



**College of Business and Economics**  
**Department of Accounting and Finance**

<b>Course Number</b>	AcFn2121
<b>Course Title</b>	Government and Non-profit Accounting
<b>Degree Program</b>	BA Degree in Accounting and Finance
<b>Module</b>	<b>Non-Profit Sector Accounting</b>
<b>Module No and Module Code</b>	<b>M-12; AcFn-M2121</b>
<b>ETCTS Credits</b>	5
<b>Contact Hours (per week)</b>	3
<b>Course Objectives &amp; Competences to be Acquired</b>	<p>After successfully completing this course, the students should be able to:</p> <ul style="list-style-type: none"> <li>• Identify characteristics and types of government and Not-For-profit organizations (NFP);</li> <li>• Understand the budgeting framework of governmental units and other non-profit organizations and help senior budget officials of the same in developing budgets</li> <li>• Distinguish the legal and economic substance of transactions as opposed to the nature of transactions in business organizations;</li> <li>• Record the transactions and present fairly the financial statements of governmental units and other non-profit organizations in conformity with legal requirements and accepted accounting principles</li> </ul>
<b>Course Description</b>	The course is intended to introduce the accounting and reporting concepts, standards and procedures applied to governmental units and not –for –profit (NFP) organizations. The course reflects the distinction between legal form of transactions as opposed to the accounting system for business enterprises, and the substance of transactions.
<b>Course Contents</b>	
<b>1. Financial reporting governmental and NFP entities</b> <ol style="list-style-type: none"> <li>1.1. Distinguishing characteristics of Governmental and Not- for- Profit entities</li> <li>1.2. Sources of financial reporting for Governmental and NFP entities</li> <li>1.3. Objectives of financial reporting in NFP entities</li> <li>1.4. Financial reporting of governmental entities</li> </ol>	
<b>2. Principles of accounting and financial reporting of governmental entities</b> <ol style="list-style-type: none"> <li>2.1. Activities of government</li> <li>2.2. Summary statement of principles</li> <li>2.3. Summary Accounting characteristics of fund types</li> <li>2.4. Budgeting and uses of budget</li> <li>2.5. Classification of budget</li> </ol>	

2.6. Approaches to budgeting
<b>3. Accounting for general and special revenue funds</b> 3.1. Accounting structure of general fund 3.2. Recording a budget 3.3. Recording tax anticipation notes payable 3.4. Recording Encumbrance entry 3.5. Recording payment of liability 3.6. Recording payroll 3.7. Recording property tax levy 3.8. Revenue recognition on cash bases 3.9. Collection of delinquent taxes 3.10. Correction of errors 3.11. Interim financial report 3.12. Recording Revision of budget 3.13. Recording internal exchange
<b>4. Accounting capital project fund</b> 4.1. Accounting for general capital assets 4.2. Classification of general capital assets 4.3. Methods to acquire general capital assets 4.4. Illustration on capital project fund
<b>5. Accounting for Debt service fund</b> 5.1 General Long term liabilities 5.2 Debt service fund 5.3 Types of governmental Bonds 5.4 Illustration on debt service
<b>6. Accounting for general long term assets and general long term liabilities</b> 6.1. Nature of general long term assets and Liabilities 6.2. Accounting for general long term assets 6.3. Accounting for general long-term liabilities
<b>7. Accounting for proprietary funds</b> 7.1. Accounting principles of proprietary funds 7.2. Financial statements of proprietary funds 7.3. Illustrative entry for proprietary propriety funds 7.4. Financial statements of proprietary funds
<b>8. Accounting for fiduciary funds</b> 8.1 Features of fiduciary funds 8.2 Accounting principles of fiduciary funds 8.3 Accounting for agency fund 8.4 Accounting for trust funds
<b>9. Accounting for other Not for Profit entities</b> 8.5 Characteristics of Non-governmental organizations 8.6 GAAP for NGOs 8.7 Financial reporting and accounting for NGOs 8.8 Illustrative transactions for voluntary healthcare and welfare organizations.
<b><u>Text Book:</u></b> <ul style="list-style-type: none"> <li>Accounting for Governmental and Non-Profit Entities, 12<sup>th</sup> edition, by Wilson, Kattelus, Hay. McGraw-Hill/Irwin Inc., USA, 2001 or recent edition</li> </ul> <b><u>Reference Books</u></b>

- Edward S. Lynn and Roberts Freeman,(2005) **Fund Accounting: Theory and Practice**, 2<sup>nd</sup> edition, Publisher: Prentice Hall Inc.
- Haried and Smith,(2000) **Advanced Accounting**, 6<sup>th</sup> ed., John Wiley & Sons Inc.
- Leon E. and Hay,(2004) **Accounting for governmental and Non-profit Entities**, 7<sup>th</sup> ed., prentice Hall Inc.
- Biudget **proclamation of Ethiopia** (175.1999)
- Mosich and Larson,(2000) **Modern Advanced Accounting**,4<sup>th</sup> ed.