POSSIBLE SOURCES OF EVIDENCE*:
- Schedules of technology training for staff and faculty;
- Presentations or agenda from professional development opportunities on technology;
- Evaluations of training, and documentation of improvements to subsequent training for staff and faculty;
- Schedules of technology training for students;
- Curriculum for training students on technology use;
- Resources, such as manuals or online instructions, that support students, staff, and faculty in their use of technology;
- And/or other documents that demonstrate the institution is aligned with this Standard.

REVIEW CRITERIA:
- The institution assesses the need for information technology training for students and personnel.
- The institution allocates resources for information technology training for faculty, students, and staff.
- The institution regularly evaluates the training and technical support it provides for faculty and staff to ensure these programs are appropriate and effective.

5. The institution has policies and procedures that guide the appropriate use of technology in the teaching and learning processes.

POSSIBLE SOURCES OF EVIDENCE*:
- Policies or procedures for acceptable use of technology;
- Publications containing acceptable use policies or guidelines, such as employee handbooks, student handbooks, etc.;
- Other forms of acceptable use guidelines, such as posters in computer labs;
- And/or other documents that demonstrate the institution is aligned with this Standard.

REVIEW CRITERIA:
- The institution has established processes to make decisions about the appropriate use and distribution of its technology resources.
- The institution publicizes these policies and processes.

D. Financial Resources

Planning

1. Financial resources are sufficient to support and sustain student learning programs and services and improve institutional effectiveness. The distribution of resources supports the development, maintenance, allocation and reallocation, and enhancement of programs and services. The institution plans and manages
its financial affairs with integrity and in a manner that ensures financial stability. (ER 18)

**Possible Sources of Evidence**:  
- Annual financial reports (including Audited financial statements); 
- Budget allocation model or process; 
- Longitudinal comparison of annual operating budgets or financial plans by program or department, highlighting or explaining significant increases or decreases; 
- Examples of the enhancement of programs or services funded through the budget allocation model or process; 
- And/or other documents that demonstrate the institution is aligned with this Standard.

**Review Criteria**:  
- The institution has sufficient revenues to support educational improvement and innovation.  
- Funds are allocated in a manner that will realistically achieve the institution's stated goals for student learning.  
- Line items in the budget for resources support student learning programs and services.  
- The institution's resource allocation process provides a means for setting priorities for funding institutional improvements.  
- Institutional resources are carefully managed to sustain student learning programs and services and improve institutional effectiveness.

**For Institutions with a Baccalaureate Degree**:  
- The financial resources allocated to the baccalaureate program are sufficient to support and sustain program student learning and effectiveness.

2. The institution's mission and goals are the foundation for financial planning, and financial planning is integrated with and supports all institutional planning. The institution has policies and procedures to ensure sound financial practices and financial stability. Appropriate financial information is disseminated throughout the institution in a timely manner.

**Possible Sources of Evidence**:  
- Policies or procedures for budget development that identify the institution's mission and goals as the foundation for financial planning or that integrate financial and institutional planning; 
- Budget process that ties resource allocation to program review and planning; 
- Budget assumptions that are tied to the mission, institutional goals, or program reviews;

*Possible sources of evidence will vary from college to college according to the diversity of missions, college culture, and college operations in the region. The list above is not intended as a checklist, but only as examples of typical documents that may exist at an institution.*
- Budgeted or planned fiscal expenditures that have supported or that support the achievement of institutional plans or goals;
- Minutes from a finance or budget committee’s meeting when institutional mission and goals, institutional plans, or program reviews are discussed;
- Minutes from any governance group when institutional planning and financial planning are connected or coordinated;
- Any document in which budget proposals, resource allocation decisions, and/or financial decisions are reported to the campus;
- And/or other documents that demonstrate the institution is aligned with this Standard.

**REVIEW CRITERIA:**

- The institution reviews its mission and goals as part of the annual fiscal planning process.
- The institution establishes priorities among competing needs so that it can predict future funding. Institutional plans exist, and they are clearly linked to financial plans, both short-term and long-range.
- The financial planning process relies primarily on institutional plans for content and timelines.
- The governing board and other institutional leadership receive information about fiscal planning that demonstrates its links to institutional planning.
- Budget process that ties resource allocation to planning and program review.
- Budget assumptions that are tied to the mission, institutional goals, or program reviews.

3. The institution clearly defines and follows its guidelines and processes for financial planning and budget development, with all constituencies having appropriate opportunities to participate in the development of institutional plans and budgets.

**POSSIBLE SOURCES OF EVIDENCE***:

- Procedures that define guidelines and processes for financial planning and budget development;
- Minutes from finance or budget committee meetings verifying that established financial planning and budget development processes are followed;
- Roster of a finance or budget committee;
- Documented budget development process that identifies responsible parties for steps in the planning process and that identifies opportunities for input from constituencies;
- A documented timeline of institutional planning coordinated with budget development process, including reporting deadlines for various types of reports to or reviews with different audiences;
- Budget proposals presented to the Board, to the public, and to the campus;
- And/or other documents that demonstrate the institution is aligned with this Standard.

Standard III.D: Financial Resources
REVIEW CRITERIA:

- Institution has established processes for financial planning and budget development, which are widely known and understood by college constituents.
- The college's mechanisms or processes are used to ensure constituent participation in financial planning and budget development.

Fiscal Responsibility and Stability

4. Institutional planning reflects a realistic assessment of financial resource availability, development of financial resources, partnerships, and expenditure requirements.

POSSIBLE SOURCES OF EVIDENCE*:

- Agenda or minutes from planning committee meetings or budget committee meetings when financial resource availability is discussed;
- Attachments from such meetings that identify funding sources, partnerships, or expenditure requirements;
- Budget documents that balance expected revenues and expenditures;
- Documentation of coordination of institutional planning with grants and other alternative funding sources;
- Other documents used during institutional planning that identify available or potential financial resources and/or funding sources;
- And/or other documents that demonstrate the institution is aligned with this Standard.

REVIEW CRITERIA:

- Individuals involved in institutional planning receive accurate information about available funds, including the annual budget showing ongoing and anticipated fiscal commitments.
- Budget information, including the institution's fiscal condition, is sufficient in content and timing to support realistic institutional and financial planning.
- Sound financial planning, including a realistic expectation of financial resource availability, are foundational elements of the institution's plans and goals.
- The institution reviews its past financial results as part of planning for current and future fiscal needs.

5. To assure the financial integrity of the institution and responsible use of its financial resources, the internal control structure has appropriate control mechanisms and widely disseminates dependable and timely information for sound financial decision making. The institution regularly evaluates its financial management practices and uses the results to improve internal control systems.

* Possible sources of evidence will vary from college to college according to the diversity of missions, college culture, and college operations in the region. The list above is not intended as a checklist, but only as examples of typical documents that may exist at an institution.
POSSIBLE SOURCES OF EVIDENCE*
- Policies or procedures for internal control mechanisms;
- Policies or procedures for purchasing;
- Budgets, financial reports, audit reports presented to the campus and to the Board;
- Reports of decisions for financing or allocation of resources presented to the campus community or to constituent groups;
- Monthly, quarterly, or other reports of revenues and expenditures;
- Finance department program review, including evaluation of effectiveness of internal controls;
- Evaluation instruments for assessing effectiveness and integrity of financial management practices, and the results of such evaluations;
- And/or other documents that demonstrate the institution is aligned with this Standard.

REVIEW CRITERIA:
- The institution has internal control mechanisms, including persons responsible, that govern the preparation of financial documents and ensure dependable, accurate, and timely financial information is available for sound financial decision-making.
- Information about budget, fiscal conditions, and financial planning are provided throughout the college.
- Individuals involved in institutional planning and management receive dependable and timely information about available funds, including the annual budget showing ongoing and anticipated fiscal commitments.
- Budget information, including the fiscal condition, financial planning, and audit results, is sufficient in content and timing to support sound financial management.
- The institution prepares accurate financial documents through the application and maintenance of adequate internal controls.

6. Financial documents, including the budget, have a high degree of credibility and accuracy, and reflect appropriate allocation and use of financial resources to support student learning programs and services.

POSSIBLE SOURCES OF EVIDENCE*:
- Budget versus actual variance reports and analyses;
- Annual external audit reports and findings;
- Audits of any foundations that are not separately incorporated;
- And/or other documents that demonstrate the institution is aligned with this Standard.

REVIEW CRITERIA:
- Funds are allocated, as shown in the budget, in a manner that will realistically achieve the institution's stated goals for student learning.
- The institutional budget is an accurate reflection of institutional spending and it has credibility with constituents.
7. Institutional responses to external audit findings are comprehensive, timely, and communicated appropriately.

**Possible Sources of Evidence**: 
- Formal responses to external audit reports and findings;
- Minutes of meetings where audits and findings are discussed and responses are planned;
- Minutes of meetings where the above reports are disseminated;
- And/or other documents that demonstrate the institution is aligned with this Standard.

**Review Criteria**: 
- Information about budget, fiscal conditions, and audit results are provided throughout the college.
- The institution remediates audit findings in a timely manner.
- If the institution has received any audit findings or negative reviews during the last six years, they have been addressed in a timely manner.

8. The institution's financial and internal control systems are evaluated and assessed for validity and effectiveness, and the results of this assessment are used for improvement.

**Possible Sources of Evidence**: 
- External auditors' reports and findings that address the college's internal control systems;
- The college's responses to such findings;
- Financial reports subsequent to audits findings, and subsequent audit reports and findings;
- Finance department program reviews, including evaluations of validity and effectiveness of financial and internal control systems;
- And/or other documents that demonstrate the institution is aligned with this Standard.

**Review Criteria**: 
- The Finance Department regularly conducts program review, including evaluation of effectiveness of internal controls.
- The institution assesses the effectiveness of its past financial plans and the results of this assessment are used to improve current and future financial plans.
- Audits demonstrate the integrity of financial management practices.
- The institution reviews its internal control systems on a regular basis.

*Possible sources of evidence will vary from college to college according to the diversity of missions, college culture, and college operations in the region. The list above is not intended as a checklist, but only as examples of typical documents that may exist at an institution.*
9. The institution has sufficient cash flow and reserves to maintain stability, support strategies for appropriate risk management, and, when necessary, implement contingency plans to meet financial emergencies and unforeseen occurrences.

Possible Sources of Evidence*:
- Policy or procedure reflecting commitment to sound financial practices and financial stability;
- Policy or procedure that defines minimum reserve expectations;
- Monthly, quarterly, or other cash-flow or cash balance reports;
- Reports of reserves, special reserve accounts, etc.;
- Policies or procedures for risk management;
- Records of insurance policies, funds, payments, etc.;
- Records of self-insurance for health benefits, workers compensation, and unemployment;
- Contingency plans for financial emergencies;
- And/or other documents that demonstrate the institution is aligned with this Standard.

Review Criteria:
- The institution’s level of unrestricted fiscal reserves is adequate to meet financial emergencies and unforeseen occurrences.
- The ending balance of unrestricted funds for the immediate past three years is sufficient to maintain a reserve needed for emergencies.
- The institution has sufficient insurance to cover its needs. If the institution is self-funded in any insurance categories, it has sufficient reserves to handle financial emergencies.
- The institution’s process for receiving revenues does not pose cash-flow difficulties. When there is a cash-flow challenge, the college has a process to rectify those difficulties.

10. The institution practices effective oversight of finances, including management of financial aid, grants, externally funded programs, contractual relationships, auxiliary organizations or foundations, and institutional investments and assets.

Possible Sources of Evidence*:
- Procedures for the financial management and oversight of grants, externally funded programs, contractual relationships, auxiliary organizations or foundations, and institutional investments and assets;
- Financial reports or audits for grants, externally funded programs, contractual relationships, auxiliary organizations, foundations, bonds, institutional investments, endowments, and/or assets;
- Financial aid reports and/or audits that demonstrate effective oversight;
- And/or other documents that demonstrate the institution is aligned with this Standard.
**Review Criteria:**

- The institution has established processes to assess its use of financial resources.
- The institution demonstrates compliance with Federal Title IV regulations and requirements for managing federal financial aid.
- The institution ensures that it assesses its use of financial resources systematically and effectively.
- The institution uses results of the evaluation as the basis for improvement.

**Liabilities**

11. The level of financial resources provides a reasonable expectation of both short-term and long-term financial solvency. When making short-range financial plans, the institution considers its long-range financial priorities to assure financial stability. The institution clearly identifies, plans, and allocates resources for payment of liabilities and future obligations.

**Possible Sources of Evidence**:  
- Procedure for both the short-term and long-range management of the institution’s cash and capital structure;
- Cash flow forecasts and analyses;
- Resulting institutional budgets and plans that account for payments of both short-term liabilities and long-term and future obligations;
- Reports of obligations for future total employee compensation expenditures, including employment agreements, collective bargaining agreements, and management contracts, including any buy-out provisions;
- The institution’s credit rating;
- And/or other documents that demonstrate the institution is aligned with this Standard.

**Review Criteria:**

- The institution continually assesses and adjusts its capital structure and cash management strategies to ensure both short-term and long-term financial solvency.
- The institution has plans for payments of long-term liabilities and obligations, including health benefits, insurance costs, building maintenance costs, etc. This information is used in short-term or annual budget and other fiscal planning.

12. The institution plans for and allocates appropriate resources for the payment of liabilities and future obligations, including Other Post-Employment Benefits (OPEB), compensated absences, and other employee related obligations. The actuarial plan to determine Other Post-Employment Benefits (OPEB) is current and prepared as required by appropriate accounting standards.

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Standard III.D: Financial Resources
**Possible Sources of Evidence**:
- Actuarial valuation report for pension and OPEB;
- Records of annual required contributions (ARC) for pension and OPEB obligations;
- Collective bargaining agreements;
- Leave accrual policies and records;
- Notes to financial statements dealing with employee benefit plans, commitments and contingencies;
- And/or other documents that demonstrate the institution is aligned with this Standard.

**Review Criteria**:
- The institution incorporates actuarially developed plans for Other Post-Employment Benefit (OPEB) obligations into its financial plans.
- The institution's pension and OPEB plans are sufficiently funded. The institution fully funds or has a plan to fully fund its annual pension and OPEB obligation (Annual required contribution [ARC]).

13. On an annual basis, the institution assesses and allocates resources for the repayment of any locally incurred debt instruments that can affect the financial condition of the institution.

**Possible Sources of Evidence**:
- Documentation of debt repayment schedules;
- Independent evaluation reports or other documents that demonstrate the institution's record or history of debt repayment;
- And/or other documents that demonstrate the institution is aligned with this Standard.

**Review Criteria**:
- The institution has an annual assessment of debt repayment obligations.
- The institution has appropriate plans to repay locally incurred debt.
- The institution ensures that locally incurred debt repayment schedule does not have an adverse impact on meeting all current and future financial obligations.

14. All financial resources, including short- and long-term debt instruments (such as bonds and Certificates of Participation), auxiliary activities, fund-raising efforts, and grants, are used with integrity in a manner consistent with the intended purpose of the funding source.

**Possible Sources of Evidence**:
- Reports that analyze grant expenditures consistent with intended use of the grant funds;
- Similar reports on use of funds from auxiliary activities and fund raising efforts;
- Records from bond funding, if any, including audit reports;
- Minutes and reports of bond oversight committee;
- Compliance reports from funding agencies or audits, both internal and external;
- And/or other documents that demonstrate the institution is aligned with this Standard.

**REVIEW CRITERIA:**

- The institution's restricted funds are audited or reviewed by funding agencies on a regular basis.
- Expenditures from restricted funds are made in a manner consistent with the intent and requirements of the funding source.
- Bond expenditures are consistent with regulatory and legal restrictions.
- The institution ensures that the financial operations of all auxiliary activities are appropriately monitored.

15. The institution monitors and manages student loan default rates, revenue streams, and assets to ensure compliance with federal requirements, including Title IV of the Higher Education Act, and comes into compliance when the federal government identifies deficiencies.

**POSSIBLE SOURCES OF EVIDENCE***:

- Reports on student loan default rates;
- Institutional plans or service area plans for lowering loan default rates;
- USDE Federal Student Aid (FSA) audits and compliance reports (Checklist: Title IV Compliance. Policy on Institutional Compliance with Title IV);
- College responses to FSA audits and related reports and correspondences (Checklist: Title IV Compliance. Policy on Institutional Compliance with Title IV);
- And/or other documents that demonstrate the institution is aligned with this Standard

**REVIEW CRITERIA:**

- The institution's three-year default rate is within federal guidelines.
- The institution has a plan to reduce the default rate if it exceeds federal guidelines.
- Student loan default rates, revenues, and related matters are monitored and assessed to ensure compliance with Federal Regulation.

**Contractual Agreements**

16. Contractual agreements with external entities are consistent with the mission and goals of the institution, governed by institutional policies, and contain appropriate

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1 Glossary – **Contractual Agreements**: Arrangements for educational services that are either: (1) provided by the college/district/system for remuneration under contracts with business or other agencies, or (2) received by the college/district/system under contracts with businesses or other agencies. Contractual arrangements for delivery of educational services may include, but are not limited to, curriculum, learning support services, student support services, and instruction.

*Possible sources of evidence* will vary from college to college according to the diversity of missions, college culture, and college operations in the region. The list above is not intended as a checklist, but only as examples of typical documents that may exist at an institution.
provisions to maintain the integrity of the institution and the quality of its programs, services, and operations.

**POSSIBLE SOURCES OF EVIDENCE***:
- Copies of contractual agreements with external entities, highlighting consistency with institutional mission and goals;
- Policies and procedures regarding contractual agreements with external entities, highlighting provisions for maintaining institutional integrity and support for programs and services;
- And/or other documents that demonstrate the institution is aligned with this Standard.

**REVIEW CRITERIA**:
- If the institution has contractual agreements, they are consistent with institutional mission and goals.
- The institution has appropriate control over these contracts. It can change or terminate contracts that don't meet its required standards of quality.
- External contracts are managed in a manner to ensure that federal guidelines are met.

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