SYLLABUS
Accountancy 6701
Government and Not-for-Profit Accounting and Auditing
Spring 2016 (CRN #71804)

Professor: Corinne Dougherty, CPA, CGFM, PMP
E-mail: doughertyc@gwu.edu (preferred method of communication)

To make sure your message is read, please include “ACCY 6701” in the
beginning of the subject line of every message.

Office Phone: (202) 533-7066
Office: Funger Hall 601-N (Accountancy Department – Main Office)
Office Hours: Monday 2:00 – 3:00 p.m., or by appointment
Class Time and Location: Monday 3:30 – 6:00 p.m. (Rome Hall 459)

Class Objective:
The objective of this course is to cover important concepts, theories, and practical knowledge related to:
• State and local governmental budgeting, accounting, and financial reporting standards prescribed by the
  Governmental Accounting Standards Board (GASB);
• Federal government budgeting, accounting, and financial reporting standards prescribed by the Federal Accounting
  Standards Advisory Board (FASAB);
• Not-for-profit budgeting, accounting, and financial reporting standards prescribed by the Financial Accounting
  Standards Board (FASB);
• Auditing standards applicable to public sector entities issued by the American Institute of CPAs and by the U.S.
  Government Accountability Office (GAO); and
• The Single Audit Act requirements (mandated by laws of Congress for recipients of Federal grant funding).

Prerequisite and Overview:
This course requires introductory knowledge of accounting. Therefore, students should have completed ACCY 2001
(Introduction to Financial Accounting) or an equivalent course. This course does complement ACCY 6301
(Contemporary Auditing Theory), but completion of that course or an equivalent course is not a prerequisite.

Students are strongly encouraged to meet deadlines with text readings, homework, and other assignments. This is
critical to acquiring an understanding of the accounting and auditing that is practiced in the public sector, which
encompasses some 89,500 state and local government units, the U.S. Federal Government, and another 100,000 public
sector non-profit and educational institutions. Further, attendance and punctuality at course lectures is critical for
success in this class. It is anticipated that keeping current will require a commitment by students of about 6-9 hours a
week outside of class time.

Class Texts:
All of the following texts are available at the GW Bookstore, or at an online retailer:
  Publishing.
Professor Dougherty will reference the following texts, which can be downloaded at the following locations:
• Government Auditing Standards (December 2011 Revision), U. S. Government Accountability Office. This
can be downloaded at http://www.gao.gov/yellowbook.
• Original Pronouncements and the Current Text of the Federal Accounting Standards Advisory Board. These
can be downloaded at http://www.fasab.gov.
• OMB Circular No. A-136 (Financial Reporting Requirements). This can be downloaded a
• OMB Bulletin 15-02 (Audit Requirements for Federal Financial Statements), updated August 4, 2015. This
can be downloaded at http://www.whitehouse.gov/sites/default/files/omb/bulletins/2015/15-02.pdf
• The following laws, which can be downloaded from http://thomas.loc.gov:
  o Chief Financial Officers Act of 1990 (CFO Act) (Public Law 101-576)
  o Government Management Reform Act of 1994 (GMRA) (Public Law 103-356)
  o Government Performance and Results Act of 1993 (GPRA) (Public Law 103-62)

UPDATED – January 7, 2015
Federal Managers’ Financial Integrity Act of 1982 (FMFIA) (Public Law 97-255)
Federal Financial Management Improvement Act of 1996 (FFMIA) (Public Law 104-208)

Grading Formula:

The components to a student’s final course grade include:

<table>
<thead>
<tr>
<th>Description</th>
<th>Weight</th>
<th>Due or Held</th>
</tr>
</thead>
<tbody>
<tr>
<td>Analysis of a state or local government CAFR</td>
<td>30%</td>
<td>Due at the beginning of class on February 22</td>
</tr>
<tr>
<td>Mid-Term examination</td>
<td>30%</td>
<td>Held during class on March 7</td>
</tr>
<tr>
<td>Discussion on financial reporting matters</td>
<td>15%</td>
<td>Due at the beginning of class on April 18</td>
</tr>
<tr>
<td>Final examination</td>
<td>25%</td>
<td>Held during the examination period</td>
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</table>

Late submissions of any assignments will be automatically graded a full letter grade lower than the earned grade.

All papers will be evaluated for the following five factors: (1) depth of analysis (40%); (2) demonstration of accounting knowledge/GAAP (40%); (3) accuracy of analysis and comments (10%); (4) clarity of presentation (5%); and (5) overall professionalism (grammar, typographical errors, professional tone, etc.) (5%).

Final grades will be rounded to the nearest whole number, and assigned according to the following matrix:

|------------------|--------------|--------------|--------------|-----------|----------------|---------------|

Academic Integrity:

This course will comply with the University’s Code of Academic Integrity, adopted in May 1995, with respect to all assignments, papers, homework, tests, etc. The School of Business and the Department of Accountancy and this professor will pursue vigorously all indications of academic dishonesty that arise in the course. The Code of Academic Integrity defines academic dishonesty as “cheating of any kind, including misrepresenting one’s work, taking credit for work of others without crediting them and without appropriate authorization, and the fabrication of information.” Common examples of academic dishonesty, noted in the Code of Academic Integrity, include but are not limited to: cheating, fabrication, plagiarism, falsification and forgery of University academic documents, and facilitating academic dishonesty. The most common instance that has been addressed in this course is plagiarism. The Code defines plagiarism as “intentionally representing the words, ideas, or sequence of ideas of another as one’s own in any academic exercise; failure to attribute any of the following: quotations, paraphrases, or borrowed information.” If in doubt, cite it when writing either of your papers.

Further, ethics and integrity, in fact and in appearance, of every CPA is the foundation of the accounting profession that you are about to enter. With that in mind, instances of academic dishonesty, or even the suspicion of dishonesty, is distasteful in the eyes of the professor, and will not be tolerated in any form in this class.

Background of Professor:
Corinne Dougherty, CPA, CGFM, PMP, is a senior manager with KPMG LLP. Since graduating with a Bachelor’s of Accounting from the University of Maryland in 2003, Ms. Dougherty has led, supervised, or participated in the financial statement audits of a number of Federal government entities and commercial entities.
### SCHEDULE OF CLASSES

**LISTING OF DISCUSSION TOPICS AND HOMEWORK**

**Spring 2016**

<table>
<thead>
<tr>
<th>Class</th>
<th>Overview/Summary</th>
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| #1: Monday, January 11 | **Discussion Topics:**  
  - Overview of the semester  
  - Nature of public sector accounting and auditing  
  - Overview of accounting and auditing matters for:  
    o Federal government agencies (Fed);  
    o State and local governments (SLGs), and  
    o Not-for-profit organizations (NFPs)  
  - SLG accounting principles, reports, funds |
|       | **Preparation Before Class:**  
  - Chapter 1 – *The Government and Not-For-Profit Environment*  
  - Chapter 2 – *Fund Accounting* (Reading of “Examples” and “In Practice” is not required)  
  - Chapter 4 – *Recognizing Revenues in Governmental Funds* (Reading of “Examples” and “In Practice” is not required)  
  - Chapter 5 – *Recognizing Expenditures in Governmental Funds* (Reading of “Examples” and “In Practice” is not required)  
  - Exercises 1-1, 1-2, 2-1, 2-2, 4-1, and 5-1 |
|       | **Homework:**  
  - Required – Access the website or contact a state or local government (e.g., your hometown, county, or state) to obtain a copy of its most recent (i.e., fiscal year 2015 or 2014) Comprehensive Annual Financial Report (CAFR).  
  - Optional – Access the website or contact a major Federal agency, and obtain a copy of its fiscal year 2015 Performance and Accountability Report (PAR) or Annual Financial Report (AFR). The PAR or AFR will help you to review learning points covered in the Federal accounting module.  
  - Optional – Access the website or contact a not-for-profit organization, and obtain a copy of its fiscal year 2015 or 2014 annual financial report. The not-for-profit financial statement will help you to review learning points covered in the not-for-profit accounting module.  
  You can obtain an electronic version from the entity’s website. |
<table>
<thead>
<tr>
<th>Class</th>
<th>Overview/Summary</th>
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<tbody>
<tr>
<td>Monday, January 18</td>
<td>NO CLASS – MARTIN LUTHER KING, JR HOLIDAY</td>
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<tr>
<td>#2: Monday, January 25</td>
<td>Discussion Topics:</td>
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<td></td>
<td>• SLG accounting principles, reports, funds (continued)</td>
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<td>Work AFTER Class:</td>
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<td>• Optional – Additional reading if clarification is needed after the lecture:</td>
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<td>− Chapter 6 – <em>Accounting for Capital Projects and Debt Service</em></td>
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<td>− Chapter 7 – <em>Capital Assets and Investments in Marketable Securities</em></td>
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<td>− Chapter 8 – <em>Long-Term Obligations</em></td>
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<td>− Chapter 9 – <em>Business-Type Activities</em></td>
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<td>− Chapter 10 – <em>Fiduciary Funds and Permanent Funds</em></td>
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<td>• Exercises 6-1, 6-2, 7-1, 7-2, 8-1, 8-2, 9-1, 9-2, 10-1, and 10-2</td>
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<td>#3: Monday, February 1</td>
<td>Discussion Topics:</td>
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<td>• SLG accounting principles, reports, funds (continued)</td>
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<td>Preparation Before Class:</td>
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<tr>
<td></td>
<td>• Chapter 11 – <em>Issues of Reporting, Disclosure, and Financial Analysis</em> (Reading of “Examples” and “In Practice” is not required)</td>
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<td>• Exercises 11-1, and 11-2</td>
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<td>#4: Monday, February 8</td>
<td>Discussion Topics:</td>
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<td>• SLG accounting principles, reports, funds (continued)</td>
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<td>Preparation Before Class:</td>
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<td>• None</td>
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<td>Homework:</td>
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<td>• Working individually, write a six page paper evaluating your state or local government’s CAFR. The paper must be double-spaced with margins no greater than 1”, and use no greater than a 12-point font size. <strong>To receive full consideration, papers must substantially fill the sixth page.</strong> For referencing, please use endnotes and not footnotes.</td>
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<td>• Your paper should highlight an analysis of the financial health and vitality of the entity. The mere recitation of or agreement with the GAAP used by the selected government is NOT acceptable.</td>
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<td>• Papers are due before the <strong>beginning</strong> of class on <strong>Monday, February 22</strong>. Papers must be submitted electronically to <a href="mailto:doughertyc@gwu.edu">doughertyc@gwu.edu</a>. ADDITIONALLY, BRING A HARD COPY TO CLASS.</td>
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<tr>
<td>Class</td>
<td>Overview/Summary</td>
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<tr>
<td>Monday, February 15</td>
<td><strong>NO CLASS – PRESIDENTS DAY HOLIDAY</strong></td>
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</table>
| #5: Monday, February 22 | **CAFR PAPER DUE AT BEGINNING OF CLASS – BRING A HARD COPY TO CLASS**  
Discussion Topics:  
• Budgeting in the government environment  
Preparation Before Class:  
• Chapter 3 – *Issues of Budgeting and Control* (Reading of “Examples” and “In Practice” is not required) |
| #6: Monday, February 29 | **Discussion Topics:**  
• Management accounting in government  
Preparation Before Class:  
• Chapter 15 – *Managing for Results* (Reading of “Examples” and “In Practice” is not required) |
| #7: Monday, March 7 | **MID-TERM EXAM** |
| Monday, March 14 | **NO CLASS – SPRING BREAK** |
| #8: Monday, March 21 | **Discussion Topics:**  
• Federal accounting principles and concepts  
Preparation Before Class:  
• Chapter 17 – *Federal Government Accounting* (Reading of “Examples” and “In Practice” is not required)  
• Exercises 17-1, and 17-2 |
| #9: Monday, March 28 | **Discussion Topics:**  
• Federal accounting principles and concepts (continued)  
Preparation Before Class:  
• None |
| #10: Monday, April 4 | **Discussion Topics:**  
• Federal accounting principles and concepts (continued)  
• NFP accounting principles and concepts  
Preparation Before Class:  
• Chapter 12 – *Not-for-Profit Organizations* (Reading of “Examples” and “In Practice” is not required)  
• Chapter 13 – *Colleges and Universities* (Reading of “Examples” and “In Practice” is not required)  
• Chapter 14 – *Health Care Providers* (Reading of “Examples” and “In Practice” is not required)  
• Exercises 12-1, 12-2, 13-1, 13-2, and 14-1 |
<table>
<thead>
<tr>
<th>Class</th>
<th>Overview/Summary</th>
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</table>
| **HOMEWORK:** | • Working individually, please write a four page paper providing your analysis of financial reporting in the public sector. The paper must be double-spaced with margins no greater than 1”, and use no greater than a 12-point font size. **To receive full consideration, papers must substantially fill the fourth page.** For referencing, please use endnotes and not footnotes.  
  • Your analysis could include the elements that are most useful to a user of a Federal, SLG, or NFP set of financial statements, perspectives on the strengths and weaknesses of financial reporting under the three frameworks discussed so far in class (Federal, SLG, and NFP), the future of financial reporting in the public sector, weaknesses in the current state of reporting, challenges of the GAAP adopted by FASAB, GASB, or FASB, and/or challenges that will restrict the evolution of reporting the public sector.  
  • Your paper must address all three frameworks.  
  • Papers are due before the **beginning** of class on **Monday, April 18**. Papers must be submitted electronically to doughertyc@gwu.edu. **ADDITIONALLY, BRING A HARD COPY TO CLASS.** |
| #11: Monday, April 11 | **Discussion Topics:**  
  • NFP accounting principles and concepts (continued)  
  **Preparation Before Class:**  
  • None |
| #12: Monday, April 18 | **FINANCIAL REPORTING PAPER DUE AT BEGINNING OF CLASS – BRING A HARD COPY TO CLASS**  
  **Discussion Topics:**  
  • NFP accounting principles and concepts (continued)  
  **Preparation Before Class:**  
  • None |
| #13: Monday, April 25 | **Discussion Topics:**  
  • Government Auditing Standards and Single Audits  
  **Preparation Before Class:**  
  • Chapter 16 – *Auditing Governments and Not-For-Profits Organizations*  
  (Reading of “Examples” and “In Practice” is not required) |
| #14: Wednesday, April 27 | **Discussion Topics:**  
  • Government Auditing Standards and Single Audits (continued)  
  • Final Exam Discussion  
  **Preparation Before Class:**  
  • None |
| Monday, May 2 – Tuesday, May 10 | **IN-CLASS FINAL EXAMINATION** – Exact date to be determined upon release of the final examination schedule. |
Requirements for CAFR Analysis Paper:
- Working individually, please write a six page paper evaluating your state or local government agency’s CAFR. The paper must be double-spaced with margins no greater than 1”, and use no greater than a 12-point font size. To receive full consideration, papers must substantially fill the sixth page.
- Choose one or more of these options for your paper:
  - Discuss low performing or entities operating at a deficit, and compare management’s analysis in the CAFR to your own
  - Trend analysis predicting positive or negative impact on entity (including what financial statement impact you predict)
  - Draw comparison or discrepancy between financial and statistical sections
  - Discuss weaknesses in financial presentation, or inconsistencies between media and CAFR data
  - Identify high-risk businesses or funding streams, and compare management’s analysis in the CAFR to your own
  - Discuss significant local event, and how it impacted financial information (e.g., lawsuit, natural disaster, major acquisition of land, etc.)
  - Analysis of factors that prevent or enable growth, how this is presented in the financial statements, and compare management’s analysis in the CAFR to your own.
- One of the most important considerations in grading is that you ground your discussion to financial information contained within the CAFR (including citations to the pages within the CAFR).
- Consider reading articles from the local newspapers for ideas.
- The mere recitation of or agreement with the GAAP used by the selected government is NOT acceptable.
- It is critical that your paper incorporates information obtained from an analysis of the CAFR, and includes the appropriate citations and references to the location(s) where/how the information was obtained.

Requirements for Financial Reporting Paper:
- Working individually, please write a four page paper providing your analysis of financial reporting in the public sector. The paper must be double-spaced with margins no greater than 1”, and use no greater than a 12-point font size. To receive full consideration, papers must substantially fill the fourth page.
- Your analysis could include the:
  - Elements that are most useful to a user of a Federal, SLG, and NFP set of financial statements;
  - Perspectives on the strengths and weaknesses of financial reporting under the three frameworks discussed in class;
  - The future of financial reporting in the public sector;
  - Weaknesses in the current state of reporting;
  - Challenges of the GAAP adopted by the FASAB, GASB, and FASB; and/or
  - Challenges that will restrict the evolution of reporting in the public sector.
- Your paper must address all three frameworks discussed in class (Federal, SLG, and NFP reporting).
# Listing of Federal Government Agencies Required to Publish Annual Performance and Accountability Reports (PAR) or Agency Financial Reports (AFR)

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<tr>
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<tbody>
<tr>
<td>2</td>
<td>Department of Commerce (<a href="http://www.commerce.gov">www.commerce.gov</a>)</td>
<td>14. Department of the Treasury (<a href="http://www.treas.gov">www.treas.gov</a>)</td>
</tr>
<tr>
<td>3</td>
<td>Department of Defense (<a href="http://www.defense.gov">www.defense.gov</a>)</td>
<td>15. Department of Veterans Affairs (<a href="http://www.va.gov">www.va.gov</a>)</td>
</tr>
<tr>
<td>5</td>
<td>Department of Energy (<a href="http://www.doe.gov">www.doe.gov</a>)</td>
<td>17. Environmental Protection Agency (<a href="http://www.epa.gov">www.epa.gov</a>)</td>
</tr>
<tr>
<td>6</td>
<td>Department of Health and Human Services (<a href="http://www.dhhs.gov">www.dhhs.gov</a>)</td>
<td>18. General Services Administration (<a href="http://www.gsa.gov">www.gsa.gov</a>)</td>
</tr>
<tr>
<td>12</td>
<td>Department of State (<a href="http://www.state.gov">www.state.gov</a>)</td>
<td>24. Social Security Administration (<a href="http://www.ssa.gov">www.ssa.gov</a>)</td>
</tr>
</tbody>
</table>