

### III.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.**

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**III.D.1.** The institution relies upon its mission and goals as the foundation for financial planning.

**III.D.1.a.** Financial planning is integrated with and supports all institutional planning.

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#### DESCRIPTIVE SUMMARY

Financial planning at Citrus College is integrated with and supports institutional planning. The importance of linking financial planning to institutional planning is critical so that appropriate decisions can be made. The college has established a culture of annual and ongoing planning based on mission, goals, program reviews, presidential priorities and board goals that drive budget development and resource allocation decisions. The planning tools that drive financial planning include the *Educational and Facilities Master Plan 2001*, the *Educational Master Plan 2009*, program review, and the adopted budget. Program review is built at the department level. Each academic department receives an annual update of enrollment data, student equity, student success, and core indicators (if applicable). Using data as the foundation, they complete program review on a six-year cycle, incorporating SLO assessment information. Since 2008, these programs complete annual program review updates as well. Facility, equipment and staffing needs are identified. At the division level, faculty meet and create a division-wide prioritization, which the deans use when working with the vice president to develop overall area priorities. (IIID-1, IIID-2, IIID-3).

Academic and facility needs are therefore linked to and drive the budget process. In order to ensure that the college financial planning and budget priorities address current and long-term needs, the college has established several processes that facilitate the budget building process. The college identifies goals

in any given budget cycle through an annual review of goals and previous year goals achieved. The planning process is highly participatory involving many constituencies of the college. Development of the new *Educational Master Plan* was co-chaired by the vice president of instruction, the institutional researcher and the director of technical and computer services, with regular input from the director of external relations. A college-wide task force, consisting of representatives from all constituencies, served as the oversight committee. (IIID-1, IIID-2, IIID-3)

The *Educational and Facilities Master Plan* is a document that projected campus facilities requirements to reach the enrollment forecast of over 18,500 students by 2010. Since its adoption, the *Educational and Facilities Master Plan* list of projects has driven resource allocation at the college. In 2004, the board of trustees approved a \$121 million bond for capital improvement projects (Measure G) which significantly increased the ability of Citrus College to implement projects listed in the *Educational and Facilities Master Plan 2001*. (IIID-1, IIID-4, IIID-5)

The Financial Resources Committee, which is comprised of representatives from all college constituency groups including management, supervisors, faculty, classified and Associated Students of Citrus College (ASCC), is responsible for reviewing expenditures and income, making recommendations, and informing the various college constituent groups of the status of funding and expenditures and any modifications made to the budget throughout the year in response to funding changes. Discussions focus on state and local funding and the non-collective bargaining parts of the expenditure budget. Institutional needs are identified; budget assumptions are generated and discussed with responsibility for ensuring that priorities and decisions meet the college mission and goals. (IIID-6, IIID-7)

#### SELF EVALUATION

Citrus College meets the standard. There is evidence that financial planning is integrated with and supports institutional planning. As indicated by the request for augmentations to instructional and student services area budgets and programs through the program review process, the college's financial planning supports institutional goals and student learning outcomes. A review of six-year program reviews completed since 2004, indicated that departmental requests for facilities, equipment and staff were evaluated and prioritized by deans and respective vice-presidents, forwarded to the Physical Resources Committee and Financial Resources Committee and funded as funds were available. (IIID-8, IIID-15, IIID-35)

The annual budget has been sufficient to meet the college's expenditure requirements, enhance programs, add new programs, and increase student and faculty support for the past five years. In this year's extreme economic downturn and with the delay in the state budget adoption, planning becomes crucial to the college in the ability to meet the mission and goals. (IIID-3)

In terms of involvement in the budget process, one third (34.3 percent) of the respondents in an all-employee survey disagreed that they have sufficient opportunities to participate in the development of college financial plans and budgets. With regards to the same question, there was a high percentage (36.9 percent) of respondents citing "don't know" or "not applicable." This survey indicates that more communication is in order regarding budget processes through such mechanisms as shared governance committees and college open forums. Transparency is one of the four goals in the *Strategic Plan*, and it has been the role of the financial resources committee to address these concerns through the year. An integral part of this focus is the development of a budget calendar flowchart that details the process and decisions from inception to completion of the Annual Adopted Budget. The budget calendar flowchart is published in the *Organizational and Governance Handbook*. (IIID-3, IIID-10, IIID-11, IIID-24, IIID-44)

## PLANNING AGENDA

The standard is met, and the college will continue efforts that support meeting the standard.

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

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## DESCRIPTIVE SUMMARY

Institutional planning at Citrus College reflects a realistic assessment of financial resource availability, development of financial resources, partnerships and expenditure requirements. The budget process begins in the fall with the reporting of the full-time faculty obligation to the chancellor's office and to determine the district obligation for the next budget cycle. This is shared with the cabinet; the vice president of instruction reports this to the Faculty Needs Identification Committee (FNIC) which recommends to the board which requests for new faculty hires should be approved. While monitoring the current year's budget, the college relies on information from the January budget proposed by the governor to

begin making projections and assumptions regarding revenues and expenditures for the next year. Projections are based on salary and benefit costs, utility and operational costs, and other fixed expenditures. The office of the vice president of finance and administrative services prepares projections that are reliable and as timely as possible. (IIID-7, IIID-13)

College departments, through cost center managers, and faculty and staff input, develop their budget proposals using a tentative baseline budget. The annual planning process starts with a rollover of current year budgets adjusted for scheduled salary increases and estimated benefits cost increases. Departments use annual program review as the mechanism to identify and forward needs. The Financial Resources Committee, with recommendations from the president's cabinet, considers division and department budget proposals and reviews budget allocations based on priorities set by goals, funding and the *Educational Master Plan* (2009). The college has demonstrated the ability to respond to additional instructional needs as evidenced by the fulfillment of program review funding recommendations. Priorities focused on student learning are always considered first by the Financial Resources Committee. The results of course and program SLO assessments are evaluated by faculty and integrated with data provided by the OIR. When changes are indicated, related needs are recorded in annual program reviews, which are the building blocks for instructional budget priorities. (IIID-2, IIID-6, IIID-8, IIID-15, IIID-17)

After the state budget is finalized by the legislature and signed by the governor, Citrus College reviews the budget with the college through a budget forum and the Financial Resources Committee. In 2008-2009, the 11 funds that comprise the adopted budget for Citrus College is \$140 million. Institutional planning also includes acquisition of external funding through grants, contracts and partnerships with external groups. In 2008-2009, the total amount of categorical grants was \$7.8 million, which include the Hispanic Serving Institution Title V Grant (HSI SOLO), Hispanic Serving Institution Title V Grant (HSI COOP), Vocational Technical Education Act Perkins IV Title 1-C Grant (VTEA), Regional Consortia Grant (Perkins IV Title 1-B), Tech Prep Coordination Project, Science, Technology, Engineering, Math Grant (STEM), California High School Exit Exam Prep Program (CAHSEE), Capacity Building 115 Funds for Nursing, Enrollment Growth 08-116 Funds for Nursing, Nursing Equipment 125 Funds, CTE Community Collaborative (Career Technical Education), Basic Skills, CTE Teacher Career Pathway (SB70 Strengthening Career Technical Education). (IIID-3, IIID-6, IIID-15, IIID-17)

In addition, Citrus recently received a \$100,000 grant from Wal-Mart to develop and support "Boots to Books," our veterans support program.

In recent years, state block grants and categorical funds have enabled Citrus College to implement a number of planning goals in specific areas such as new equipment and technology. A major commitment has been the hiring of new faculty and classified staff funded from a number of sources, including a registered nursing program. (IIID-16)

## SELF EVALUATION

Citrus College meets the standard. The college plans and acts conservatively with regards to budget assumptions for revenues and expenditures, using sources from general and categorical funds. Decisions are made after much college-wide dialogue and input at all levels, aligning district planning priorities and realistic needs analyses. A fundamental planning assumption is that instructional salaries and benefits will be supported and schedule of classes are designed according to the following priorities; achieve the state designated capacity; meet state funded growth target; achieve additional growth that is fiscally prudent and improve efficient use of funding and facilities. Tentative baseline budgets are always used as the starting point for future projections, and all new requests must be justified. (IIID-7, IIID-17)

## PLANNING AGENDA

The standard is met and the college will continue efforts that support meeting the standard.

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**III.D.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.

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## DESCRIPTIVE SUMMARY

Citrus College takes into account long-range financial priorities when making short-term financial plans. The college identifies and plans for payment of liabilities and future obligations. To assure financial stability, the Citrus Community College District is committed to maintaining significant reserves to meet long-range financial priorities. The California Community College Chancellor's Office recommends a five percent unrestricted general-fund reserve. The district has maintained a reserve of between nine percent and 12 percent for the last 10

years and is committed to maintaining adequate general fund reserves throughout the fiscal year. The district's financial plan also reflects a commitment to provide open access to programs and services for the community. A PowerPoint presentation that is developed and presented annually records the college's commitment to document the planning process and compare the revenue, expenditures, FTES, and other trends that affect financial stability, as well as most importantly the reserves during an eight-year period. (IIID-3, IIID-18)

Short-term plans tend to be more responsive to immediate fiscal realities, and more priorities are addressed if funding increases. Assessments for expenditures are geared for current, vacant and new hires incorporated into the adopted budget. As a result of recent state budget difficulties, the college has had to evaluate each individual classified, management and supervisory position as it is vacated to determine affordability and feasibility of replacing that employee. (IIID-3)

Financial planning is on the conservative side when projecting liabilities and obligations covered by the general fund in order to cover under projected costs. The college has provided a three-year budget for renewal of the Blackboard Learning System and also accounts for long-term leases of various machines and equipment on campus including the five-year replacement plan for the fitness center. Cost estimates for equipment replacement are produced and maintained in the budget office to realize the expenditure as baseline budget data when appropriate. The district's projection of revenues includes only those amounts and items for which there is a high degree of certainty. (IIID-3, IIID-19)

Payments of long-term liabilities and obligations are included in both short-term and long-term planning. GASB 43 and 45 require the college to identify long-term liabilities. Actuarial studies have provided the college with estimates of future liabilities for health care coverage for retirees. Consideration is given for current and potential long-term costs of property and liability, and workers' compensation insurance. (IIID-20, IIID-21)

## SELF EVALUATION

Citrus College meets the standard. Current procedures provide a sensible approach in assessing resource availability and expenditure commitments. The college takes into account its long-range financial priorities before committing to short-term financial plans and obligations in order to assure financial stability. The college has clearly identified current

and future liabilities and anticipates the climate of state funding to provide planning for all contingencies. In 2008-2009, the Citrus Community College District set aside a reserve of 5.87 percent of the total budget, amounting to a reserve of \$3.7 million dollars. (IIID-3)

## PLANNING AGENDA

The standard is met and the college will continue efforts that support meeting the standard.

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**III.D.1.d.** 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.

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## DESCRIPTIVE SUMMARY

Citrus College has a clearly defined budget process involving open dialogue and discussion. The Financial Resources Committee, with its campus-wide representation, has the responsibility of communicating the budget process and financial information to other bodies to share in and to contribute to the planning process. All college-wide shared governance committees include representation from all constituency groups on campus including managers, supervisors, faculty, classified and the Associated Students of Citrus College (ASCC). (IIID-6)

The All-Employee Survey of 2007 indicated that 34.3 percent strongly disagreed that they have sufficient opportunities to participate in the budget process. While somewhat surprised by this finding, the college has taken this opportunity to evaluate how information is disseminated throughout the campus and respond accordingly. Fiscal transparency has been included as indicated in response to the survey as one of four goals in its strategic planning. The survey results indicated the need to include transparency and communication in the college *Strategic Plan*. Several steps have been taken as indicated in the plan to correct the issues of budget processes and development transparency. Openness toward the public, college employees, and students is apparent through the budget forum, the comprehensive *Adopted Budget* book, and the *311 Financial Report* done in a reliable and understandable format. (IIID-3, IIID-10, IIID-11, IIID-14, IIID-22)

Each year, departments and cost center managers are given a tentative budget based on the budget from the previous year. These tentative budget sheets are distributed twice during the budget build-

ing process. Careful consideration is given to position control for all areas along with overload and adjunct schedules for the upcoming year. Items requested beyond the previous year's base are prioritized within the department based on one of the planning documents, such as the program review, *Educational Master Plan*, *Educational and Facilities Master Plan*, and college goals and priorities. Deans disseminate budget information to department members. Equipment and facility needs are generally identified and prioritized through discussion among departmental faculty. Plans are submitted to the vice presidents, and the deans and directors for review, and then submitted to the budget office for input. (IIID-1, IIID-2, IIID-17)

Increases in liabilities and obligations covered by the general fund, such as the costs of health and retirement benefits, worker's compensation insurance, and energy rates have increased significantly and have greater impact on financial planning. Nondiscretionary funds are spent according to campus-wide needs. (IIID-1, IIID-2, IIID-3)

Departments and programs submit requests for instructional equipment to the vice president of instruction who through the deans and directors meeting allocates these resources. The funding source for these requests is state categorical instructional equipment money. The amount of these funds varies from year to year and must be matched from the general fund. The vice president of instruction reviews and prioritizes the requests based on the potential effect on student learning outcomes and the **Educational Master Plan** objectives. Available funds are distributed across departments to meet as many prioritized requests as possible. (IIID-2, IIID3, IIID-8)

There is widespread dissemination of the college budget with distribution of over 100 printed copies. Minutes for all Financial Resources Committee meetings are available along with minutes from all board meetings. Expenditure reports are online and detailed reports are distributed at request by the business office. Updates from the Community College League of California are regularly e-mailed campus-wide as well as memos from the Chancellor's Office updating legislation and current state budget information. Budget forums are held to inform faculty and staff prior to adoption budget.

All faculty and staff are invited to attend the budget forums. In addition, regular presentations about the budget are made to the Academic Senate, the deans and directors, and the associated students. (IIID-3, IIID-5, IIID-6, IIID-14)

## SELF EVALUATION

Citrus College meets the standard by having a set of well-defined guidelines and processes for financial planning and budget development based upon the mission, values and goals of the college. These processes are open, and opportunities exist for participation in the process by all college constituencies. **(IIID-6, IIID-12, IIID-14)**

The state budget as it affects the college budget is disseminated broadly, including forums, Academic Senate, deans and directors meetings and associated students. The college has made effective progress in responding to the dissatisfaction reported in the all-employee satisfaction survey with instruments in place to encourage dialogue at all levels. Progress reports by the members of the financial resources committee will be available for the Strategic Plan annual review. **(IIID-3, IIID-10, IIID-11, IIID-14)**

Online reports, e-mail updates, tentative budget distribution and financial resources meetings are but a few of the opportunities faculty and staff have to participate in the development of college financial plans and budgets. While there was dissatisfaction indicated in the employee survey, the strategic planning process has and will continue to address transparency and communication in relation to budget planning. **(IIID-10, IIID-11, IIID-17)**

## PLANNING AGENDA

The standard is met and the college will continue efforts that support meeting the standard.

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**III.D.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.

**III.D.2.a.** Financial documents, including the budget and independent audit, reflects 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.

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## DESCRIPTIVE SUMMARY

Financial documents reflect the appropriate use of financial resources to support student learning programs and services. Throughout the budget planning process, funds are first allocated to ongoing ex-

penses, including anticipated increases in those expenses. Additional funds are allocated to support institutional objectives established through the planning process. These objectives will realistically achieve the college's stated goals, which are primarily directed at improving student learning. In order to maintain and uphold the college mission, the board of trustees establishes yearly goals. These goals become another component in the complex task of establishing a budget to meet deadlines set forth by the budget calendar and by statutory deadlines established in Title 5, section 58305. **(IIID-3, IIID-8, IIID-23, IIID-24)**

The college's annual independent audits have been submitted with unqualified opinions for the last six years, and responses to any audit finding are addressed and corrected. The audit reflects appropriate documentation of financial resources that support student learning and fiscal integrity. The Citrus Community College District operates according to federal and state regulations and guidelines. The Citrus Community College District uses the Los Angeles County Office of Education PeopleSoft Financials for Education and Government System, and the reporting requirements set forth by the *California Community Colleges Budget and Accounting Manual* (BAM). **(IIID-8, IIID-25, IIID-26, IIID-27)**

Each year, following adoption by the district board of trustees, the budget is submitted to the state Chancellor's Office and the Los Angeles County Office of Education. The business office provides a quarterly report regarding the financial status of the district to the board of trustees. Citrus College budget and allocation decisions follow the goals, mission, and objectives identified by the college. **(IIID-3, IIID-23, IIID-28a, IIID-28b)**

In addition, the college meets the provisions of Education Code Section 84362 (referred to here as "the 50 percent law") by spending more than 50 percent of the "current expense of education" as defined therein on the "salaries of classroom instructors." **(IIID-29)**

## SELF EVALUATION

Citrus College meets the standard. The college follows standard accounting practices and consistently meets standards for exemplary audits. Audits are conducted annually for the period ending June 30 of a fiscal year. The college has been issued an unqualified opinion for the past six years. In the opinion of Vicenti, Lloyd, Stutzman L.L.P., our audit firm, the basic financial statements present fairly, in all material respects, the financial position of the college. No material weaknesses were identified. The college and

student auxiliary organizations respond in a timely manner to any findings and recommendations made in the annual audit report. Appropriate use of financial resources is documented throughout the budget building process and assessed through regular program review. (IIID-8, IIID-25)

## PLANNING AGENDA

The standard is met and the college will continue efforts that support meeting the standard.

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

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## DESCRIPTIVE SUMMARY

Financial information is provided throughout the institution. In addition to the annual audit and budget reports presented to the board in public sessions, copies of the audit report are provided to the representatives of the constituent groups of the college. The board of trustees is given regular updates with regard to any changes to the current budget and the projected impact of legislation on district budgets. *Board Highlights* are distributed after each meeting by the Office of External Relations. Under the Citrus College intranet site all individuals have access to monthly summarized revenue and expenditure reports. Detailed accounting information is provided to managers and selected staff by the business office on request. Fiscal updates from the Chancellor's Office are e-mailed to managers and supervisors as received by the college. The director of fiscal services and the budget supervisor have made several visits to dean and director meetings to help explain and distribute updated budget information. A class was held with all managers to give instruction on reading Crystal reports that are provided to us by the Los Angeles County Office of Education. These reports enable managers to analyze more detailed information. (IIID-18, IIID-25, IIID-30, IIID-31)

The Financial Resources Committee is the primary channel for disseminating financial and budget information to the college community. The committee meets on a regular basis to discuss the latest budget information from the state and the Chancellor's Office. Minutes of the meetings are available to anyone on campus to review. Reports are given at the Steering Committee and at various constituent group meetings to keep campus staff and students informed. Representatives from each constituent group serve on the committee. (IIID-6)

Departments receive copies of their tentative budgets twice during the budget-building process for review and modifications. At the same time, they have the opportunity to request additional funding for resource development. All modifications and updates are carefully documented and, upon review and consent, established in the upcoming budget. (IIID-17)

Budgets are assigned to a system of cost centers, generally tied to departments, programs and specific offices or functions. Each cost center activity can be accessed daily indicating current expenditures and encumbrances. Administrators, managers, and directors are accountable for ensuring cost centers assigned to their areas of responsibilities remain within budget. The budget supervisor on a weekly basis monitors the expenditures, sending out reports when spending exceeds allocation. Updating cost center managers provides another opportunity for open dialogue regarding the budget and the monitoring process. (IIID-3)

The financial information system used by the district is the Los Angeles County Office of Education PeopleSoft financial system. It provides information for budget development and control and is accessed through the district's computer network. (IIID-26)

An *Adopted Budget* book is produced annually and provides hardcopy unaudited actual revenue and expenditures information for budgets from the two prior years and the current year. The *Adopted Budget* book is available to all employees and is provided to over a hundred individuals in the district. (IIID-3)

## SELF EVALUATION

Citrus College meets the standard. There is wide dissemination of budget and financial information through budget forums, committee and department meetings, distribution of the adopted budget and audit reports, an annual PowerPoint presentation and public board meetings. Financial information is also easily accessed through the district intranet. The business office staff is able to provide any and all resources available to faculty and staff when requested. The opportunity to speak with a group or committee is welcomed and frequently occurs during the fiscal year. Fiscal transparency allows the college to measure and modify our ability to distribute budget and financial reports effectively and consistently. (IIID-3, IIID-5, IIID-14, IIID-18, IIID-25)

## PLANNING AGENDA

The standard is met and the college will continue efforts that support meeting the standard.

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**III.D.2.c.** 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.

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## DESCRIPTIVE SUMMARY

Provisions exist at Citrus College for sufficient cash flow and financial stability; reserves are available to meet both anticipated and unanticipated needs. In 2007-2008, the Citrus Community College District had a fund reserve of 11.24 percent of its prior year's actual expenditures from unrestricted general funds. Ongoing cash flow analyses and dialogue are completed by the business office and reported to the president's cabinet and the board. Special attention to cash flow has been a high priority in 2008-2009 due to the delay in the state budget adoption and, most recently, the state deferral in monthly appropriations for the months of January, February, March and April of 2009. Payments will be made in July of 2009. For cash flow, the district has in place a board-approved agreement with the Los Angeles County Office of Education to do temporary cash borrowing as needed. This option has not been exercised. Close attention to payroll costs are being undertaken with analysis of cash flow amounts to ensure payroll is not affected. **(IIID-3)**

To maintain a high level of risk management, the college belongs to the Statewide Association of Community Colleges (SWACC), a Joint Powers Authority (JPA) in association with 43 community college districts for property and liability insurance. The college also belongs to the Protected Insurance Program for Schools (PIPS) with 388 public educational agencies representing \$8 billion in payroll for worker's compensation. Through the JPA, there are periodic workshops, ongoing inspections of district facilities, and physical resources committee meetings. The vice president of finance and administrative services serves as treasurer of SWACC and vice president of PIPS. **(IIID-32, IIID-33, IIID-35)**

The college's environmental health supervisor is responsible for safety practices, site inspections, and preparation of all state, county, and district required disaster preparedness plans. The environmental supervisor is also responsible for monitoring and ensuring federal and state-mandated compliances (AQMD, Cal OSHA, hazardous materials and waste

treatment, and storm water management), managing environmental review and responding to violation citations. The risk management supervisor is responsible for processing worker's compensation claims and managing employee health and welfare benefits. The objective of the Citrus Emergency Operations Center is an efficient and timely response during emergencies. An effective up-to-date plan is the first step toward this objective. The board of trustees approved a comprehensive Emergency Operations Plan which is SEMS (Standardized Emergency Management System), ICS (Incident Command System) and NIMS (National Incident Management System) compliant. A comprehensive emergency management system must also include preparation, training and exercise components. In 2008-2009, we have completed all required training and exercises. We are compliant with the state and nationwide SEMS, ICS and NIMS formats for emergency response procedures. **(IIID-34, IIID-9)**

The college has not experienced any unforeseen emergencies in the last several years. Both physical and financial emergencies have been addressed due in large part to the bond program. This program allows the college to maintain and repair facilities on an ongoing basis, averting the unexpected repair. Ample reserves ensure the ability to meet financial reductions or unexpected expenditures, such as the \$950,000 decrease in appropriation the college experienced in 2007-2008. **(IIID-3, IIID-4, IIID-6, IIID-9)**

The college maintains an ending balance that is carried over to the next fiscal year to ensure fiscal stability. The last two years, 2006-2007 and 2007-2008, showed significant increases in ending balances due to reduction in hiring of open or new classified and management positions and reduction of expenditures for non-salary items. Monitoring instruments are in place to weekly maintain fiscal responsibility. **(IIID-3)**

## SELF EVALUATION

The college meets the standard's practices, site inspections and preparation of all state, county and district required disaster preparedness plans. The college established campus committees for emergency preparedness. Adequate insurance against risks and plans in place to meet financial emergencies and unforeseen occurrences are continually reviewed. A reasonable cash balance is maintained, and the college monitors its cash flow to ensure adequate cash for payroll and payment of expenditures. The business office pays particular attention to cash flow analyses and communication with the board and president to ensure that everyone has knowledge of

the college's financial status. The five percent reserve required by the board of trustees ensures the college's viability in the event of appropriation adjustments and or a decline in enrollment. All district funds are invested by the Los Angeles County treasurer. (IIID-3, IIID-9)

## PLANNING AGENDA

The standard is met and the college will continue efforts that support meeting the standard.

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**III.D.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.

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## DESCRIPTIVE SUMMARY

The college practices effective oversight of finances. All auxiliary programs adhere to the same effective practice. Management of financial resources is handled under the direction of the vice president of finance and administrative services. The college business office establishes and maintains internal control practices that support financial integrity and ensures that financial resources are being used for institutional programs and services. An independent CPA firm conducts an independent audit of all financial records and internal controls annually. An opinion is rendered as to the financial position of various funds of the college, as well as the adequacy of accounting procedures, safeguards and internal controls. (IIID-6, IIID-25)

In addition, informal internal self-audits are conducted regularly within the business services offices and by program and departments through the review of monthly budget reports. The college, including auxiliary organizations, adheres to the *California Community Colleges Budget and Accounting Manual*, the California Education Code, the Chancellor's Office guidelines and generally-accepted accounting principles in the management and accounting of its financial resources. (IIID-27)

The financial aid office processes thousands of applications for financial aid each fiscal year. The financial aid office adheres to federal and state regulations governing the financial aid programs. As required by law, the college's financial aid program undergoes an annual compliance audit. The business office requests funds for federal financial aid from the United States Department of Education and is aware of the three-day federal compliance level. (IIID-36)

A wide range of interest groups participate in the college's auxiliary activities and fundraising efforts. These groups represent a broad cross-section of college programs, including, but not limited to, athletics, fine and performing arts, campus departments and student organizations. Each of these groups reflects the mission and goals of the college. The various groups work with the student business office to ensure that they understand and comply with all requirements related to financial accounting standards. (IIID-23, IIID27)

The Citrus College Foundation is a separate entity with 501(c)3 status with its own board of directors. The foundation board is responsible for overseeing the management of foundation investments and distributing the income in accordance with donor wishes. The foundation has an independent board of directors including a president, vice president, secretary and treasurer. The foundation is the major fundraising entity that supports the college, students and faculty by providing scholarships for students, financing initiatives that foster innovative learning, and funding capital improvements. An annual report is prepared. The foundation board meets quarterly and is subject to an annual audit, independent of the annual college audit. (IIID-37, IIID-38)

The final fiscal responsibility for the college rests with the vice president of finance and administrative services, the president, and the board of trustees, who review budget reports, as well as reports on financial aid, auxiliary services and the foundation. All grants and externally-funded programs must be accepted by the board, and contractual relationships are also board-approved. Creating budgets for grants and other externally-funded projects, issuing purchase orders, and payments to contractors and vendors are dependent upon board approval and evidence that college fiscal procedures have been followed. (IIID-5)

## SELF EVALUATION

The college meets this standard. Recent reviews by external auditors have resulted in excellent results. The college ensures that all funds from auxiliary activities, fundraising and grants are used with integrity in a manner consistent with the mission and goals of the institution. The appropriate approval processes and review are in place to ensure that grant activities and fundraising efforts support the programs and services of the institution. Evidence of this is found in the annual audit, which is approved by the board of trustees. (IIID-25)

## PLANNING AGENDA

The standard is met and the college will continue efforts that support meeting the standard.

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**III.D.2.e.** 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.

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## DESCRIPTIVE SUMMARY

The use of all financial resources must reflect the mission and goals of Citrus College. Funds from auxiliary activities, fund-raising efforts, and grants are used in a manner consistent with the mission and goals of the institution. This is done in accordance with the procedures established for the college. The fund-raising efforts are related to priorities identified or program review, the Strategic Plan, board of trustee goals and presidential priorities and are driven by programmatic student learning outcomes through a bottom up budget planning process. The fund-raising goals, process, and budget are approved by the foundation board of directors. Funds are audited and reviewed with management, and consistently demonstrate the integrity of financial management practices. All fund-raising activities conducted by organizations whose funds are held by the foundation must meet the legal standards for non-profit fund-raising events and should reflect the mission, vision and values of the institution or specific program goals. (IIID-5, IIID-8, IIID-11, IIID-15, IIID-23, IIID-25)

The associated student's financial code governs all the financial matters of the ASCC. The student affairs administrator provides administrative control, supervision, budget and audit of student funds to ensure the institutional goals are met. (IIID-3)

Financial aid to students is another indirect financial resource in that it provides access to students who might not otherwise be able to afford the cost of tuition. Since the last accreditation visit in 2003, the number of students receiving financial aid has increased by 97 percent and funding has increased by 32 percent. (IIID-36)

## SELF EVALUATION

The college meets the standard ensuring that all auxiliary activities, fundraising and grants are used with integrity in a manner consistent with the mission and goals of the institution. The appropriate approval processes and review are in place to ensure that grant activities and fund-raising efforts support the

programs and services of the institution. Evidence of this is found in the annual audit, which is approved by the board of trustees. (IIID-25)

## PLANNING AGENDA

The standard is met and the college will continue efforts that support meeting the standard.

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**III.D.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.

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## DESCRIPTIVE SUMMARY

Contracts with external agencies are consistent with the mission and goals of Citrus College. The college has a variety of contractual agreements, including purchase orders, construction contracts, consultant contracts, service contracts, and lease purchase agreements. Contracts with external entities follow a specific form that maintains the integrity of the institution. The vice president of finance and administrative services reviews all contracts and all must receive board approval. To limit liability for the college, legal counsel has reviewed the standard agreement used to employ external entities. Furthermore, the number of people who have been designated a legal signatory is limited to just a few senior administrators. (IIID-5, IIID-23, IIID-40, IIID-41)

The district purchasing manual defines bidding and expenditure limits of purchasing activities. The college purchasing department is responsible for ensuring that the college obtains the best possible price while adhering to state regulations. The purchasing department employs both formal and informal bidding processes, depending upon the projected cost of a purchase order (PO) and/or if it falls above or below the state-mandated threshold requiring competitive bidding. (IIID-39, IIID-42)

Consistent with established district-wide procedures, Citrus College personnel submit a requisition for purchase via the software program ESCAPE. Each request goes through appropriate channels for authorization. Once authorized, the requisition goes to the budget supervisor who checks whether funds are available and that the purchase is coded correctly. The purchasing department then reviews all requests for expenditures and arranges the purchase, ensuring the best price possible. Purchase orders are sent to the accounts payable department where, upon confirmation the item(s) were received, the in-

voices are processed. All purchase orders are board approved and recorded in the board minutes for public review. (IIID-5, IIID-39, IIID-43)

The district purchasing department and the office of the vice president of finance and administrative services are responsible for reviewing all contractual agreements with external entities for compliance with established codes, regulations, policies and procedures. After review, the contract documents are prepared for signature of the vice president of finance and administrative services to commit the district to expend or accept receipt of funds. The purchasing department follows all established guidelines ensuring that all contractors are licensed and approved to perform the services specified and, when necessary, have appropriate insurance to cover the students, staff and the college. (IIID-39)

Contracts over \$15,000 require either the use of a public government contract or a bid process, with the award going to the lowest bidder. Large equipment purchases and construction contracts constitute the majority of bids solicited by the college. This process affects planning to the extent that extra time must be built in for any purchase or project requiring a bid process. (IIID-41, IIID-42)

## SELF EVALUATION

The college meets the standard. Citrus College ensures that all contractual agreements with external entities are consistent with the mission and goals of the institution. Contractual agreements are entered into and monitored following specified processes. The business office ensures that contractual agreements with external entities are carried out properly. (IIID-5, IIID-23, IIID-25, IIID-41, IIID-42)

## PLANNING AGENDA

The standard is met and the college will continue efforts that support meeting the standard.

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

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## DESCRIPTIVE SUMMARY:

The college regularly evaluates its financial management processes. Annual audits are the primary external sources for evaluating financial management processes. Feedback and findings from the audit are used to improve financial management systems. In

addition to the annual audit, many categorical programs, particularly financial aid, have specific independent audits. Sources of informal evaluation include feedback from the program review process and from end users. Finally, on an as-needed basis, management in the financial area of business services identifies certain topics to be examined and reviewed. (IIID-15, IIID-25, IIID-36)

The board of trustees approves both a tentative budget and an adopted budget each fiscal year. Quarterly fiscal reports are made to the board. (IIID-3, IIID-17, IIID-28a, IIID-28b)

Once the annual budgets are loaded into the accounting systems, budget printouts can easily be accessed through the PeopleSoft financial system for reference and review. Throughout the fiscal year, constant monitoring of salary adjustments due to bargaining unit negotiations, step and column increases, retirement, anniversary steps and resignations impact the operating budgets as well as all expenditures. (IIID-3, IIID-26)

The various departments on campus support and are an integral part of the financial management system. The purchasing department plays a large role in this support system by assigning a purchase order to all requests and providing the initiator with a copy. The requisition and purchase order numbers are used to track activity and location of the item. Most purchases are delivered to the purchasing department, which certifies receipt of the item(s) and approves payment of the purchase order by accounts payable. The staff of the college purchasing department and business services department communicate regularly by e-mail regarding the status of purchase orders; staff also meets on a regular, sometimes daily, basis to evaluate and improve the process. (IIID-39)

## SELF EVALUATION

The college meets the standard by completing an annual evaluation and audit of the financial management processes. The college then uses the results of these to improve its financial management systems. The business office, cost-center managers and the college, on the whole, have reliable, timely, responsive and comprehensive data on which to make prudent budgetary decisions. Budget to actual expenditures are compared on a regular basis. All payroll posting and subsequent reporting is processed through the county's human resource system (HRS). Evidence can be found in the annual audit report as well as the board minutes when the audit is presented for review. (IIID-25, IIID-5)

## PLANNING AGENDA

The standard is met and the college will continue efforts that support meeting the standard.

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**III.D.3.** The institution systematically assesses the effective use of financial resources and uses the results of the evaluation as the basis for improvement.

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## DESCRIPTIVE SUMMARY

The district vice president of finance and administrative services is charged with maintaining and monitoring the college's finances, financial aid allocations, externally funded programs, contractual relationships, auxiliary organization/foundation, institutional investments, and assets. The college maintains a five percent reserve throughout the fiscal year, as recommended by the California Community College Chancellor's Office. The budget is developed and monitored using a system of checks and balances and is overseen by the board of trustees, the president, the vice president of finance and administrative services, the director of fiscal services, the budget supervisor, and the accounting supervisor. Several different programs within the college conduct internal audits periodically. All college-level requests for equipment, services and contracts are submitted by the divisions and departments to their deans for approval. They are then forwarded to the appropriate vice presidents of instruction/student services, who forward them for budget review and approval by the vice president of finance and administrative services. **(IIID-3, IIID-25)**

The board approves both a tentative budget and an adopted budget. Quarterly fiscal reports are made to the board. Independent auditors evaluate the financial management of the district on an annual basis. In addition to the annual audit, many categorical programs, particularly financial aid, have specific independent external audits, as well as annual reporting on program expenses. **(IIID-3, IIID-17, IIID-25, IIID-28a, IIID-28b)**

Regarding general fund accounts, administrators or cost center managers assess their respective budgets on a regular basis to utilize non-personnel line items effectively. Online financial reports are available at all times for up-to-date viewing, and the budget supervisor periodically requests budget transfers when line items are over-expended. **(IIID-3)**

In terms of overall evaluation of financial planning processes, annually the vice president of finance and administrative services reviews the budget calendar

and assumptions processes with the Financial Resources Committee prior to board approval and dissemination. The budget calendar and budget assumptions processes are the first block in the budget building process. Distribution of tentative budget sheets to the various deans and cost center managers ensure yet another step in assessing the effective use of the prior year's budget while making plans for the upcoming fiscal year. Program review and student learning outcome are priorities during this initial budget process. **(IIID-3, IIID-6, IIID-7, IIID-8, IIID-15, IIID-17, IIID-24)**

## SELF EVALUATION

Citrus College meets the standard. The college meets the standard by completing an annual evaluation and audit of the financial management processes. The college then uses the results of these to improve its financial management systems. The college maintains, at the least, a five percent reserve. Each year the college links the program review recommendations and current budget priorities with student learning outcome. The all-employee survey is another assessment tool for effective use of financial resources, and the results are an ongoing part of review and improvement. Evidence can be found in the All-Employee Survey, the annual audit report as well as the board minutes when the audit is presented for review. **(IIID-3, IIID-5, IIID-8, IIID-10, IIID-15, IIID-25)**

## PLANNING AGENDA

The standard is met and the college will continue efforts that support meeting the standard.

## IIID EVIDENCE

- IIID-1 *Educational and Facilities Master Plan 2001*  
<http://www.citruscollege.edu/info/reports>
- IIID-2 *Educational Master Plan 2009*  
<http://www.citruscollege.edu/info/reports>
- IIID-3 *Adopted Budget (Hard Copy)*
- IIID-4 *Bond Measure G*  
<http://www.citruscollege.edu/finance/bond>
- IIID-5 *Board Minutes*  
<http://www.citruscollege.edu/admin/bot>
- IIID-6 *Financial Resources Minutes*  
<http://www.citruscollege.edu/admin/president/steering/frc>
- IIID-7 *Budget Assumptions*  
<http://www.citruscollege.edu/accreditation/Documents/Evidence%20Documentation/Standard%20III/Standard%20III%20D>
- IIID-8 *Student Learning Outcomes*  
<http://www.citruscollege.edu/sloa>
- IIID-9 *Emergency Preparedness*  
<http://www.citruscollege.edu/accreditation/Documents/Evidence%20Documentation/Standard%20III/Standard%20III%20D>
- IIID-10 *All Employee Survey*  
<http://www.citruscollege.edu/admin/planning>
- IIID-11 *Strategic Plan Progress Report*  
<http://www.citruscollege.edu/admin/planning>
- IIID-12 *Budget Calendar Flowchart*  
<http://www.citruscollege.edu/accreditation/Documents/Evidence%20Documentation/Standard%20III/Standard%20III%20D>
- IIID-13 *Faculty Needs Identification Committee*  
<http://www.citruscollege.edu/accreditation/Documents/Evidence%20Documentation/Standard%20III/Standard%20III%20D>
- IIID-14 *Budget Forum*  
<http://www.citruscollege.edu/accreditation/Documents/Evidence%20Documentation/Standard%20III/Standard%20III%20D>
- IIID-15 *Program Review*  
<http://www.citruscollege.edu/pr>
- IIID-16 *Grants*  
<http://www.citruscollege.edu/accreditation/Documents/Evidence%20Documentation/Standard%20III/Standard%20III%20D>
- IIID-17 *Tentative Budget (Hard Copy)*
- IIID-18 *PowerPoint Presentation-Budget 2008-2009*  
<http://www.citruscollege.edu/accreditation/Documents/Evidence%20Documentation/Standard%20III/Standard%20III%20D>
- IIID-19 *Blackboard*  
<http://citruscollege.blackboard.com>
- IIID-20 *Government Accounting Standard Board (GASB 43 & 45)*  
<http://www.citruscollege.edu/accreditation/Documents/Evidence%20Documentation/Standard%20III/Standard%20III%20D>
- IIID-21 *Actuarial Study*  
<http://www.citruscollege.edu/accreditation/Documents/Evidence%20Documentation/Standard%20III/Standard%20III%20D>
- IIID-22 *Annual Financial and Budget Report (CCFS-311)*  
<http://www.cccco.edu/ChancellorsOffice/Divisions/FinanceFacilities/FiscalServices/CCFS311PDFFiles/tabid/334/Default.aspx>
- IIID-23 *Mission Statement*  
<http://www.citruscollege.edu/admin/mission>
- IIID-24 *Budget Calendar*  
<http://www.citruscollege.edu/accreditation/Documents/Evidence%20Documentation/Standard%20III/Standard%20III%20D>
- IIID-25 *Audit Report (Hard Copy)*
- IIID-26 *PeopleSoft Financials*  
<http://www.citruscollege.edu/accreditation/Documents/Evidence%20Documentation/Standard%20III/Standard%20III%20D>
- IIID-27 *Budget and Accounting Manual (BAM)*  
<http://www.cccco.edu/ChancellorsOffice/Divisions/FinanceFacilities/FiscalServices/FiscalStandardsInformation/BudgetandAccountingManual/tabid/381/Default.aspx>
- IIID-28 *311 Quarterly Report*  
<http://www.cccco.edu/ChancellorsOffice/Divisions/FinanceFacilities/FiscalServices/CCFS311PDFFiles/es/tabid/334/Default.aspx>  
<http://www.citruscollege.edu/accreditation/Documents/Evidence%20Documentation/Standard%20III/Standard%20III%20D>
- IIID-29 *50 Percent Law*  
[http://www.cccco.edu/Portals/4/CFPP/Fiscal/ccfs311\\_pdf\\_files/0708/Citrus.pdf](http://www.cccco.edu/Portals/4/CFPP/Fiscal/ccfs311_pdf_files/0708/Citrus.pdf)
- IIID-30 *Board Highlights*  
<http://www.citruscollege.edu/pio/Pages/BoardHighlights.aspx>
- IIID-31 *Crystal Report*  
<http://www.citruscollege.edu/accreditation/Documents/Evidence%20Documentation/Standard%20III/Standard%20III%20D>
- IIID-32 *Statewide Association of Community Colleges, a Joint Powers Authority (SWACCJPA) Revised Agenda*  
<http://www.citruscollege.edu/accreditation/Documents/Evidence%20Documentation/Standard%20III/Standard%20III%20D>
- IIID-33 *Protected Insurance Program for Schools (JPA) Joint Powers Authority (PIPS)*  
<http://www.citruscollege.edu/accreditation/Documents/Evidence%20Documentation/Standard%20III/Standard%20III%20D>
- IIID-34 *Air Quality Management District (AQMD) Report*  
<http://www.citruscollege.edu/accreditation/Documents/Evidence%20Documentation/Standard%20III/Standard%20III%20D>

- IIID-35 Physical Resources Committee Minutes  
<http://www.citruscollege.edu/admin/president/steering/prc>
- IIID-36 Financial Aid Audits (Hard Copy)
- IIID-37 Foundation By-Laws  
<http://www.citruscollege.edu/foundation/Pages/Policies.aspx>
- IIID-38 *Annual Report*  
<http://www.citruscollege.edu/info/reports>
- IIID-39 Purchasing Services Manual  
<http://www.citruscollege.edu/accreditation/Documents/Evidence%20Documentation/Standard%20III/Standard%20III%20D>
- IIID-40 Approved Signature List  
<http://www.citruscollege.edu/accreditation/Documents/Evidence%20Documentation/Standard%20III/Standard%20III%20D>
- IIID-41 Board Policies  
<http://www.citruscollege.edu/admin/bot/Pages/PoliciesProcedures.aspx>
- IIID-42 Board Regulations  
<http://www.citruscollege.edu/admin/bot/Pages/PoliciesProcedures.aspx>
- IIID-43 Escape System  
<http://www.citruscollege.edu/accreditation/Documents/Evidence%20Documentation/Standard%20III/Standard%20III%20D>
- IIID-44 *Organization and Governance Handbook*  
<http://www.citruscollege.edu/governance>