

ACCT 579: Personal Financial Planning

Spring 2011
Wednesday night, 7 to 10 pm, B102A

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Office Hours: TTh: 1:30 to 3:00, W: 4:30-7:00 PM (except when at BAP)

Textbook: Personal Financial Planning by Lewis Altfest, McGraw Hill, 3rd ed., 2007

Course Description: This course is designed to provide a fundamental understanding of the financial planning process. It will provide information concerning attainment of financial goals including the part both external and internal factors play in the process. Personal Financial Planning is a broad topic consisting of different areas. The course will provide information in specific areas including Household Finance and Planning, Time Value of Money, Income Tax Planning, Investments, Education Funding, Risk Management, Retirement and Estate Planning. As part of the graduate tax program it will emphasize the tax implications included in each of these areas.

Learning Objectives:

- Develop an understanding of the financial planning process.
- Examine the principles and concepts of financial planning, including the time value of money and its influence on the planning process.
- Determine the importance of proper communication, both oral and written, in the financial planning process.
- Gain an understanding of the various issues encountered in the specific areas of financial planning.
- Demonstrate competency with the tax calculations of the various financial planning techniques discussed.
- Enhance writing and presentation skills.

Outcomes Assessments: Graduate student evaluation of your understanding of financial planning and its process will primarily involve examinations, assignments, and a financial planning project. Part of the evaluation includes grading writing and oral communication skills.

Course Grading, estimated:	2 exams	400 points
	Financial Planning Project	200 points
	Assignments	170 points
	Attendance, participation, responsibility	<u>130</u> points
	Total (approximately)	<u>900</u> points

One missed class period will not affect your 130 maximum score for attendance, participation and responsibility. Each additional missed class reduces the maximum by 30 points per class.

The course uses a curved grading scheme, but 90% is a guaranteed A- and 80% a B-.

Exams: There are two take-home exams.

Financial Planning Project: There is a financial planning project involving the execution of a financial plan. This project includes an oral presentation.

Assignments: Assignments are listed on the class schedule. Others may come as the course develops.

Participation: Class participation and responsibility is an indicator of your effort and achievement. Participation is a measurement of a student's willingness to initiate and/or contribute to class discussion. It is expected that each graduate student will display professional behavior.

Four Paperback Books: You are to read three books during the semester.

1. Either read the *Richest Man In Babylon* or *The Millionaire Next Door*.
2. Either read *Smart Women Finish Rich*, *Smart Couples Finish Rich*, or *The Money Guru*. I recommend the first book for single women, the second for couples, and the third for single men. David Bach is the author of all three, so they are definitely related.
3. *Becoming Your Own Banker*, 5th edition, by R. Nelson Nash
4. One other book of your choice. You may choose from a variety of motivational, organizational behavior, investment, etc. books. You must get it approved by me via email. Some suggestions include *Rich Dad, Poor Dad* by Kiyosaki, *Seven Habits of Highly Effective People* by Covey (or *First Things First*), *Good to Great* by Collins, *Financial Peace (Revised)* by Ramsey, *Total Money Makeover (Revised)* by Ramsey, or any other of a number of books. You may have already read a great book that deals with interpersonal relationships, managing yourself, or wealth building and that is fine. It is ok if the book is used in another class.

Each book requires a maximum, one-page double spaced summary of what impressed you, how you were helped by reading the book, etc. I do not grade on content, just writing style and readability. Make sure it is proofread and perfect!

Blackboard: Course syllabus, assignments, announcements, etc. are posted on this. It is located at blackboard.boisestate.edu—your user ID is your Bronco web log on.

Final Exam Period: May 11th, though this day is a class presentation day.

LEARNING GOALS: Students in this class will learn or practice the following COBE Core Curriculum concepts, methods, and skills:

Graduates will demonstrate effective written and oral presentation skills.

STATEMENT OF SHARED VALUES: Boise State University upholds the following values as the foundation for a civil and nurturing environment. Campus community members and all who are part of COBE are expected to adhere to the following values:

Academic Excellence – engage in our own learning and participate fully in the academic
Community’s pursuit of knowledge.

Caring – show concern for the welfare of others.

Citizenship - uphold civic virtues and duties that prescribe how we ought to behave in a self-governing community by obeying laws and policies, volunteering in the community, and staying informed on issues.

Fairness – expect equality, impartiality, openness and due process by demonstrating a
balanced standard of justice without reference to individual bias.

Respect – treat people with dignity regardless of who they are and what they believe. A respectful person is attentive, listens well, treats others with consideration and doesn’t resort to intimidation, coercion or violence to persuade.

Responsibility – take charge of our choices and actions by showing accountability and not shifting blame or taking improper credit. We will pursue excellence with diligence, perseverance, and continue improvement.

Trustworthiness – demonstrate honesty in our communication and conduct while managing ourselves with integrity and reliability.

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DATE	Chapter	TOPIC	ASSIGNMENTS
Jan. 19	1, 3, 4	Planning Basics Financial Planning Profession	Me In 40 Years Survey
26	5, 6, 7	Personal Financial Statements	Financial Knowledge Quiz Client Data Worksheet-Budget, 2/2 Where Does Your Money Really Go, 2/2
Feb. 2		Guest Speaker – Paul Stark, Atty., Wills, Trusts, Bankruptcy	Read handout materials before class 1 st Book Due
9	5, 6, 7, 2	Personal Financial Statements cont., Time Value of Money	Personal Financial Statements & Ratios, 2/16, TVM problems, 2/16
16	8, 9	Portfolio Management	Risk Tolerance Questionnaire P8.1, 8.5, 8.6, 8.7, 8.9, CFP – 8.1, 8.2; P9.1, 9.2, CFP 9.1 - 9.5
23		Guest Speaker - Investments	
Mar. 2	10, 11	Risk Management	P10.2, CFP 10.1 – 10.4; P11.1, CFP 11.1 – 11.9 Exam One – due March 09 2nd Book Due
9		Randy Smith - NWML	
16	14	Income Tax Planning: AMT; Personal Residence; Investments; Real Estate; Passive Losses; Marginal Rates Finish Retirement Planning Insurance & Risk Management	14.1 – 14.3, 14.6, 14.7, CFP 14.1 - 14.4, others 3 rd Book Due
24	12, 13	Retirement Planning, Education Planning, Social Security Planning	P12.1 – 12.4, CFP 12.1 -12.6; P13.1, CFP 13.1, 13.2
30		No Class!! Spring Vacation	
Apr. 6		Catch-Up Day	
13		Guest Speaker - Investments	4 th Book Due
20	15	Introduction to Estate & Gift Taxation	Assigned H/Wk
27		Estate & Gift Taxation cont.	Exam Two – due May 4
May 4 May 12	Project Presentations Project Presentations		Written Project Due When Presentation Made

ACCTG 579: Personal financial Planning Case Assignment

This assignment involves preparing a comprehensive financial plan for a client. The client may be single or married, with or without children. The client may not be your spouse/partner, children, siblings, parents or grandparents. The client should have a situation that gives you enough to work with and present a meaningful report. This plan must include the client's financial position and your advice and recommendations.

Using the process of financial planning, you are to prepare a financial plan. The first step will most likely include the Client Worksheet, Where Does Your Money Really Go Worksheet or actual budget, and the Risk Tolerance Questionnaire. You should interview the client to help determine his/her goals. The plan will include:

1. A client profile including goals and the current status of insurance, investments, income tax, retirement, education, gifts, estates, trusts and will information.
2. Statement of Financial Position. This statement should include all assets and liabilities at current values with important footnotes reported per book description.
3. Identify the current financial strengths and weaknesses.
4. Budget for actual expenditures and income. Recommended improvements are important. Savings are paramount. Watch for excessive discretionary spending that could be the source for potential savings and investments.
5. Make recommendations on the goals, risks and other planning factors in all areas of your client's financial situation.
6. Prepare a **maximum 8 minute** presentation of some particular aspect of your client's situation to present to the class. You will not have time to cover the entire plan, so choose an interesting or unique aspect of the plan or the planning process. Remember, you have 8 minutes and you are graded down for each 30 seconds of exceeded time. You are allowed an extra 2 minutes for Q & A (8 + 2 = 10 total). Slides, charts, graphs, and/or handouts are good to use. You may use Power Point, but make sure you have tested the equipment so you are ready to present within two minutes. The time factor is critical as there are a lot of presentations. The written plans are turned in immediately following the presentation.
7. Grading criteria and approximate weight for the project:

• Organization/clarity	10%
• Completeness and thoroughness	20%
• Analysis and recommendations	40%
• Written/Grammar, etc.	10%
• Oral presentation	<u>20%</u>
	100%

PERSONAL FINANCIAL PLANNING CASE
SPRING 2010
EVALUATION SHEET

NAME _____

Organization/Clarity (20) _____

Completeness and Thoroughness

Profile, information (4) _____

Balance Sheet (4) _____

Budget (4) _____

Insurance (4) _____

Education (4) _____

Investments (4) _____

Income Tax Planning (4) _____

Retirement Planning (4) _____

Social Security (4) _____

Estate Planning (4) _____

Analysis & Recommendations

Strengths & Weaknesses (40) _____

Recommendations (40) _____

Presentation

Written/Grammar, etc. (20) _____

Oral (40) _____

Total Points (200 maximum) _____