



*Standard III.D:
Financial Resources*

STANDARD III.D. - FINANCIAL RESOURCES

D. Financial Resources

Financial resources are sufficient to support student learning programs and services and to improve institutional effectiveness. The distribution of resources supports the development, maintenance, and enhancement of programs and services. The institution plans and manages its financial affairs with integrity and in a manner that ensures financial stability. The level of financial resources provides a reasonable expectation of both short-term and long-term financial solvency. Financial resources planning is integrated with institutional planning.

Grossmont College has made strong efforts to ensure sufficiency of its resources to support student learning programs and services, as well as to improve institutional effectiveness. These efforts have included adoption of budgets that cover planned expenditures and ensure ending balances that permit funding for additional needs.

The college has a sizable budget to cover its operations. For example, the Fiscal Year 2006-07 Adoption Budget for Grossmont College is \$57,316,353 (8.1).

Grossmont College has ended the last six fiscal years with an average ending balance of \$2,165,105 (8.3). These funds, used for one-time improvements, as well as those secured through extraordinary state and local funding for new construction and retrofitting of older buildings, have permitted a range of facility improvements (8.4). However, as personnel costs (for example, salaries and benefits) and other campus operating costs (such as maintenance of 40-year-old buildings, currency of technology, construction mitigation, and enrollment marketing) increase, significant funding which could be used to increase direct support to the educational mission of the college is not generally available.

One could assume that a result of these competing funding needs contributes toward a perception on campus that the current level of financial support is inadequate. In replying to a statement about this issue on the 2006 accreditation survey (8.5), 14.7% of the faculty and 14.4% of the staff respondents recorded agreement that financial support is adequate (Question 81). However, faculty respondents to a similar survey statement in 2000 (8.6), registered 50% agreement (Question 34).

Survey Statement	% Agree		
	Respondents	2000*	2006
Q.81. The college receives adequate financial support to effectively carry out its mission.	Faculty	50%	14.7%
	Staff	Not Asked	14.4%

*2000 wording: "The college provides sufficient resources to support its educational programs."

Resource allocations (8.7) from the Grossmont-Cuyamaca Community College District (GCCCD) are distributed (8.8) to the college following a two-step process. Step 1

involves the determination by the district of its budgetary needs for district services. These decisions address both discretionary and mandated costs and include the costs of certain services provided to the campus. This budget also includes the projected size of the District Contingency Reserve, which is projected to equal 5% of the expenditures from the previous year. Approximately 15% of the annual district income is distributed this way. The remainder of the district general fund income is divided by formula (8.9) between Grossmont College and Cuyamaca College. (This formula is currently under review by the Districtwide Income Allocation Task Force, to address inadequacies perceived by campus constituencies as recorded in survey responses to Question 81.) Step 2 consists of the college being tentatively funded for the coming fiscal year based initially upon the adopted budget of the previous year. Adjustments to the previous budget are then made based on the carryover balance from the previous year, and/or any funding increases provided by the state. This funding is subject to allocation by the college via the organizational and governance system as part of the Adoption Budget process.

The resource allocation process within Grossmont College is one that permits the setting of priorities for funding through the college organizational and governance system. The annual Leadership Planning Retreat (8.10) allows for the review of the college mission statement and strategic plan (8.11). From this information, annual planning priorities are then established. Additionally, departments and programs are required to annually review their past and current budgets as part of the budget development process for the upcoming fiscal year. Any department/program request that is submitted for a budget augmentation must identify a need that is reflected in the departmental Educational Master Plan (EMP) (8.12) and/or their Technology Plan (8.13) and/or the Equipment and Technology Committee. After the college Business Office logs and reviews augmentation requests, they are forwarded to designated campus shared governance committees for their review and prioritizing of requests. Ultimately, the college Planning and Budget Council (PBC) reviews the recommendations from these committees for the reallocation or the augmentation of funds and submits its own recommendations to the college president for consideration in making final decisions. (For more information on this issue, see responses to III.D.1.a., b., and c., as well as Standard I.B.3.) (See also Attachment 1. GROSSMONT COLLEGE BUDGET/DECISION MAKING PROCESS)

Self-Evaluation

Findings related to the adequacy and management of financial resources at Grossmont College reveal that the institution meets the standard. On the issues presented, the size of the college budget, the sufficiency of resources for educational improvements, and the funding allocation process involved in achieving improvements, financial and other evidence demonstrate that the institution functions in accord with accreditation guidelines. However, a task force has been established to address the funding formula used to guide distributions by the district to its two colleges, in order to address perceived inequities.

While proposed campus level educational improvements do not compete for funding at the district level, educational improvements occur at the college level by successfully competing for funding with existing educational programs. This may partially explain the perceptions reported by faculty and staff respondents on the accreditation survey showing strong disagreement with the notion that funding is equivalent to the demands of the mission.

Grossmont College meets Standard III.D.

Planning Agenda

College representatives on the Income Allocation Task Force (IATF) will continue to work collaboratively with the district administrative and Cuyamaca College representatives to address perceived inequities. The college representatives will work to ensure IATF agreement and Governing Board adoption of a new Income Allocation Formula by no later than June 30, 2009.

- 1. The institution relies upon its mission and goals as the foundation for financial planning.**
 - a. Financial planning is integrated with and supports all institutional planning.**

Descriptive Summary

Grossmont College endeavors to integrate all financial planning within the institutional planning framework. An annual cycle of activities involving established processes operates to make this occur in a systematic manner. These activities are as follows:

The Grossmont College Annual Leadership Planning Retreat (8.10) generally reviews the college mission statement, in addition to the strategic plan and the coming year's EMP (8.12); and establishes annual planning priorities. Recommendations from the retreat are then sent to the college Planning and Budget Council (PBC), which guides the annual planning and budget development process.

Institutional goals are continuously reviewed and discussed among the various shared governance committees and brought to the PBC throughout the year. The PBC then works to include these goals and/or goal changes within the Tentative Budget process (8.14), the initial yet essential framework for the proposed campus budget. The Tentative Budget process essentially ensures that there is sufficient funding to continue meeting unchanged prior year goals and objectives (8.15), with any new modification to the proposed budget included within the Adopted Budget, which is approved by the Board in mid-September.

During the self-study development process, the annual planning and budget development process was found to have a sequencing dysfunction: Budget preparation deadlines

occurred prior to planning deadlines, so some plans could not be implemented until the following budget cycle. A task force of the PBC developed a new sequencing system that permitted annual plans to be implemented through the ensuing budget. (See I.B.3. College Fiscal Resources Planning Chart.)

Each year, funding priorities are drawn from the Annual Leadership Planning Retreat, the six-year Strategic Plan, the Educational Master Plan, the Technology Plan, and the Staffing Committee reports to the PBC. These institutional plans are examples of long-range and short-term college planning for one to six years. The Facilities Master Plan (8.4) is another long-range planning document, which spans 10 years of proposed construction projects. These plans guide the decisions of the PBC in prioritizing for the development of the annual budget (short range). The most competitive priorities involve staffing, inclusive of support staff and instructional staff, where there is competition between the departments and service areas for filling positions. The mix of Supplemental Employee Retirement Plan (SERP), a retirement benefit that requires the college to keep the vacated position open for one year, and the Faculty Staffing Committee process normally results in a one-year delay, or more, to replace a faculty member. In the meantime, the dynamics of the state funding process can, and does, change institutional support measurably from one year to the next.

Budget development and discretionary spending decisions are guided by the district (8.16) and college strategic plans (8.11). To enhance the likelihood that the financial planning process reflects districtwide and college priorities, the Districtwide Strategic Planning and Budget Council (DSP&BC) and the college PBC meet throughout the year to take the recommendations (8.17, 8.18) received and begin the process of budgeting for the current and future years based upon projected funding. The Grossmont College Strategic Plan Report, the Tentative Budget Workshop, the Adoption Budget Workshop, and the Adoption Budget for the college and the district provide opportunities for college and district reports to the Governing Board on the extent to which goals and objectives have been achieved. An annual presentation to the Governing Board by the chancellor is called *Districtwide Strategic Plan Annual Report and Accomplishments* (8.19); the latter is a report on the accomplishments made through the year that have met the goals and objectives established by the board. Contained within this document is a listing of accomplishments that the college and district believe have contributed to the achievements of the institutional goals of the college.

Despite the foregoing, faculty and staff respondents to an accreditation survey (8.5) question about the relationship between planning and expenditures revealed disagreement that financial planning supports institutional goals and student learning outcomes; only 36.4% of faculty and 44.3% of staff respondents agree that college financial planning supports institutional goals and student learning outcomes (Question 48). Agreement was slightly lower in the last accreditation survey (8.6), with only 33.3% of faculty respondents agreeing that financial planning supported institutional goals and objectives (Question 30).

Survey Statement	Respondents	% Agree	
		2000*	2006
Q.48. The college's financial planning supports institutional goals and student learning outcomes.	Faculty	33.3%	36.4%
	Staff	Not Asked	44.3%

*2000 wording: "Financial planning supports institutional goals and educational objectives."

Self-Evaluation

Evidence documenting that Grossmont College relies upon its mission and goals as the foundation for planning supports the conclusion that the institution operates according to all requirements of the standard. A systematic review of the mission and goals is part of annual fiscal planning by the organizational and governance structure. Specific goals are identified, achieved, and reported on during each budget cycle, again through the collaboration of organizational and governance structures and processes. Prioritization of objectives occurs among competing needs in both short-term and long-term planning, so funds received are allocated rationally, whenever they are received. While adjustments are necessary to the sequencing of financial planning processes to align them with institutional plans, financial planning routinely relies on other institutional planning for content. Information supplied reveals that the Governing Board and other institutional leaders receive reports about the ties between fiscal and other institutional planning. Evidence linking past fiscal expenditures and implementation of institutional plans exists, despite faculty and staff perceptions revealed in their survey responses that dispute such connections.

Grossmont College meets Standard III.D.1.a.

Planning Agenda

By the conclusion of the Spring Semester 2008, the college will establish means to better inform faculty and staff of the linkages between institutional planning and expenditures.

1. **b. Institutional planning reflects realistic assessment of financial resource availability, development of financial resources, partnerships, and expenditure requirements.**

Descriptive Summary

The GCCCD planning process provides the context in which the Grossmont College budget planning process takes place (8.8). The Districtwide Strategic Planning and Budget Council (DSP&BC) consists of several members from Grossmont College, including various campus administrators, faculty, and staff representatives, and the college president. This group takes information regarding proposed budget affairs back to the college Planning and Budget Council (PBC) and discusses potential funding

increases/decreases to the campus budget as a result of the state fiscal picture, enrollment goals, alternative sources of funding, and/or partnerships to complement or supplement state and local resources.

The PBC also reviews other potential funding issues which may impact the ability of the campus to hire new faculty and staff or expand course offerings and programs. After these discussions take place, the college uses this information to develop its budget based upon the revenue projected from the state and anticipated through the districtwide allocation model (8.9). In addition to state-provided general funds, the college budget includes categorically funded programs, committed and fixed costs, and discretionary one-time funds (General Fund), which are provided through the budget development process.

Periodically throughout the fiscal year, the college budget staff reviews, on a percentage basis, the rate at which funds are being spent. This review is discussed with key management personnel to determine current and future college needs. The district also regularly communicates with the college concerning changes to funding or pending fiscal commitments that may affect the college. Fiscal information provided to the college is provided in real time and is as accurate as the revenue/expenditure information that has been uploaded into the system as of the date of the report.

Traditionally, the budget development process begins with the development of the campus Educational Master Plan (EMP) in late fall. This drives the discussions during the months of February through June when the Tentative Budget (8.20) must be completed and released during the month of July. The Tentative Budget, tied to the priorities specified in the Educational Master Plan, serves as the base budget for the next fiscal year. Final funding figures for the campus are provided in the Adoption Budget (8.21), which is approved sometime in September. The Adoption Budget contains changes made after the release of the Tentative Budget and is based upon new or reduced funding and expenditure information, and/or programmatic changes made by the college.

As noted previously, the annual Leadership Planning Retreat is the primary venue for establishing college priorities related to its goals and objectives. During this session, the mission statement is reviewed in relation to data collected from the Environmental Scan and compared with overarching goals from the six-year Strategic Plan (8.11). The PBC receives the Strategic Plan that is reviewed at the Leadership Planning Retreat, as well as other plans related to it; among the other plans are the Educational Master Plan, the Technology Master Plan, and the Facilities Master Plan. In addition, the PBC receives Staffing Committee recommendations (8.17). After considering information and recommendations from all sources, the PBC makes determinations and recommendations based on assessments of funding available, for presidential action.

All allocation decisions are focused on continuing and improving instruction in the classroom and optimizing student learning opportunities. This is because allocation decisions are founded on the Educational Master Plan.

Planners also use the following documents to assist with prioritization of funding:

- Departmental Strategic and/or Educational Master Plans ([8.22](#));
- Program Review Reports ([8.23](#));
- Districtwide Strategic Planning and Budget Council Minutes ([8.24](#));
- Facilities Committee Minutes ([8.25](#));
- Equipment and Technology Committee Minutes ([8.26](#)); and
- Staffing Committee Minutes ([8.27](#)).

Self-Evaluation

According to evidence related to this standard, Grossmont College planning reflects realistic assessments of financial resource availability, development of resources, partnerships, such as the Grossmont College Foundation and expenditure requirements for restricted funds. Issues raised in relation to this standard involve the accuracy of financial information received and prioritization of budget expenditures. Evidence reveals that participants receive accurate information about available funds in all matters affecting budgeting. Information supplied also supports the conclusion that budget priorities are set according to student learning needs, since the Educational Master Plan guides these decisions.

Grossmont College meets Standard III.D.1.b.

Planning Agenda

None

- 1. c. When making short-range financial plans, the institution considers its long-range financial priorities to assure financial stability. The institution clearly identifies and plans for payment of liabilities and future obligations.**

Descriptive Summary

Institutional plans establishing priorities for expenditures over several years are devised and used for facilities ([8.4](#)) and technology ([8.13](#)). In addition, the Staffing Committee maintains personnel priority hiring lists over time. All are related to the mission and strategic plan for the college and district.

Capital or other forms of debt, retiree health benefits, and other long-term funding obligations ([8.28](#)) are managed at the district level. Additionally, debt obligations ([8.29](#)) are identified by the district prior to determining the available income to be allocated to the college. Expense data is monitored during the year, with current and prior-year expenses being considered in setting the new budget.

The process employed by the district to calculate employee benefits uses annual benchmark percentages, 30% for full-time faculty, 11% for adjuncts, and other percentages for other employee groups, based upon individual salary compensation. While this method is inexact, its simplicity facilitates college cost analysis and budgeting for this expense. In regard to maintenance costs and other continuing cost obligations, the Tentative Budget development process limits the subsequent annual budget total to that of the prior year; however, adjustments are made during the Adoption Budget process (8.21) to cover cost of living and other necessary increases to these budget line items. Sufficient funding is allocated and provided to cover long- and short-term benefits and district liabilities (8.30, 8.31, 8.32, 8.33).

Self-Evaluation

Findings related to this standard reveal that the district and college collaborate to effectively ensure that both long-range and short-range issues are considerations in setting priorities and making payments necessary for financial stability. Financial plans and reports demonstrate that long-term fiscal planning and priorities are recognized in provision for liabilities and obligations, as well as in annual budgeting and on-going fiscal planning.

Grossmont College meets Standard III.D.1.c.

Planning Agenda

None

- 1. d. The institution clearly defines and follows its guidelines and processes for financial planning and budget.**

Descriptive Summary

The process which guides budget development is led by the cooperative efforts of a number of constituent groups, such as the Districtwide Strategic Planning and Budget Council (DSP&BC) (8.24) and the college Planning and Budget Council (PBC) (8.34). These groups have established timeframes in which they conduct formal meetings and discussions, both on campus and at the district; members of these groups are drawn from the faculty (Academic Senate), college and district administrators, classified staff, and the Associated Students of Grossmont College (ASGC). College budget planning and the discussion of process and protocol for campus funding priorities takes place during these meetings, with the discussions and decisions from each meeting disseminated to each respective constituency through oral or written reports at their respective meetings and by postings to the district and college websites. (Refer to the chart in Standard 1.B.3)

Self-Evaluation

According to evidence supplied, the college and the district collaborate to define and follow established processes related to financial planning and budgeting. Regular reporting of actions taken at meetings of groups involved in the processes occurs.

Grossmont College meets Standard III.D.1.d.

Planning Agenda

None

2. **To assure the financial integrity of the institution and responsible use of financial resources, the financial management system has appropriate control mechanisms and widely disseminates dependable and timely information for sound financial decision making.**
 - a. **Financial documents, including the budget and independent audit, reflect appropriate allocation and use of financial resources to support student learning programs and services. Institutional responses to external audit findings are comprehensive, timely, and communicated appropriately.**

Descriptive Summary

Grossmont College, in collaboration with the Grossmont-Cuyamaca Community College District (GCCCD), strives to achieve financial management excellence in using financial resources to support student learning programs and services. From the point of funds distribution to the expenditure thereof, all monies are allocated according to institutional plans and accepted procedures.

The current district allocation formula uses full-time equivalent student (FTES) goals as the primary basis for funding the college, which is also consistent with funding the current staffing and program needs of the college. The formula operates on the assumption that as FTES increases occur, the college will expand programs and course offerings commensurate with projected student needs. However, in times of decline, formula-based funding hinders the ability of the college to quickly and effectively reduce programs, particularly if enrollment declines for periods greater than one year. Nevertheless, as funding is based upon stated goals, the college is sufficiently funded to carry out its current programs; additional programs will require additional funds.

Standards II.C, III.A, III.B, III.C, and IV. describe conditions that dispute the adequacy of funding for library media, human resources, facilities, equipment, and technology. However, from the perspective described in this standard, the college appropriately manages the financial resources received for the support of student learning programs and services.

The district audit was conducted by Vavrinek, Trine, Day & Co., LLP, in accordance with auditing standards generally accepted in the United States. There were no findings of financial mismanagement, and no matters involving problems with internal controls were discovered as inappropriate. Since the college functions within the district financial system, the annual audits (8.31) demonstrate the adequacy of institutional financial management. No substantive findings were cited in the 2005-06 independent audit or others preceding it.

Self-Evaluation

According to evidence reviewed for this standard, institutional financial documents demonstrate appropriate allocation and use of financial resources by the college, with no external audit exceptions noted. In regard to all issues raised about use of financial resources for student programs and services, and audit reviews and responses, the district and college meet the financial requirements.

Grossmont College exceeds the requirements for Standard III.D.2.a.

Planning Agenda

None

- 2. b. Appropriate financial information is provided throughout the institution.**

Descriptive Summary

Financial planning information concerning district income and expenditures is provided to the Governing Board, the district, and the college via the Planning and Budget Council (PBC), which consists of representatives from the various constituency and bargaining groups across the campus. This information is updated as necessary and provided to these groups throughout the year. The information provided is used to prompt appropriate fiscal actions, such as instituting bodies like the college Savings Task Force.

Additional information about financial affairs at the institution is provided through the financial management system used by the district and college, known as the Integrated Financial Accounting System (IFAS)/Insight. The software is an effective tool in managing the college finances. A limitation is the timely entry of expenditure information. The district is not consistent in the processing of accounts payable. This limits reliance on the system, causing users to view the information with caution and reducing the accuracy of trend analyses, given that expenditure information is not entered into the system consistently from year to year. The college Business Office (8.35) continuously works with the district, particularly on the processing of invoices, to ensure timely payment.

While documented processes reveal that financial information about the district is shared broadly throughout the college, only 14.9% of the faculty and 18% of the staff respondents on the accreditation survey (8.5) believe that the information provided by the district is appropriate and timely (Question 107). A similar question was not included in the 2000 survey, so no comparisons are possible.

Self-Evaluation

Evidence introduced in relation to this standard concerning the distribution of financial information throughout the institution reveals that organizational and governance systems, as well as a districtwide financial accounting system, provide access on such matters throughout the college. Processing issues related to the financial accounting system and employee perceptions about the appropriateness and timeliness of financial information shared throughout the college are adequate.

Grossmont College meets Standard III.D.2.b.

Planning Agenda

1. The college will work with the district administration to eliminate delays in processing financial data by the end of the 2008 fiscal year.
2. The college Planning and Budget Council will provide current financial information regarding college operations on an Intranet website by the end of the 2008 fiscal year.
2. c. **The institution has sufficient cash flow and reserves to meet financial emergencies and unforeseen occurrences.**

Descriptive Summary

The district, not the college, is required to maintain a reserve of 5% to meet unexpected emergencies. The district reserve amount of 5% is based on prior-year expenses.

The following figures represent the unrestricted general fund expenditures and uncommitted ending balances for the district for the past three years (8.36).

FY 2003-04 Expenditures \$72,983,923	FY 2003-04 Ending Balance \$4,280,780
FY 2004-05 Expenditures \$74,572,472	FY 2004-05 Ending Balance \$3,927,201
FY 2005-06 Expenditures \$85,112,335	FY 2005-06 Ending Balance \$4,436,685

The foregoing represents reserve amounts of 5.9% for the 2003-04 fiscal year, 5.3% for the 2004-05 fiscal year, and 5.2% for the 2005-06 fiscal year.

The district reserve funds are available for emergency use by the college. These funds are allocated to the college based upon the nature of the specified emergency (for

example, health and safety). Emergency funds are not for supplies or any costs which can be budgeted for in the next fiscal year.

As noted previously, non-emergency funding to the college comes from the district through the Income Allocation Distribution Formula (8.9). The college share is approximately 70%, with a dedicated amount provided from foreign and out-of-state student tuition. No cash flow problems have been cited or experienced (8.37).

Insurance to protect college assets and provide for unusual occurrences is also provided by the district. The district is a member of the Association of Southern California Insurance Programs (ASCIP) and insures for liability, property, and casualty claims effective July 1, 2006, to June 30, 2007, up to \$5 million; and beyond this, the district is part of the Schools Excess Liability Fund (SELF) for \$10 million excess \$5 million and \$10 million excess \$15 million (total is \$25 million) (8.38, 8.39).

Under ASCIP, Southern California Risk Management Association (SCRMA) insures at the first dollar for workers compensation from July 1, 2006, to June 30, 2007, up to \$1 million per claim. For student accidents, including athletic injuries, the college has Student Accident Insurance Network (SAIN), which pays up to \$25,000 per claim, less applicable deductibles.

Self-Evaluation

Findings related to the sufficiency of cash flow and reserves to preserve stability, manage risk, and mitigate emergencies, reveal that the district and college collaborate to meet standard requirements. Evidence introduced in relation to issues raised about the standard shows sufficiency of reserves, accessibility of cash for exigencies, adequate cash flow arrangements, and insurance sufficient to cover significant losses.

Grossmont College exceeds Standard III.D.2.c.

Planning Agenda

None

2. d. **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.**

Descriptive Summary

At Grossmont College, budget staff in the Business Office and the various campus departments periodically review the rate at which funds are being spent (that is, the burn rate), in all program areas (such as academic departments and programs, financial aid, special projects, foundation, and auxiliary and campus grants), in addition to preparing

fund balance analyses to assist with program and department management. These analyses help determine if programs are expending resources according to their department plans, or if efficiencies have to be made which will allow for other department and/or campus priorities to be met. This information is presented to and discussed with key management personnel, who use this information to make revisions, if necessary to their respective budgets ([8.3](#), [8.40](#), [8.42](#)).

An example of monitoring processes used by the Financial Aid Office involves the continuous attention given to the default rate on student loans, which is exceptionally low, as demonstrated by the following data:

2002	OFFICIAL	FFEL	5	As of July 31, 2004
2003	OFFICIAL	FFEL	5.8	As of July 30, 2005
2004	OFFICIAL	FFEL	6.1	As of July 29, 2006 (8.43)

Over time, the handling of all funds ([8.40](#), [8.41](#), [8.42](#)) by the district, irrespective of source, has been recognized by both independent auditors and local civic groups as exemplary. For example, both the San Diego Taxpayers Association and the Proposition R Construction Budget Oversight Committee publicly lauded ([8.44](#)) the district for its fiscal stewardship, and no substantive instances of noncompliance were found in audit reports received during 2002 through 2006 ([8.31](#)).

Evidence from both audits and financial program reviews, which cover all campus revenue (for example, general apportionment, financial aid, and grants) and their related expenditures, show that the college and the district are both in compliance with recognized reporting and accounting standards, and that there have been no fiscal management irregularities which need to be corrected. No audit findings ([8.31](#)) or negative reviews have been received regarding any of the general fund or special-funded programs.

Self-Evaluation

According to evidence introduced in relation to this standard, the district and Grossmont College engage in effective oversight of all finances, including the monitoring of foundation grants along with other categorical funds. On issues raised in relation to the standard, findings reveal that regular reviews of fiscal management are undertaken and implemented, and that internal and external reviews and audits demonstrate compliance with generally accepted accounting standards and the law.

Grossmont College exceeds Standard III.D.2.d.

Planning Agenda

None

2. e. **All financial resources, including those from auxiliary activities, fundraising efforts, and grants are used with integrity in a manner consistent with the mission and goals of the institution.**

Descriptive Summary

All funds received by the district, whether general fund or special grant and/or foundation funds, are accounted for and controlled by the district in accord with the mission and goals of the college and generally accepted accounting standards (8.45). All funds are independently audited (8.31) on an annual basis to ensure that each special fund (8.46) is managed in compliance with designated expenditure guidelines. All audits are conducted in accordance with government auditing standards as issued by the Comptroller General of the United States and are found to be in compliance with all accepted and recognized financial management practices (8.31).

Self-Evaluation

Responses to this standard demonstrate that financial resources received from all sources are used in accord with legal and generally accepted accounting standards, as well as the mission and goals of Grossmont College. On the issue raised in regard to auditing or review by funding agencies, the district, and therefore the college, is in compliance. In relation to the issue of integrity in financial management practices, the district also meets conventional standards.

Grossmont College exceeds Standard III.D.2.e.

Planning Agenda

None

2. f. **Contractual agreements with external entities are consistent with the mission and goals of the institution, governed by institutional policies, and contain appropriate provisions to maintain the integrity of the institution.**

Numerous agreements exist between Grossmont College and outside agencies (8.47), especially the health professions. The Grossmont-Cuyamaca Community College District (GCCCD) Auxiliary also enters into various agreements on behalf of the college and/or district. The Grossmont College Foundation serves as a support system linked to the college, alone; it provides small grants to projects operated by college faculty and staff, as funds permit. All contract agreements entered into on behalf of the college are based on the Strategic and Educational Master Plans and reflect the mission and goals of the college; such agreements (8.48, 8.49) are monitored by the college Business Office.

Program coordinators and/or department chairpersons, administrators, and the college president all must formally approve outside agreements (8.47). Necessary controls are exercised by the appropriate department/program representative, under administrative

supervision. Programs are reviewed annually, with adjustments made as necessary to meet college and community needs. Contracted programs which do not meet approved standards are not renewed by the college.

Self-Evaluation

Evidence presented in relation to contractual agreements with external agencies reveals that Grossmont College acts in accord with its mission and goals, as well as institutional procedures protective of its integrity, when implementing these programs. Several academic programs routinely engage in arrangements facilitated by external funding. Both the district auxiliary organization and the college Foundation support college activities. All relationships are managed in accord with standard institutional processes monitored by designated institutional officials.

Grossmont College meets Standard III.D.2.f.

Planning Agenda

None

2. g. **The institution regularly evaluates its financial management processes, and the results of the evaluation are used to improve financial management systems.**

Descriptive Summary

Annual external audits are conducted at the district and college level to review fiscal management processes and compliance with approved financial management practices. Results of the audit are provided to the college, with any recommendations for improvements or citations discussed with the appropriate campus personnel.

The college, through its annual leadership planning retreat ([8.10](#)) and through the various shared governance groups ([8.8](#)), consistently discusses and reviews past and current fiscal needs to prepare for its future fiscal needs. Discussions review past allocation practices and the adequacy and/or need to revise the allocation/augmentation processes.

Self-Evaluation

Findings provided in response to issues related to evaluation and improvement of financial processes and management systems reveal that Grossmont College complies with the standard. The college undergoes annual audits and acts on any feedback received. In addition, the institution constantly reviews the effectiveness of its past fiscal planning when preparing new plans involving fiscal requirements.

Grossmont College meets Standard III.D.2.g.

Planning Agenda

None.

Standard III.D. - Financial Resources

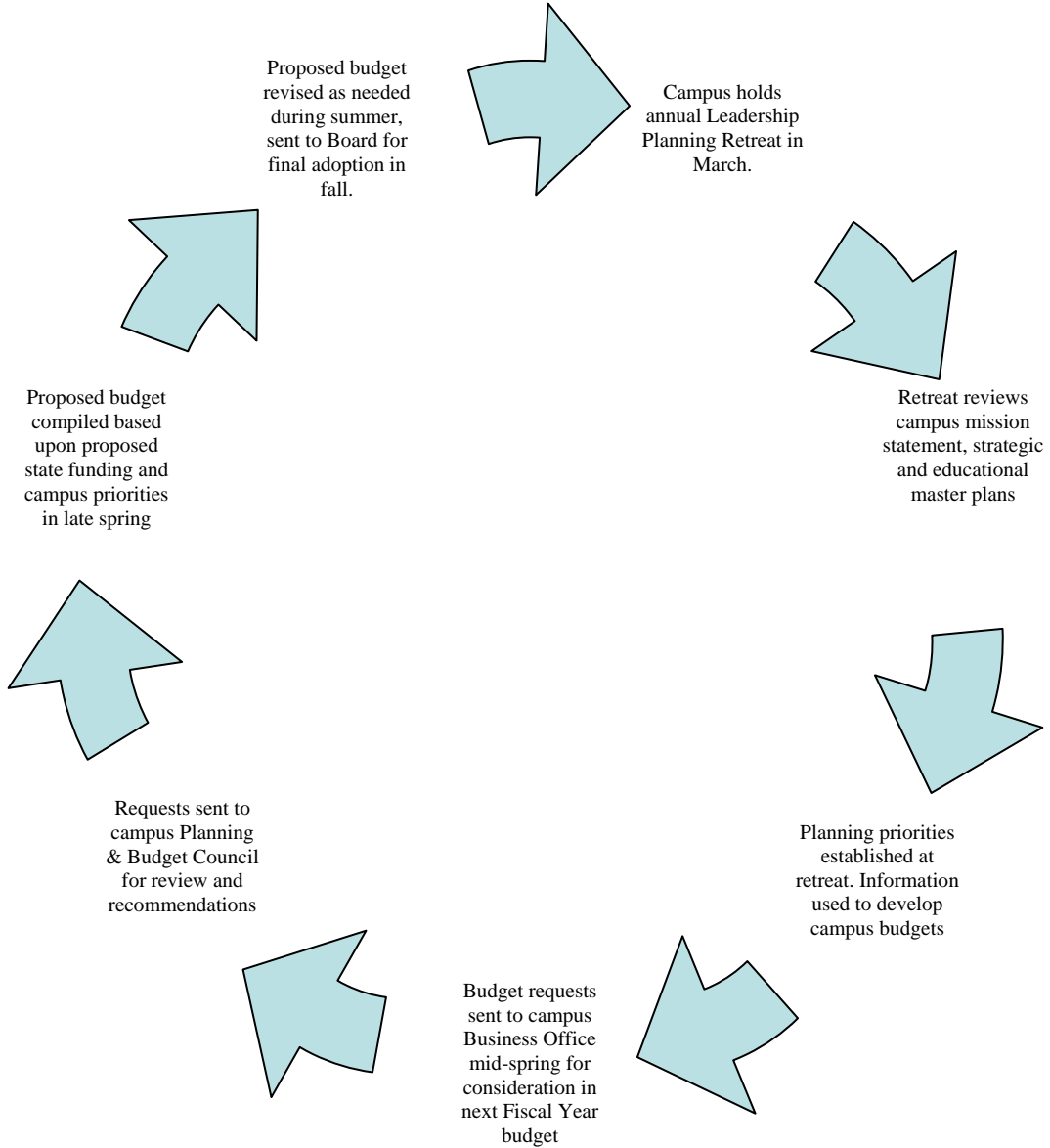
Themes

Grossmont College ensures that financial resources are utilized to support the delivery of a high quality education to its students, congruent with the institutional mission. This occurs through reliance on planning and associated cyclical processes, by which revenues received are allocated for priorities identified by organizational and governance groups that represent all institutional constituencies. Part of the processes used to determine funding distributions include evaluation and improvement of institutional programs related to student learning.

The college has had a history of evaluating student learning through assessments related to course objectives, as stated in the course outlines of record, as well as program reviews reliant on evidence of these assessments, such as in course success and program completion. However, the advent of the student learning outcome/assessment initiative (SLO/AI) on campus, prompted by accreditation requirements, has resulted in limited new expenditures; these have occurred through special distributions rather than the institutional planning cycle.

Throughout all of its considerations related to the use of financial resources, the institution engages in inclusive, informed, and intentional dialogue about program quality and improvement. As funding resources become available, they are allocated for uses having high priority, as determined by consensus of representatives of all college constituencies. In making financial resource allocations, all involved individuals and governance groups demonstrate transparency relative to funds available, processes related to decision-making, and uses of allocations.

GROSSMONT COLLEGE BUDGET/DECISION MAKING PROCESS



Standard III D

Financial Resources Evidence

- 8.1 GCCCD Adoption Budget 2006-07
- 8.2 Unassigned Number
- 8.3 Projected Ending Balances
- 8.4 Facilities Master Plan
- 8.5 Accreditation Survey Response Comparisons
- 8.6 Grossmont College Faculty Accreditation Survey Spring 2000
- 8.7 Narrative Description—GCCCD Budget Development Process
- 8.8 District Budget Cycle—Example Cycle for the 2006-07 Fiscal Year
- 8.9 Income Allocation Formula 2006-07
- 8.10 Leadership Planning Retreat Materials
- 8.11 Grossmont College Strategic Plan
- 8.12 Educational Master Plan
- 8.13 Technology Master Plan
- 8.14 Tentative Budget Calendar
- 8.15 Past-Year Adoption Budget 2004-05
- 8.16 Districtwide Strategic Plan 2001-2004
- 8.17 Staffing Committee Recommendations
- 8.18 Business Plan for New Acquisitions, Expansion of Programs
- 8.19 Districtwide Strategic Plan Annual Report and Accomplishments—
Annual Report to the Board
- 8.20 Tentative Budget 2006-07
- 8.21 Adoption Budget 2005-06
- 8.22 Departmental Strategic Plans
- 8.23 Sample Program Review Report—American Sign Language
- 8.24 Districtwide Strategic Planning and Budget Council Minutes
- 8.25 Facilities Committee Minutes
- 8.26 Equipment and Technology Committee Minutes
- 8.27 Staffing Committee Minutes
- 8.28 Actuarial Study—Long-Term Liabilities
- 8.29 Debt Obligations
- 8.30 Bonds
- 8.31 Audits—District Audit 2005-06
- 8.32 Social Security, IRS, PERS, STRS Payments
- 8.33 Prop R Bond Ratings
- 8.34 Planning and Budget Council Minutes
- 8.35 Jon Christensen, Interim Budget Director
- 8.36 John T. Al-Amin, Vice President, Administrative Services
- 8.37 Cash Flow Information
- 8.38 Risk Management—Explanation of Insurance Coverage
- 8.39 Risk Management
- 8.40 Variance Statements/Quarterly Financial Reports
- 8.41 Mechanisms for Monitoring Ending Balances—
College Responsibility
- 8.42 Mechanisms for Monitoring Fiscal Stability
- 8.43 M Copenhagen email to BBP
- 8.44 *The Courier*

- 8.45 Policies Related to Finance, How Fees Are Charged
- 8.46 Foundation Audit June 30, 2005
- 8.47 Contracts with Outside Agencies
- 8.48 Procurements
- 8.49 External Program Agreements