STANDARD IIID
RESOURCES

Financial Resources
Standard IIID: Financial Resources

IIID  
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.

Committee Members

Co-Chairs:
Shanna Ahrens, Classified Professional
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Michael Bourbonnais, Classified Professional
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IIID.1 The institution relies upon its mission and goals as the foundation for financial planning.

IIID.1a Financial planning is integrated with and supports all institutional planning.

Descriptive Summary

The College relies upon its mission and goals for financial planning. The College also strives to align with District goals established in the 2010-2011 District budget. As part of the program review and governance processes, the College allocates resources through an integrated planning process.

The College is allocated funds by the District. However, this allocation is not based on FTES. Additionally, a District wide formal allocation model does not currently exist; however, the District is in the process of developing one. The College practices effective oversight of finances as evidenced by evaluation of adopted budgets, audit summaries, and year-end reports.

One of the College’s most significant responsibilities is the development and presentation of the annual budget. This document not only serves as a planning document for the following school year, reflecting goals and priorities, but also serves as a report to College constituents regarding utilization of public funds. Each year the College’s Budget Advisory Committee is convened to review the prior year’s budget, the current funding level, budget status, and the preliminary allocation to the College from the District (IIID.1-3: Final budgets from 2008–09, 2009–10, and 2010–11*). The committee is comprised of representatives from each constituent group: the Academic Senate, Classified Senate, CSEA, Associated Student Government, and senior administrative staff. Budget discussions assure that financial planning supports District goals and the College mission. The Fresno City College 2010–2012 Strategic Plan reflects and aligns with District goals (IIID.4: Strategic plan brochure).

* Second and subsequent references to evidence will only include the evidence number.
### Fund 11 - GENERAL FUND

<table>
<thead>
<tr>
<th>Budget Year</th>
<th>Total District Budget</th>
<th>Salaries and Benefits</th>
<th>Operating Expenses</th>
<th>Total Budget</th>
<th>% of FCC to Total District</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010–2011</td>
<td>141,766,095</td>
<td>68,933,655</td>
<td>4,636,574</td>
<td>73,570,229</td>
<td>51.89%</td>
</tr>
<tr>
<td>2009–2010</td>
<td>138,679,468</td>
<td>67,653,260</td>
<td>4,755,820</td>
<td>72,409,080</td>
<td>52.21%</td>
</tr>
<tr>
<td>2008–2009</td>
<td>141,478,087</td>
<td>67,770,197</td>
<td>5,222,678</td>
<td>72,992,875</td>
<td>51.59%</td>
</tr>
<tr>
<td>2007–2008</td>
<td>137,004,181</td>
<td>65,485,737</td>
<td>5,232,919</td>
<td>70,718,656</td>
<td>51.62%</td>
</tr>
<tr>
<td>2006–2007</td>
<td>124,912,077</td>
<td>59,678,733</td>
<td>4,782,007</td>
<td>64,460,740</td>
<td>51.60%</td>
</tr>
</tbody>
</table>

### Fund 12 - CATEGORICAL FUND

<table>
<thead>
<tr>
<th>Budget Year</th>
<th>Total District Budget</th>
<th>Salaries and Benefits</th>
<th>Operating Expenses</th>
<th>Total Budget</th>
<th>% of FCC to Total District</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010–2011</td>
<td>25,161,173</td>
<td>10,515,068</td>
<td>4,157,572</td>
<td>14,672,640</td>
<td>58.31%</td>
</tr>
<tr>
<td>2009–2010</td>
<td>28,533,924</td>
<td>11,200,192</td>
<td>4,482,764</td>
<td>15,682,956</td>
<td>54.96%</td>
</tr>
<tr>
<td>2008–2009</td>
<td>27,165,192</td>
<td>11,462,991</td>
<td>4,788,900</td>
<td>16,251,891</td>
<td>59.83%</td>
</tr>
<tr>
<td>2007–2008</td>
<td>25,720,910</td>
<td>10,947,192</td>
<td>4,041,252</td>
<td>14,988,444</td>
<td>58.27%</td>
</tr>
<tr>
<td>2006–2007</td>
<td>21,989,199</td>
<td>9,861,223</td>
<td>5,080,570</td>
<td>14,941,793</td>
<td>67.95%</td>
</tr>
</tbody>
</table>

(Example of allocation of funds from 2006-07 through 2010-11)

Historically the College has been consistently funded between 51-52 percent. One of the main goals of the College was to fund the current permanent academic and classified employees. The District recognizes the efforts put forth by employee bargaining units during tough budgetary times. The contracts of 2002-2006, 2006-2009 and 2003-2004 reflect the good will and current agreements are being negotiated. (IIID.6-8: CSEA and AFT Contracts) In compliance with the education code, the District provides March 15 notices to certificated categorically funded positions. The District has made a repeated commitment to fund full time positions and educational offerings. Some reduction in duty days has occurred in counseling and other categorical programs to adjust to workload reduction and reduced categorical funding.

In spite of the California budget crisis over the past few years, the District has not furloughed, laid-off, or terminated personnel contracts. Due to the impact of workload reduction (reduction in the number of FTES being funded by the state) on the general fund, the classified ranks have not expanded. An annual review of vacant funded positions is conducted by the President’s
Advisory Council (PAC). This is ongoing to determine if a position will be filled once vacated or replaced with a different position recommended through program review or an action plan. The classified ranks have been reduced in order to maintain the required 50 percent commitment to instructional offerings. Since 2007-08 there are twenty-five unfilled classified positions comprised of sixteen and one half general fund and eight and one half categorically funded.

The College budgets have remained flat over the last few years with any COLA awarded going entirely to salary and with none to operational support. As such, the salary and benefits have increased and operational budgets have declined. New faculty positions are funded by the District; however, no funding is assigned to new classified positions unless it is warranted with the increase in assignable square footage and new building construction.

<table>
<thead>
<tr>
<th>Salary/Benefits</th>
<th>Operating Expenses</th>
<th>Total</th>
<th>Percentage to budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>$68,993,655.0</td>
<td>$4,636,574.0</td>
<td>$73,630,229</td>
<td>93.70%</td>
</tr>
<tr>
<td>$67,653,260.0</td>
<td>$4,755,820.0</td>
<td>$72,409,080</td>
<td>93.43%</td>
</tr>
<tr>
<td>$67,770,197.0</td>
<td>$5,222,678.0</td>
<td>$72,992,875</td>
<td>92.84%</td>
</tr>
<tr>
<td>$65,485,737.0</td>
<td>$5,232,919.0</td>
<td>$70,718,656</td>
<td>92.60%</td>
</tr>
<tr>
<td>$59,678,733.0</td>
<td>$4,782,007.0</td>
<td>$64,460,740</td>
<td>92.58%</td>
</tr>
</tbody>
</table>

(The General Fund Salary/Benefits percentage to total budget)

The College is experiencing a slight decline in operational funding as it relates to salary and benefits. This decline has caused a decrease in effectiveness due largely to workload reduction and high student enrollments. Enrollment targets are set to reduce the high percentage of FTES above the funding level from state apportionment.

Linking financial planning to programs and services and the achievement of institutional goals relative to the College mission statement is paramount. Strategic plan development, program review recommendations, and annual goals and objectives are all formulated to ensure student success. These components, combined with the District strategic plan, are integrated into College budget development.

### Self Evaluation

The College meets this standard. The College is successful in maintaining fiscal stability and integrity. The College maintains a funding base, financial resources, and plans for financial development and integrated planning adequate to support its mission and educational programs, student learning programs and services, institutional effectiveness, and financial stability. The faculty and staff survey indicates opinions are below neutral in this area. This would reflect the impact of the downward funding stream to education. The College, through its planning efforts with the SPC and advisory committees, assures integrated planning of resources through program review and action plans. The College practices effective oversight of finances evidenced by the evaluation of adopted budgets, audit summaries, and year-end reports. Additionally, quarterly meetings are held with all categorical programs to assure compliance with grant/contract agreements and compliance with audit standards.

According to the Fresno City College Accreditation Faculty and Staff Survey, the College mission and goals are the foundation for financial planning, and the distribution of resources supports programs and services. Classified professionals and faculty showed an increase in these areas from the 2004 survey (IIID.9: 2010 Fall Faculty Staff Survey Report).

### Planning Agenda

The College will be actively involved in the development and implementation of a District Resource Allocation Model.
IIID.1b Institutional planning reflects realistic assessment of financial resource availability, development of financial resources, partnerships, and expenditure requirements.

Descriptive Summary

The College operates with an annual budget in excess of $73 million. The budget is developed from input from the department and division levels up through the appropriate administrative levels. Vice presidents review their budgets and forward them to the Administrative Services Office for consolidation. The budgets are then reviewed by senior administrators. Initial funding requests are typically in excess of the campus allocation. The President’s Advisory Council (PAC) and the Budget Advisory Committee reduce the initial funding requests to meet the College allocation. Budget recommendations are then presented to the constituent groups, and updates on spending, projects, and allocation are shared within the governance groups and College wide on opening day. The budget cycle has been consistent for years, in that increases in step, column, and possibly COLA (when funded) are reflected only in the salaries and benefits portion of the budget without operational increases. These increases are due mostly to contractual bargaining agreements. Increases in faculty positions result from growth funds and are distributed in the District allocation. Any increases to classified positions are not funded through the District allocation and adversely impact the operational budget (non-salary and benefit portion of the budget). Beginning in the 2009-10 fiscal year the District and College have been affected by reduced workload. Reduced funding translated to the District being funded 894.3 fewer FTES from the prior fiscal year or 3.39 percent in state apportionment. With over 94 percent of available resources allocated to salaries and benefits, little is left for discretionary budget development.

Prioritization of expenditures continues in the same manner with decision packages (Lottery) and general budget as they come forward from the District (IIID.10: Lottery prioritization example). The assessment of resource availability and expenditure requirements are exemplified in the Scheduled Maintenance Five-Year Plan and in the passage of Measure E, a bond funded by General Obligation Bonds (GOB) (IIID.11: Five-year scheduled maintenance funding proposals and scheduled maintenance). Interest on the bonds ranges from 3.1 percent to 5.2 percent. In November 2002, Valley voters approved Measure E, which is a $161 million bond measure to enable the State Center Community College District to refurbish aging facilities, build new facilities to accommodate enrollment growth, purchase equipment for new classrooms and laboratories, upgrade systems for technology and internet access, improve fire safety and access for people with disabilities, renovate the Old Administration Building (OAB), expand parking, and more. Of the $161 million, $131 million has been issued and is reflected in the financial statements as debt. Fresno City College’s portion of Measure E is $82.0 million of which $60.5 million is currently committed. The Measure E Bond Oversight Committee reviews expenditures and reports to the SCCC Board of Trustees on an annual basis.

The College reserve for year ending 2009-10 increased largely because a mid-year reduction was anticipated. Over the course of the last two fiscal years each classified position was reviewed for need and personnel requisitions were held back until further review and the selected positions warranted filling. When possible provisional staff was hired, however, the total number of classified positions remaining unfilled from 2007-2008 to the present is twenty-five of which sixteen and one half are general fund and the remaining are categorical positions that would have absorbed into the general fund unless held vacant.

In May of 2010, a list of equipment needs was created from program review, unfunded lottery decision packages, and action plans that were vetted through the College Budget and Advisory Committee and affirmed by consensus in the Strategic Planning Council. The list consisted of roughly 1.2 million dollars designated from the College reserve funds.

The above fiscal oversight demonstrates that the College plans for expenses and utilizes program review and shared governance to guide integrated resource planning.

The State Center Community College District is required to be in compliance with the 50 percent Law. This is the total dollars spent in salaries and
benefits by instructors divided by the total District expenditures. The District is in compliance currently at 50.2 percent. However, the District does not generate FTES; therefore, all of the expenses are in the denominator. In order for the District to be at 50 percent compliance, Fresno City College must be at 59 percent cost of instruction to total expenses.

Fresno City College has many partnerships supporting instruction and student services with ongoing renewal of grants and contracts. These contracts add to the quality of programs and services and provide student access to facilities and instructional equipment. The American Relief and Recovery Act (ARRA) provided additional opportunities for instructional programs directly related to creating jobs. The Police and Fire Academy’s instructional agreements facilitate instruction and hands-on experiences. The allied health and registered nursing programs share instructors and facilities to provide students with applied experience. The Training Institute provides contract education and skills enhancement, offers opportunities to develop further partnerships with industry, and supports economic expansion of the region. These and other projects are linked to institutional planning efforts.

**Self Evaluation**

The College meets this standard. The College utilizes both District and College strategic plans to direct short and long term goals. The SPC was implemented in accordance with the recommendations of the 2005 accreditation and has been effective in assessing financial resources and expenditure requirements.

**Planning Agenda**

None.

**IIID.1c** 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**

The College addresses financial planning by identifying and planning for payment of liabilities and future obligations. The District plans for long term financial obligations; particularly items associated with post-retirement benefits in compliance with GASB 45 requirements. In addition the District covers all utilities and insurance expenses required by the College with the exception of student insurance. Police, grounds and maintenance costs are the responsibility of the District budget. The College is responsible for its funded allocation and monitors these resources through the budget and encumbrance processes.

The grant budget application process includes approval of matching funds and new classified bargaining unit positions. Several grants have been awarded to the institution, which include a commitment by the College to institutionalize the programs. When the College has institutionalized grants the College absorbs a percentage of the salary the first year, graduating to 100 percent by the end of the grant term. These grants are written for long-range program and service benefit.

The Fresno City College Instructional Equipment Library Materials and Lottery (IELM and LT0/5) funding is leveraged with the Technology and Telecommunications Infrastructure Program (TTIP) funding, when available, to address maintenance agreements, licensing, equipment, and support. Many technology issues require ongoing maintenance agreements to sustain services. Senate Bill 20 (Prop 20) requires 50 percent of any lottery proceeds increases from the 1997-98 base year to be spent on instructional materials. The illustrations which appear depict the lottery funding with the District and the amounts funded by the College with an increasing amount becoming operational in nature as the general fund is reduced and flattened.
### 2010–11 Lottery Allocation for Budget Purposes

<table>
<thead>
<tr>
<th></th>
<th>2010–11</th>
<th>LTO</th>
<th>LT5</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding Allocation</td>
<td>$3,600,000</td>
<td>$3,200,000</td>
<td>$400,000</td>
<td>LT5</td>
</tr>
<tr>
<td>DO</td>
<td>$1,084,615</td>
<td>$1,084,615</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FCC</td>
<td>$1,384,615</td>
<td>$1,164,432</td>
<td>$220,183</td>
<td>55%</td>
</tr>
<tr>
<td>RC</td>
<td>$641,538</td>
<td>$539,520</td>
<td>$102,018</td>
<td>26%</td>
</tr>
<tr>
<td>NC</td>
<td>$489,231</td>
<td>$411,433</td>
<td>$77,798</td>
<td>19%</td>
</tr>
<tr>
<td>Total</td>
<td>$3,600,000</td>
<td>$3,200,000</td>
<td>$400,000</td>
<td>100%</td>
</tr>
<tr>
<td>LTO</td>
<td>$3,200,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LT5</td>
<td>$400,000</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*(Distribution of District Lottery Funds)*

The chart below demonstrates the increased reliance on lottery funding to augment College operational costs. In recent years, the College has become reliant on lottery funds to cover technology costs and rising maintenance agreements. The District had developed the lottery decision package process to allow for one time funding of projects. Due to reductions in the general fund allocation and increased salary costs, the College has become reliant on lottery funds for support services and instructional needs. It would be extremely difficult to move back to lottery funding for one time expenditures without impacting classified positions.

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual</td>
<td>$656,990</td>
<td>$2,055,432</td>
<td>$704,471</td>
</tr>
<tr>
<td>Total %</td>
<td>19.23%</td>
<td>60.16%</td>
<td>20.62%</td>
</tr>
<tr>
<td>Unaudited</td>
<td>$517,943</td>
<td>$959,537</td>
<td>$1,391,302</td>
</tr>
<tr>
<td>Actual</td>
<td></td>
<td>33.45%</td>
<td>48.50%</td>
</tr>
<tr>
<td>Total %</td>
<td></td>
<td>33.45%</td>
<td>48.50%</td>
</tr>
<tr>
<td>Budget</td>
<td>$483,901</td>
<td>$1,685,462</td>
<td>$1,430,637</td>
</tr>
<tr>
<td>Total %</td>
<td>13.44%</td>
<td>46.82%</td>
<td>39.74%</td>
</tr>
</tbody>
</table>

*(Note: Proposition 20 restricted a portion of Lottery proceeds to the purchase of instructional materials, supplies, books, library books, periodicals, and educational licenses.)*

Lottery funding is distributed in the same format as decision packages. (IIID.12-14: Decision Packets and Decision Packet Booklets) These funds are allocated out of the prior year’s proceeds for one-time, non-salary expenses in areas such as staff development, equipment, minor facility improvements, and scheduled maintenance-related projects. During the budget cuts of the prior year, this practice was deviated from to support maintenance, supplies and operational needs. In the current budget year, the board allowed operational use of lottery funds again and the use of $1.5 million of the District reserves to make up for the budget deficit. By allocating resources one year after they are collected, the District is able to withstand the tremendous variances in lottery proceeds. This process has allowed the District to enhance programmatic offerings to meet the needs of students and has provided a funding source for minor facility improvements. Many of these funds are leveraged with the Scheduled Maintenance Five-Year Plan. Development of proposals for the College was approved by the various constituent groups.

Occasionally, it is necessary to fund an unforeseen expense or special project. The recommendation is brought forward to the Budget Advisory Committee to review and recommend to SPC. The SPC reviews the recommendation and through consensus approves the expenditure. Unforeseen expenditures are approved by the College president and funded through the institutional contingency fund. The contingency fund varies annually.
**Self Evaluation**

The College meets this standard. The annual and long-range plans continue to support educational objectives. This process will be enhanced as the College fully implements and perfects the strategic plan in concert with the 2012-2016 District strategic plan.

**Planning Agenda**

None.

**IIID.1d 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.**

**Descriptive Summary**

The College continues to streamline financial reporting, training needs, and budget development criteria. The College adjusts budget strategies based on budget outcomes, audit findings, and recommendations. Program managers use the above information to make changes in policies and procedures to enhance the financial management system.

The College budget process is vetted and administered properly. Although a Fresno City College Budget Procedures Handbook has been developed, implemented, and updated there continues to be a lack of understanding of budget processes.

Also, a greater understanding of the management information system is necessary as staff retire and new staff is hired. The management information system assists administrators, faculty, and support staff by providing appropriate control mechanisms and access to dependable information to assist in making sound financial decisions. Various modifications and report generating through SQL processes have simplified retrieving information.

The strategic plan clearly articulates the College’s goals and budget planning process to meet the College’s mission. Within this plan, guidelines and processes for financial planning and budget development are clearly defined and followed. All processes will be maintained and will continue to influence College budget processes as they relate to the District’s master plan.

The budget calendar describes the timeline for budget development. The calendar is adopted by the Board of Trustees at its February meeting and sets the timeframes to submit budget information to the District Office. The budget calendar is provided to constituents at the Budget Advisory Committee, Strategic Planning Council and President’s Advisory Committee. (IIID.30a: Committee minutes; IIID.30b: Budget development calendar). The tentative budget is adopted in June of each fiscal year by the board and refined until the final budget is adopted by the board in September. The adopted budget is then loaded into the management information system. Three months pass without the ability to review and run budget reports within the system with the exception of expense reports. To bridge this gap an Access database has been developed as well as SQL reporting. Additionally, the management information system budget unit is not a real time picture but trails actual transactions by five to ten workdays. The budget module is woefully inadequate and no longer functional due to the size of the accounting structure and multiple campus sites. Guidelines for categorical application and budget development were developed but not followed as it is too cumbersome. The process is a guide at best and does provide some structure; however, it often interferes with the College’s ability to compete for grants and contracts in a timely fashion. A refined process was later developed by the District Office and implemented, but also not followed.

**Self Evaluation**

The College meets this standard. Constituencies have appropriate opportunities to participate in the development of institutional plans and budgets. The Strategic Planning Council and its advisory committees are comprised of representative membership of all constituents groups; student, academic, classified, and administration as demonstrated by their operating agreements. Most committees operate by consensus rather than majority vote.
Planning Agenda

The College will work to strengthen communication of the budget process to increase the understanding of resource planning.

IIID.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.

IIID.2a 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

The District provides funding to the College annually as a base allocation. The base allocation is augmented with permanent allocation adjustments related to certificated, classified, confidential and management employee’s step and column increases, new staffing, benefit increases and COLA (when funded). The District’s primary funding is from state apportionment based on SB361. “The State Center Community College District has a long standing general fund resource allocation model. The model is designed to provide funding to four allocation centers (District wide/District Office Operations, Fresno City College, Reedley College, and the North Centers) and endeavors to provide a base funding for each Center which will remain constant or increase (decrease) as the programs may change.” as quoted from the General Fund Resource Model provided by the District (IIID.15: General Fund Resource Model)

This model provides funding for College and Centers dependent on FTES generated and funds FTES equally for all sites at $4,564 for credit FTES. Historically, Fresno City College’s allocation ranges from 51 to 52 percent of the District’s apportionment. It is important to note only the Colleges and Centers generate FTES for funding. The District alleviates the sites from paying for Human Resources, payroll, accounts payable, insurance liabilities, and support for grounds, transportation motor pool, maintenance, information systems, financial reporting, power and utilities. In the financial analysis in section IIID.1a, it is demonstrated that the College does receive a consistent allocation. This allocation provides resources necessary to support learning programs and services. The chart below reflects funding of each service area to demonstrate funding adequately supports programs and services.

The chart below reflects that the funding levels of all service areas have been consistent with the allocation received from the District. Each service has now established a base operational funding amount to maintain services, contracts, supplies, and ancillary expenditures.

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutional Services</td>
<td>6,855,876.00</td>
<td>7,429,426.91</td>
<td>7,150,352.83</td>
<td>7,414,516.87</td>
<td>7,411,831.22</td>
</tr>
<tr>
<td>Instructional Services</td>
<td>53,226,039.00</td>
<td>51,492,644.38</td>
<td>51,657,066.93</td>
<td>50,318,015.46</td>
<td>46,281,281.62</td>
</tr>
<tr>
<td>Student Services</td>
<td>7,344,295.00</td>
<td>7,575,779.01</td>
<td>8,453,127.95</td>
<td>8,426,184.25</td>
<td>7,924,685.78</td>
</tr>
<tr>
<td>Administrative Services</td>
<td>5,502,398.00</td>
<td>4,488,314.09</td>
<td>4,741,922.50</td>
<td>4,659,215.55</td>
<td>4,354,772.83</td>
</tr>
<tr>
<td>TOTAL</td>
<td>72,928,608.00</td>
<td>70,986,164.39</td>
<td>72,002,470.21</td>
<td>70,817,932.13</td>
<td>65,972,571.45</td>
</tr>
<tr>
<td>%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
</tr>
</tbody>
</table>
The College has moved to integrate program review into resource planning and budgeting utilizing SPC advisory committees. These committees operate on consensus or majority approval. The allocation process for lottery funded decision packages and the general fund budget demonstrate that program review is utilized to fund identified requests. The College undergoes a yearly audit by an external independent audit firm. This is evidenced in the audit reports (IIID.16-18: Audit reports).

The College participates in the District audit and provides resources necessary to support contracted audit review and standards. Audits typically result in recommendations and findings to which the College responds. The District also responds to audit recommendations and findings. The findings and recommendations are responded to in a comprehensive and timely manner. Thus, the financial management, including the budget and independent audit, reflect appropriate allocation and use of financial resources to support institutional programs and services. Financial aid accounts have been established at the College for disbursing Direct Student Financial Aid, which consists primarily of PELL, Board of Governors Grant (BOGG), Supplemental Educational Opportunity Grant (SEOG), Cal Grant B, Cal Grant C, student loans, and Extended Opportunity Programs & Services awards. Funding is provided by the U.S. Department of Education and the state Educational Opportunity Program.

Self Evaluation

The College meets this standard. The College practices effective oversight of finances, which can be demonstrated through the evaluation of adopted budgets, audit summaries, quarterly and year-end reports. The College also demonstrates effective management of financial aid. The annual financial audit has historically audited the financial aid processes and procedures. No material weaknesses have been discovered and any recommendations are responded to in a timely fashion. Financial aid is reconciled on an annual basis. The State MIS reporting has become more congruent with general ledger information and demonstrated in DataMart comparisons on the chancellor’s website and the institutional factbook.

Planning Agenda

None.

IIID.2b Appropriate financial information is provided throughout the institution.

Descriptive Summary

The College has a number of methods and forums through which information about budgets and fiscal conditions are disseminated to all levels of College personnel. The president regularly addresses President’s Cabinet and the SPC on budget issues as well as the vice presidents in PAC, BAC and SPC meetings. In the most recent budget development for 2011-12 the College held a series of informational meetings after the February 1, 2011 Board of Trustees budget presentation (IIID.31: Board of Trustees Budget Presentation) to discuss the budget issues facing Fresno City College. These meetings were open to all faculty and staff. On February 2, 2011 the BAC agenda reflects the Board of Trustees presentation and the initial Financial Resources accreditation self study. On February 8, 2011 the vice presidents of administrative services and student services met with the Associated Student Government to discuss the budget scenarios and impact to program offering and services. On February 9, 2011 the president and vice president administrative services met with the Academic Senate to discuss the three scenarios in an open and transparent exchange. On February 17, 2011 the president and vice president met with the classified staff in a brown bag lunch meeting to discuss the budget reduction scenarios as presented in the Board of Trustees agenda (IIID.32 Constituent Budget Presentations). The purpose of the meetings was to inform the College community of the dire fiscal conditions and answer any questions concerning the direction of the College.

The chancellor regularly provides updates regarding budget issues and conditions to faculty and staff at the fall and spring opening day meetings. There are some budget updates and information given to the classified senators at the Classified Senate meetings. The vice president of instruction regularly meets with department chairs and deans to provide updates.
on the status of the budget, budget planning and audit compliance issues.

A Fresno City College Budget Procedures Handbook has been developed and since updated to facilitate budget understanding. Appropriate financial information is provided throughout the College and is accessible to staff via the management information system (Datatel). Each budget unit has access to the system and is able to run reports. Prior to the budget being loaded, expenses can be reviewed. After the budget is loaded the budgeted amounts can also be reviewed. Annual budget recommendations are presented to the constituent groups, and updates on spending, projects, and allocation are shared with the College at large on the opening day of each academic year, SPC meetings, BAC meetings and interviews with the Rampage (Fresno City College’s school newspaper).

**Self Evaluation**

The College meets this standard. There is an adequate management information system (Datatel) which provides timely, accurate and reliable fiscal information to appropriate staff for planning, decision making, and budgetary control when the adopted budget is loaded.

Information is shared with the executive leadership and in turn communicated to faculty and staff. Information is provided to constituent group representatives in the BAC and SPC to be communicated to each constituency. Unfortunately, the information does not make it to the end user in a timely fashion. Assessment indicates that the Fresno City College Budget Procedures Handbook was not being utilized due to lack of communication and accessibility. To correct these issues an electronic copy has been placed on the District intranet and mail-all notices convey information.

The staff survey indicated that administrators showed agreement regarding access to information about the budget process. While classified staff showed slight awareness of the budget process, faculty was neutral. Both classified and faculty disagreed about having input in the budget process, while administrators showed a decline in this area compared to the 2004 survey (IIID.9: 2010 Fall Faculty Staff Survey Report).

**Planning Agenda**

None.

**IIID.2c** The institution has sufficient cash flow and reserves to maintain stability, strategies for appropriate risk management, and realistic plans to meet financial emergencies and unforeseen occurrences.

**Descriptive Summary**

By board action, the District may participate in Tax and Revenue Anticipation Notes (TRANS) to address the funding shortfall and to supplement cash flow. The state’s payment schedule for July through January and February through June varies as a percentage of the total allocation and deferrals are, with increasing frequency, due to state cash flow issues. The deferral process allows the state to defer a portion of payments to the District until the following fiscal year (July). As such, it may be necessary to participate with the TRANS to assure adequate cash flow. The District maintains a reserve consistent with the California Community Colleges Chancellor’s Office mandate of a minimum five percent, but SCCCD may rise to over sixteen percent depending on fiscal constraints, negotiations, lottery and revenues. The current reserve is roughly 27.5 million or 16.42 percent with roughly 6.5 million designated and 21 million for exigent issues.

The District manages risk for property, liability, workers compensation, dental, vision, and health insurance by being members of two joint powers authorities (VIPJPA and FASBO). The Valley Insurance Program Joint Powers Authority (VIPJPA) is a self-insurance pool for property, liability, and worker’s compensation insurance (IIID.19-21: Actuarial studies and audit reports). It members consist of Merced Community College District, State Center Community College District, and Yosemite Community College District. The members meet quarterly to manage property, liability and worker’s compensation risk, pay claims, set premium rates, review coverage, manage the JPA’s finances, and set policies, procedures, and determine areas of potential risk to mitigate future costs to the group. The District is
self-insured for theft, liability, personal injury, property damage, and other casualty losses. In addition, VIPJPA has a Safety and Loss Control Committee to examine and develop programs to minimize risk exposure. The VIPJPA is also a member of the Association of Community College Insurance Alliance of Schools for Cooperative Insurance Programs (ASCIP). Due to the small size of VIPJPA, VIPJPA joined a larger risk pool to further protect the member districts from the volatility of premium increases in this period of decreased state funding and economic uncertainty.

The second JPA is the Fresno Area Self-Insured Benefits Organization (FASBO). FASBO is a self-insurance pool set up to provide vision, dental, and health care insurance for its members and their families. FASBO is comprised of Fowler Unified School District, Kingsburg Joint Unified Elementary School District, and State Center Community College District. The group meets monthly on the third Tuesday of each month except for the month of December. FASBO is self-insured for medical care and meets regularly to manage and control medical costs to keep member premiums and deductibles at a minimum.

Through the VIPJPA, the College continues to adhere to SB198, Employee Right to Know and conducts safety training on many areas as they relate to employee injury prevention (IIID.22: Injury and Illness Prevention Program). The VIPJPA meets on a quarterly basis and continually updates the College on issues pertaining to loss prevention, safety, and current events that affect employment practices. The District and College have an Employee Injury and Illness Prevention Plan in accordance with SB198, and all new employees are required to view a video and perform online testing in the various modules concerning this compliance standard. The College also has a Health and Safety Committee which meets quarterly. The committee has representation from all constituents to address health and safety issues and necessary training to assure compliance is maintained.

**Self Evaluation**

The College meets this standard. The potential TRANS and general fund reserve are sufficient to offset any unforeseen adverse financial impact of emergency expenditures. From time to time it may become necessary to fund a project, an unforeseen expense, or respond to an emergency. Emergency expenditures are approved by the College president and funded through the institutional contingency. The contingency varies from year to year depending on outcome expenditures from all areas of the College. The College will continue to promote employee safety programs through the ASCIP. Continued participation will assure access to the latest information as it relates to employee hiring practices, safety issues, and products or policies to preserve the College budget.

**Planning Agenda**

None.

**IIID.2d 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**

The District receives financial assistance from federal, state and other agencies in the form of grants or contracts. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreement and are subject to audit by the granting agencies. The accounting staff in the Administrative Services Office reviews all budgets and reports. Once the budget or report has been reviewed and approved by College accounting staff it is then sent to the District Office for final review by the District accounting staff. Once the budget or report is approved by both the College and District accounting staff the program/grant director is then able to submit the budget or report to the funding agency.

The College has also implemented strategies to enhance financial oversight and communication between the Administrative Services Office and grant recipients at the College. There are quarterly meetings with the program/grant directors and their accounting staff. A checklist was developed for each of the
four quarters of a grant year as a guide for maintaining fiscal oversight. These checklists, along with required time allocation/certification sheets, are collected at each quarterly meeting. A summary of the meeting is then prepared by administrative services staff and distributed via e-mail to the people present at the meeting, the supervisor and vice president of the area. This process has improved communication and allows the College to be proactive in dealing with potential issues and/or concerns.

The College accountant auditor has done training on topics such as; time allocation/certification, travel and conference procedures, financial reporting, etc. Departments confer with college accounting staff for clarification on budget processes, compliance issues, audit compliance and timely report submission. The result of these processes and interactions is evident in audit reviews. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. It is management’s opinion any such disallowed claims will not have a materially adverse effect on the overall financial position of the District or College at the fiscal year end. Through effective grant writing and application processes many externally funded programs have augmented the College budget.

The College maintains consistent support in categorically funded areas as can be demonstrated by adopted budgets. Fresno City College is routinely audited by the funding agencies to ensure compliance. Prior program audits have shown compliance with major funding and reporting requirements.

Federal and state financial aid programs are administered by the College. The College maintains strict compliance with all rules and regulations mandated under the programs. Payment and awarding functions are independent of each other, with financial aid controlling the awarding and the business office controlling the financial disbursement functions. Program reconciliations are performed on a periodic basis to resolve discrepancies between general ledger, student awards, and funding agency records. Full reconciliations are performed on an award-year basis by program type.

The District’s bookstore operations are managed by the Fresno City College vice president of administrative services as a representative of the District. The bookstores’ long term financial management is controlled by the District. The College has no direct financial control over the bookstore.

The District has financial oversight responsibility over all auxiliary enterprises, institutional investments and foundation. The State Center Community College Foundation is a recognized 501-(c)3.

The College adequately safeguards and manages assets to ensure ongoing effective operations. Administrative Services has a forecasting formula in place that uses current salary expenditures to project future expenses. Since 93 percent of the total College budget consists of salaries and benefits, a process has been refined over time to provide an accurate measurement. The methodology analyzes the monthly expenditures in relationship to the current allocation (IIID.33: Forecasting model). The allocation changes on a monthly basis depending on budget expense/transfers to the budget. The methodology has proven to be accurate within the major and minor object codes. This data is evaluated so that necessary and timely adjustments are made to stay within fiscal parameters. Administrative Services audits and reviews requisition for expenditure to assure compliance with generally accepted accounting practices. There is also a review to determine if the request is reasonable and allowable.

Purchasing policies have been developed by the District Office to address approval processes and accounts payable (IIID.34: Purchasing Handbook). This process assures ongoing fiscal stability of the College through the responsible stewardship of available resources.

**Self Evaluation**

The College meets this standard. The District and College have adopted policies to ensure that all auxiliary activities having a fiscal impact on the District comply with sound accounting and budgeting principles, public disclosures, and annual independent audit requirements.

**Planning Agenda**

None.
IIID.2e All financial resources, including those from auxiliary activities, fund-raising efforts, and grants are used with integrity in a manner consistent with the mission and goals of the institution.

Descriptive Summary

The College supports activities and programs in addition to instructional programs. Co-curricular activities are funded through a combination of ticket sales, fundraising activities, College bookstore contributions, and general fund monies. Co-curricular activities are budgeted separately and use a three-year historical perspective of revenues and expenses to generate the annual budget (IIID.23: 2008-2011 Co-Curricular Budget). Revenue integrity is maintained through the use of revenue potential/fundraising deposit forms and general admission ticket sales/cash reconciliation forms. All expenditures flow through the campus purchasing process and are properly accounted for by purchase requisitions and payment requests.

The auxiliary enterprises and foundation are audited each year by an independent audit firm, Perry Smith and Moore Grider & Company. These audits do, in fact, demonstrate the integrity of financial management practices. Grants are monitored periodically with quarterly meetings with director/managers of the grant/contract and undergo fiscal audits by local, regional, or state agencies as well as the District’s independent audit firm.

The Fresno City College Grant Funding Handbook has been updated (IIID.24: Grants and Contracts Procedures Manual). The District has implemented a process to inform all members of the District community of proposed grant applications with a Notice of Intent (NOI). The proposal for funding is posted on all individual emails and anyone wishing to respond to the grant request is encouraged to reply to the grants office or directly to the grant writer. The College president takes these individual comments under consideration when deciding whether to approve the grant as written.

Self Evaluation

The College meets this standard. The District and College effectively develop and communicate fiscal policies, objectives, procedures, and constraints to the governing board, faculty, staff, and students through opening day presentations, staff meetings, Blackboard postings, Academic and Classified Senate meetings, committee minutes, Board of Trustees meetings, quarterly financial statement reports, SPC, President’s Cabinet, etc. The College adheres to appropriate fiscal policies and procedures and has adequate controls to ensure that established fiscal objectives are met. The College’s organizational structure incorporates a clear delineation of fiscal responsibilities and established staff accountability.

Planning Agenda

None.

IIID.2f 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.

Descriptive Summary

The College has many types of contractual agreements with external entities e.g. WIB, EDD, CVRC, DOL, the state chancellor’s office etc., which enhance the College’s ability to provide for the needs of the students.

The contract education area is constantly expanding its services and client pool based on current economic development trends and new and emerging technology which support the College’s goals:

- Goal 1, Objective 1.3: The College will pursue additional external resources that support the college’s mission, vision, and goals.
- Goal 3, Objective 3.2: The College will expand educational opportunities by targeting under-served and other potential college learners.

The College is the service provider for welfare reform mandated by the federal government to provide workforce development, training, and skills enhancement.
All contracts are approved by the State Center Community College District Board of Trustees. The Board of Trustees has designated the chancellor, vice chancellor of finance and administration, and associate vice chancellor of human resources as signatories authorized to enter into agreements. Board Policy 6330 and Board Policy 6340 speak directly to administrative regulations that were established for records management, including access by the public, and comply with the requirements of the California Public Records Act (IIID.25: Board Policies 6330 and 6340). The District requires all contracts for public works in the amount of $15,000 and above be board approved. Additionally, items must be formally bid and approved by the Board of Trustees in the amount of $78,900 and above. Several other contracts such as grants and contract partnerships are also board approved. Contracts are developed and executed within board policy guidelines.

Fresno City College has ancillary food service contracts in place with other providers e.g. Taher, Yoshino’s Enterprises, Coca Cola, and Canteen (IIID.26-29: food service contracts). All providers contribute to student and College activities via the contract provisions. All ancillary contracts are consistent in scope to the College goal to provide students services i.e. Goal 2, Objective 2.3: The College will improve the depth and breadth of programs and services to meet learner needs. The contracts are developed by the District, with campus input, and controlled by the District Office. A District contract liaison, vice president of administrative services, Reedley College, addresses contract deviations and structure to assure the utmost service delivery to students, faculty, and staff. These contracts also must go through a formal bidding process.

Self Evaluation

The College meets this standard. The College undergoes an annual audit by an independent external audit firm. Audit findings and recommendations are addressed via the District from the College. The vice president of administrative services reviews all financial transactions, assures compliance with District policies, and provides key fiscal information to the College leadership. Each budget manager of the institution is accountable for the financial transactions for their assigned area(s).

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

Descriptive Summary

The College continues to streamline financial reporting, training needs, and budget development criteria. The College adjusts budget strategies based on the budget outcomes, audit findings, and recommendations. The financial management process is regularly evaluated by the vice presidents of each service area and the College president, and the results are used to improve the financial management system. The College reviews its fiscal standing in reports from the vice president of administrative services to the president, vice president of students, and vice president of instruction. All processes are reviewed annually in preparation of the annual budget development process.

Self Evaluation

The College meets this standard. With the increased capability of the management information system, the increased accountability in budget development, and increased oversight of budget scheduling, the College will continue to generate the strong financial budget information and status reports necessary to adhere to sound financial management practices. The College will continue to exercise management practices and controls that assure compliance with the conditions of externally-awarded programs.

Planning Agenda

None.
IID.3  *The institution systematically assesses the effective use of financial resources and uses the results of the evaluation as the basis for improvement.*

**Descriptive Summary**

Program review is utilized to assess program effectiveness. Recommendations from the program review committee are forwarded as action plans to the SPC support team who then sends the action plans to the appropriate advisory committees of SPC. The advisory committees are comprised of representation from all constituent groups. The committees send their recommendations to SPC for final approval. The SPC recommendations are then sent to the College president. These recommendations include reduction of programs, continued maintenance of programs, increasing program needs and funding, staffing and facilities improvements, etc.

**Self Evaluation**

The College meets this standard. The Fresno City College Accreditation Faculty and Staff Survey indicated there is a connection between program review and future funds allocation. The reported mean score is 3.34 out of 5, and supports that the College is meeting this standard. By using the program review action planning process as the venue to ensure the effective use of financial resources, the College is making progress toward integrated planning and resource allocation.

**Planning Agenda**

None.
Evidence for Standard IIIID

IIID.1 2008-2009 Final Budget
IIID.2 2009-2010 Final Budget
IIID.3 2010-2011 Final Budget
IIID.4 [2010-2012 FCC Strategic Plan]
IIID.5 Budget Procedures Handbook
IIID.6 CSEA Chapter No. 379 Agreement 06-09
IIID.7 AFT Full-Time Contract 06-09
IIID.8 AFT Part-Time Contract 06-09
IIID.9 2010 Fall Faculty Staff Survey Report
IIID.10 Lottery Prioritization
IIID.11 Five Year Scheduled Maintenance Funding Proposals
IIID.11a Five Year Scheduled Maintenance 07-08 through 11-12
IIID.12 2008-2009 Decision Packet Booklet
IIID.13 2009-2010 Decision Packages
IIID.14 2010-2011 Decision Packet Booklet
IIID.15 General Fund Resource Model
IIID.17 2008-2009 Financial Audit Report
IIID.18 2009-2010 Financial Audit Report
IIID.19 2008 Prop Liability Actuarial Study
IIID.19a 2008 WC Actuarial Study
IIID.19b 2008-2009-30 VIP JPA Audit Report
IIID.20 2009 Prop Liability Actuarial Study
IIID.20a 2009 WC Actuarial Study
IIID.20b 2009-09-30 VIP JPA Audit Report
IIID.21 2009-2010 VIP PL Report 082910 Final
IIID.21a 2009-2010 VIP WC Report 081210 Final
IIID.21b 2009-2010 VIP Financial Audit Report 9-30-10
IIID.22 Injury and Illness Prevention Program
IIID.23 2008-2011 Co-Curricular Budget
IIID.25 Board Policies 6330 and 6340
IIID.26 Taher Food Service Contract
IIID.27 Yoshino's Pacific Café Contract
IIID.28 Coca Cola Contract
IIID.29 Canteen Contract
IIID.30a Committee minutes
IIID.30b Budget development calendar
IIID.31 Board of Trustees Budget Presentation
IIID.32 Constituent Budget Presentations
IIID.33 Forecasting Model
IIID.34 Purchasing Handbook