

NVCC COLLEGE-WIDE COURSE CONTENT SUMMARY

FIN 142 - PRINCIPLES OF CREDIT UNION OPERATIONS II (3 CR.)

COURSE DESCRIPTION

Examines the financial management skills necessary to operate a credit union. Emphasizes implications of risk management and insurance. Explores investment procedures and teaches use of sound accounting principles. Lecture 3 hours per week.

GENERAL COURSE PURPOSE

An effective accounting system is essential for financial institutions to survive. Credit unions must understand and utilize sound accounting principles and financial management skills.

ENTRY LEVEL COMPETENCIES

Prerequisite FIN 141 - "Principles of Credit Union Operations I" or divisional approval. Successful completion of FIN 141, the student should have an understanding of loan transactions and current regulations and policies governing credit unions before registering for FIN 142.

COURSE OBJECTIVES

Upon the successful completion of this course, the student should be able to:

- A. use basic principles of accounting and of procedures unique to credit unions
- B. prepare the Income Statement and the Statement of Financial Condition
- C. prepare a bank reconciliation and know the importance of internal control for cash transactions
- D. display a working knowledge of accounting for investments, loans, and member shares
- E. describe the various types of reserves and undivided earnings

MAJOR TOPICS TO BE COVERED

- A. Types of business organizations
- B. Credit union accounting including journal entries, general ledger, and trial balance
- C. Adjusting and closing entries
- D. Preparation of financial statements
- E. Accounting for cash and internal controls
- F. Accounting for loans to members and for investments
- G. Depreciation and fixed assets
- H. Accounting for liabilities
- I. Accounting for members shares and for reserves and undivided earnings
- J. Payroll taxes and deductions
- K. Bank reconciliation
- L. Future financial issues for credit unions

OPTIONAL TOPICS

- A. Financial Statement Analysis
- B. Liquidity and Risk