items you can find regarding the charity by researching it online; and
4. In the case of suspicious activity, there are likely AI technology options that could help with narrowing down the issues, so be sure to make at least one AI application recommendation in your letter.

Paper Requirements:

- You will be required to come up with fictional data for your memo. It may be advantageous to lay them out at the beginning of the letter for your instructor to follow more easily.
- Submit your memo response in a 3-4-page document in MS Word.
- Please make sure your responses are well written.
- Assignment should follow APA guidelines with respect to use of subheadings, 1" margins, and double spaced.
- The required number of pages for the assignment does not include the title page and references page.
- References need to include your textbook plus two additional credible academic references. All sources used, including your textbook must be referenced; paraphrased and quoted material must have accompanying citations and cited per APA guidelines. Use of the CSU Global library is necessary.

Review the grading rubric, which can be accessed from the Course Information page. Reach out to your instructor if you have any questions about the assignment.

---

## COURSE POLICIES

---

Grading Scale	
A	95.0 – 100
A-	90.0 – 94.9
B+	86.7 – 89.9
B	83.3 – 86.6
B-	80.0 – 83.2
C+	75.0 – 79.9
C	70.0 – 74.9
D	60.0 – 69.9
F	59.9 or below

### Course Grading

20% Discussion Participation  
0% Opening Exercises  
0% Live Classroom  
8% Mastery Exercises  
37% Critical Thinking Assignments  
35% Final Portfolio Project

---

## IN-CLASSROOM POLICIES

---

For information on late work and incomplete grade policies, please refer to our [In-Classroom Student Policies and Guidelines](#) or the Academic Catalog for comprehensive documentation of CSU-Global institutional policies.

### **Academic Integrity**

Students must assume responsibility for maintaining honesty in all work submitted for credit and in any other work designated by the instructor of the course. Academic dishonesty includes cheating, fabrication, facilitating academic dishonesty, plagiarism, reusing /repurposing your own work (see CSU-Global Guide to Writing & APA for percentage of repurposed work that can be used in an assignment), unauthorized possession of academic materials, and unauthorized collaboration. The CSU-Global Library provides information on how students can avoid plagiarism by understanding what it is and how to use the Library and internet resources.

### **Citing Sources with APA Style**

All students are expected to follow the CSU-Global Guide to Writing & APA when citing in APA (based on the most recent APA style manual) for all assignments. A link to this guide should also be provided within most assignment descriptions in your course.

### **Disability Services Statement**

CSU-Global is committed to providing reasonable accommodations for all persons with disabilities. Any student with a documented disability requesting academic accommodations should contact the Disability Resource Coordinator at 720-279-0650 and/or email [ada@CSUGlobal.edu](mailto:ada@CSUGlobal.edu) for additional information to coordinate reasonable accommodations for students with documented disabilities.

### **Netiquette**

Respect the diversity of opinions among the instructor and classmates and engage with them in a courteous, respectful, and professional manner. All posts and classroom communication must be conducted in accordance with the student code of conduct. Think before you push the Send button. Did you say just what you meant? How will the person on the other end read the words?

Maintain an environment free of harassment, stalking, threats, abuse, insults, or humiliation toward the instructor and classmates. This includes, but is not limited to, demeaning written or oral comments of an ethnic, religious, age, disability, sexist (or sexual orientation), or racist nature; and the unwanted sexual advances or intimidations by email, or on discussion boards and other postings within or connected to the online classroom. If you have concerns about something that has been said, please let your instructor know.