# Accounting and fundraising

## Prof. Elena Cantù; Prof. Agnese Agrizzi

[Il programma è mutuato con la denominazione: *Accounting and fundraising in the arts*]

### **COURSE AIMS AND INTENDED LEARNING OUTCOMES**

The course’s overall objective is to present the fundamentals of financial management and reporting, with specific reference to arts and cultural organizations. The course looks at both how financial resources are used, as well as how they are raised. The course is divided into two inter-related modules. In the first module students are expected to learn how to prepare, use and interpret general-purpose financial statements and other forms of performance disclosure in the art and cultural sector. The second module introduces students to the fundamentals of fundraising for arts and cultural organizations. Students are provided with both theoretical insights and practical skills that help them to design, implement and evaluate fundraising campaigns.

At the end of the first module, students will be:

– knowledgeable about the purposes, concepts, standards, and techniques of financial and non-financial performance measurement and disclosure in arts and cultural organizations;

– able to read and interpret the annual reports of arts and cultural organizations;

– able to use annual reports to identify key performance indicators (financial and nonfinancial) for arts and cultural organizations to gain a general understanding of their financial position and overall performance;

– familiar with financial accounting terminology and able to communicate financial and non-financial results;

– equipped with the knowledge basis and capacity to tackle more advanced accounting topics.

At the end of the second module, students will be:

– knowledgeable about the fundamentals of fundraising for arts and cultural organizations, in terms of current developments, role of public and private contributors, fundraising techniques;

– able to design, implement and evaluate fundraising plans and crowdfunding campaigns;

– able to use analytical skills to adapt fundraising plans to changing conditions (e.g. target, budget);

– familiar with fundraising terminology and able to communicate fundraising plans and campaigns;

– equipped with the knowledge basis and capacity to tackle more advanced fundraising topics.

***COURSE CONTENT***

Module I: *Accounting* (Prof. Elena Cantù)

Module I provides the basics for preparing, using and interpreting general-purpose financial statements and other forms of performance disclosure in the art and cultural sector. The program is structured around the following topics:

* the nature and purposes of financial accounting;
* the preparation of annual financial statements and other annual reports;
* financial statement analysis in the art and cultural sector;
* characteristics of performance disclosure to stakeholders in the art and cultural sector.

Module II: *Fundraising* (Prof. Agnese Agrizzi)

This module provides an integrated and detailed framework for designing, implementing and evaluating fundraising planning. In order to give a focus on current developments of the discipline, there will be a specific attention to the crowdfunding method.

The program is structured around the following topics:

* the role of public and private contributors in fundraising;
* acquisition of fundraising techniques;
* design of a crowdfunding campaign;
* implementation and evaluation of fundraising projects and crowdfunding campaigns.

***READING LIST***

Module I

**Textbook**

J.J. Weygandt-P.D. Kimmel-D.E. Kieso, *Financial Accounting,* with International Financial Reporting Standards, Wiley, 2019, 4th edition, ISBN: 978-1-119-50340-8 (Chapters: 1, 2, 3, 4, 14).

**Readings**

Anessi Pessina E., Caruana J., Sicilia M., Steccolini I. (2020), *Heritage: the priceless hostage of accrual accounting,* International Journal of Public Sector Management, 33(2/3): 285-306

Bambagiotti-Alberti L., Manetti G., Sibilio-Parri B. (2016), *The Quality of Annual Reporting by Italian Museums: An International Comparison,* International Journal of Public Administration, 39(14): 1159-1170.

BCG (2012), *Art and Business – Measuring a museum’s performance,* published online.

Christensen A.L. and Mohr R.M. (2003), *Not-for-profit annual reports: what do museum managers communicate?,* Financial Accountability& Management, 19(2): 139-158.

Ferri P., Sidaway S. and Carnegie G.D. (2021), *The paradox of accounting for cultural heritage: a longitudinal study on the financial reporting of heritage assets of major Australian public cultural institutions (1992–2019)*, Accounting, Auditing & Accountability Journal, 34(4): 983-1012

Module II

**Textbook**

E.R. Tempel-E.E. Aldrich-T.L. Seiler-D.F. Burlingame, *Achieving excellence in fundraising,* John Wiley & Sons, 2016, 4th Edition, ISBN 978-1-118-85382-5

**Further readings, case studies and exercises will be posted on Blackboard.**

***TEACHING METHOD***

Teaching methods include formal lectures, discussion of case studies, company speakers.

Class participation is strongly recommended. Students are expected to study all assigned materials and to complete specific homework assignments prior to each class meeting.

***ASSESSMENT METHOD AND CRITERIA***

The first (Accounting) and second (Fundraising) modules will count for 50% each against the final, overall grade for the course.

The grade for the first module (Accounting) will be based on a written test including multiple choice questions, accounting exercises, and essay questions. A mid-term exam for this module will be offered only once. For attending students only, class participation in the discussion of papers and case studies is evaluated from 0 to 3 extra points, to be added to the module grade.

The grade for the second module (Fundraising) will be determined by a group work (50%) and an individual written test (50%) for attending students, while for non-attending students it will be based solely on an individual written test (100%). For attending students only, class participation is evaluated from 0 to 1 extra points, to be added to the module grade.

Students who fail one of the two parts of the written exam (Accounting module or Fundraising module) or choose to discard one of the grades must retake the specific part only.