**Standard III: D - RESOURCES (Campus Budget)**

The institution effectively uses its human, physical, technology, and financial resources to achieve its mission and to improve academic quality and institutional effectiveness. Accredited colleges in multi-college systems may be organized so that responsibility for resources, allocation of resources, and planning rests with the district/system. In such cases, the district/system is responsible for meeting the Standards, and an evaluation of its performance is reflected in the accredited status of the institution(s).

| **Query #** | **Sub-queries** | **Notes for Report** | **Evidence** |
| --- | --- | --- | --- |
| **III.D.1 – Financial Resources** |
| **III.D.1 – Planning -** Financial resources are sufficient to support and sustain student learning programs and services and improve institutional effectiveness. The distribution of resources supports the development, maintenance, allocation and reallocation, and enhancement of programs and services. The institution plans and manages its financial affairs with integrity and in a manner that ensures financial stability. (ER 18) |
| III.D.1 Q1 | Does it have sufficient revenues to support educational improvement and innovation? | Near balanced annual budget  | BP3100 Principles of Sound Fiscal ManagementAnnual Budget |
| III.D.1 Q2 | Are the institution’s finances managed with integrity in a manner that ensures financial stability? | Internal controls | BP3000 Principles of Sound Fiscal ManagementBP3100 Budget PreparationMoodys rating |
| III.D.1 Q3 | Does the resource allocation process provide a means for setting priorities for funding institutional improvements? | Resource allocation model. PBTs | PBTsBond MeasureScheduled maintenanceCategoricalGrantsSelf sustaining fundsDASBLottery |
| III.D.1 Q4 | Are institutional resources sufficient to ensure financial solvency? | Resource allocation model. PBTs | BP3100 Principles of Sound Fiscal ManagementAnnual BudgetBP3100 Budget PreparationBP 3110 Final BudgetPBTsBond MeasureScheduled maintenanceCategoricalGrantsSelf sustaining fundsDASBLotteryInstructional equipment |
| III.D.1 Q5 | Does the institution’s budget provide sufficient resources for the effective planning, maintenance, implementation and enhancement of DE courses, programs and services as well as personnel development? | Lorrie Ranck |  |
| **III.D.2** - The institution’s mission and goals are the foundation for financial planning, and financial planning is integrated with and supports all institutional planning. The institution has policies and procedures to ensure sound financial practices and financial stability. Appropriate financial information is disseminated throughout the institution in a timely manner. |
| III.D.2 Q1 | Does the institution review its mission and goals as part of the annual fiscal planning process? | Annual budgetEd master planEquity PlanStudent Success Plan | BP3100 Principles of Sound Fiscal ManagementAnnual BudgetBP3100 Budget PreparationBP 3110 Final Budget |
| III.D.2 Q2 | Does the institution identify goals for achievement in any given budget cycle? | PBTProgram Reviews |  |
| III.D.2 Q3 | Does the institution establish priorities among competing needs so that it can predict future funding? Do institutional plans exist, and are they linked clearly to financial plans, both short-term and long-range? | PBTFacilities CommitteeEd master planEquity PlanStudent Success Plan |  |
| III.D.2 Q4 | Does the financial planning process rely primarily on institutional plans for content and timelines? | Ed master planFacilities master planTech master planEquity PlanStudent Success Plan |  |
| III.D.2 Q5 | Can the institution provide evidence that past fiscal expenditures have supported achievement of institutional plans? | Program reviewMeasure CFacilities  |  |
| III.D.2 Q6 | Does the governing board and other institutional leadership receive information about fiscal planning that demonstrates its links to institutional planning? | Quarterly reports Adopted budgetTentative budget | Board docs / minutes |
| III.D.2 Q7 | What is the ending balance of unrestricted funds for the institution's immediate past three years? Is this amount sufficient to maintain a reserve needed for emergencies? | Numbers grid |  |
| III.D.2 Q8 | How does the institution receive its revenues? Does this receipt pose cash flow difficulties for the college? If so, how does the college address cash flow difficulties? (e.g., Certificates of Participation (COPS), loans)? | State allocationsBond MeasureScheduled maintenanceCategoricalGrantsSelf sustaining fundsDASBLotteryInstructional equipmentFinancial advisor | Moodys? |
| III.D.2 Q9 | Has the institution sufficient insurance to cover its needs? Is the institution self-funded in any insurance categories? If so, does it have sufficient reserves to handle financial emergencies? | Marsha Kelly Liability?5% reserve mandatedStability funds | Insurance BP |
| **II.D.3** - The institution clearly defines and follows its guidelines and processes for financial planning and budget development, with all constituencies having appropriate opportunities to participate in the development of institutional plans and budgets. |
| III.D.3 Q1 | Where or how are the processes for financial planning and budget recorded and made known to college constituents? | Gov group Web sites - notesBoardDocsTownhalls?District budget committeeAudit & finance committeeFinance meetings (Thursdays) notes/agenda? | Web sites |
| III.D.3 Q1 | What mechanisms or processes are used to ensure constituent participation in financial planning and budget development? | Gov group Membership  | Web sitesDecision making flow chart |
| **III.B.4** – **Fiscal Responsibility and Stability** - Institutional planning reflects a realistic assessment of financial resource availability, development of financial resources, partnerships, and expenditure requirements. |
| III.D.4 Q1 | Do individuals involved in institutional planning receive accurate information about available funds, including the annual budget showing ongoing and anticipated fiscal commitments? | Board presentationDistrict wide budget presentation (Kevin)Campus BudgetCollege CouncilFPBTAcademic SenateBanner FRArgos reportsFOMPROF Banner access |  |
| III.D.4 Q2 | Does the institution establish funding priorities in a manner that helps the institution achieve its mission and goals? Are items focused on student learning given appropriate priority? What other documents are used in institutional planning? | Program ReviewEquity PlanStudent Success PlanBasic Skills (DARE) |  |
| **III.D.5** - To assure the financial integrity of the institution and responsible use of its financial resources, the internal control structure has appropriate control mechanisms and widely disseminates dependable and timely information for sound financial decision making. The institution regularly evaluates its financial management practices and uses the results to improve internal control systems. |
| III.D.5 Q1 | Are funds allocated, as shown in the budget, in a manner that will realistically achieve the institution's stated goals for student learning? | Shared Governance ProcessEducational Master PlanFacilities Master PlanCampus BudgetPBTsSpecial allocations: SSSP-Student Equity, DARE (Basic Skills), FF&E, Instructional equipment (IPBT), Lottery (IPBT), Scheduled maintenance | <http://www.deanza.edu/gov/><http://www.deanza.edu/budgetpersonnel/><http://www.deanza.edu/emp/><http://www.deanza.edu/gov/campus_facilities/><http://www.deanza.edu/gov/campus_budget/><http://www.deanza.edu/gov/ERCOPBT/><http://www.deanza.edu/gov/IPBT/><http://www.deanza.edu/gov/SSPBT/index.html><http://www.deanza.edu/sssp_equity/><http://www.deanza.edu/dare/><http://www.deanza.edu/gov/campus_budget/FFERequests.html><http://www.deanza.edu/gov/campus_facilities/about.html> |
| III.D.5 Q2 | What do the audit statements say about financial management? | "In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component unit, and the aggregate determining fund information of the District" | <http://business.fhda.edu/financial-reports/index.html> |
| III.D.5 Q3 | Is the institutional budget an accurate reflection of institutional spending and does it have credibility with constituents? | Annual update to Board and constituencies regarding spending (BP 300, 3100, 3110), Quarterly Review (BP 3112)– Board and Campus Budget (link on website, meeting notes) | <http://business.fhda.edu/budget/annual-budget-and-quarterly-report.html><http://www.deanza.edu/gov/campus_budget/><http://www.boarddocs.com/ca/fhda/Board.nsf/goto?open&id=9U5PUR6583E5> |
| III.D.5 Q4 | Are audit findings communicated to appropriate institutional leadership and constituents? | Updates to Board, Audit and Finance Committee, Campus Budget  | <http://www.boarddocs.com/ca/fhda/Board.nsf/goto?open&id=9U5PUR6583E5><http://www.deanza.edu/gov/campus_budget/> |
| III.D.5 Q5 | Does the institution have an annual external audit to provide feedback on its processes? | Yes | <http://business.fhda.edu/financial-reports/index.html> |
| III.D.5 Q6 | Does the institution review the effectiveness of its past fiscal planning as part of planning for current and future fiscal needs? | PBT's – program reviews, AUO's, continuous self-improvement, annual assessment of IE indicatorsAnnual Budget-District objectives updated annually based on previous year's performance | <http://www.deanza.edu/ir/planning/>See links in Q1 for this section |
| **III.D.6** - Financial documents, including the budget, have a high degree of credibility and accuracy, and reflect appropriate allocation and use of financial resources to support student learning programs and services. |
| III.D.6 Q1 | Are funds allocated, as shown in the budget, in a manner that will realistically achieve the institution's stated goals for student learning? | See III.D.5.Q1 | See III.D.5.Q1 |
| III.D.6 Q2 | What do the audit statements say about financial management? | See III.D.5.Q2 | See III.D.5.Q2 |
| III.D.6 Q3 | Does the institution provide timely corrections to audit exceptions and management advice? | Yes – audit findings in FY12/13 addressed, none in FY13/14 or FY14/15 | <http://business.fhda.edu/financial-reports/index.html> |
| III.D.6 Q4 | Is the institutional budget an accurate reflection of institutional spending and does it have credibility with constituents? | Yes – see criteria in Adopted Budget; spend down plan for De Anza carryforward balance | <http://business.fhda.edu/budget/index.html><http://www.deanza.edu/gov/campus_budget/pdf/2015_16_B_Budget_Standardization_Oct2015.pdf> |
| III.D.6 Q5 | Are audit findings communicated to appropriate institutional leadership and constituents? | Audited financial statements are presented to the Board, Audit and Finance Committee, CBOC (Bond statements) and District Budget Committee. In addition they are posted on the district website. | <http://www.boarddocs.com/ca/fhda/Board.nsf/Public><http://business.fhda.edu/financial-reports/index.html> |
| **III.D.7** - Institutional responses to external audit findings are comprehensive, timely, and communicated appropriately. |
| III.D.7 Q1 | What information about budget, fiscal conditions, financial planning, and audit results is provided throughout the college? Is this information sufficient in content and timing to support institutional and financial planning and financial management? | Complete independent audit annuallyPosting of information on District WebsitePresentation to Board, Audit and Finance, CBOC, District Budget CommitteeCampus level reports to budget managers and applicable staffCampus summary report to Campus Budget | <http://business.fhda.edu/financial-reports/index.html><http://www.boarddocs.com/ca/fhda/Board.nsf/Public>Copy of Self Service Banner<http://www.deanza.edu/gov/campus_budget/> |
| III.D.7 Q2 | Does the institution provide timely corrections to audit exceptions and management advice? | See III.D.6.Q3 | See III.D.6.Q3 |
| III.D.7 Q3 | Has the institution received any audit findings or negative reviews during the last six years? Have these been addressed in a timely manner? | In the last six years, the institution has had the following audit findings: FY10/11 (1) Student Financial Aid Cluster, Pell Grant-Internal control over compliance, (2) Concurrent enrollment, (3) state general apportionment funding and (4) TBA hoursFY11/12 (1) Student Financial Aid Cluster, Pell Grants-Internal Control over Compliance and (2) Instrucational Material FeesFY12/13 (1) Student Financial Aid Cluster, Pell Grants-Internal control over complianceFY13/14 NoneFY14/15 NoneFY15/16 TBDWith the exception of the Student Finacial aid cluster, all audit findings were addressed immediately. The outstanding exception was due a change system proces of R2T4 and in leadership in the Financial Aid Department that delayed the implementation of a long term solution. Funds were returned, but not all according to timelines. | <http://business.fhda.edu/financial-reports/index.html> |
| **III.D.8** - The institution’s financial and internal control systems are evaluated and assessed for validity and effectiveness, and the results of this assessment are used for improvement. |
| III.D.8 Q1 | Are the institution's special funds audited or reviewed by funding agencies regularly? | Annual audit with presentation to Board, Audit and Finance, CBOC and District Budget Committee. Bond Performance and financial audit presented to CBOC and Board. Foundation audited separately and presented to Foundation Board with FHDA Board participation.  | See III.D.7.Q3 |
| III.D.8 Q2 | Do the audits demonstrate the integrity of financial management practices? | Yes – unqualified opinion | See III.D.5.Q2 |
| III.D.8 Q3 | Are expenditures from special funds made in a manner consistent with the intent and requirements of the funding source? Are bond expenditures consistent with regulatory and legal restrictions? | Yes, they follow specific requirements as required by funding source:Bond – Prop 90 plus limits in bond language**Foundation – Are they independent – check with Hector/Kevin** | <http://www.deanza.edu/measurec/><http://www.fhda.edu/_about-us/_bond-measures.html> |
| III.D.8 Q4 | Does the institution review its internal control systems on a regular basis? Does the institution respond to internal control deficiencies identified in the annual audit in a timely manner? | Yes – annual audit, periodic internal control auditsYes – audit comments and findings responded to promptly | <http://business.fhda.edu/financial-reports/index.html> |
| **III.D.9** - The institution has sufficient cash flow and reserves to maintain stability, support strategies for appropriate risk management, and, when necessary, implement contingency plans to meet financial emergencies and unforeseen occurrences. |
| III.D.9 Q1 | What is the level of the institution’s unrestricted fiscal reserve? | Meet 5% minimum as required by CCCCOBoard Practices for fiscal planningReview by Board, Audit and Finance, District Budget, Campus Budget (campus level)Spend down plan for DATake grid from Adopted Budget to detail fiscal reserve breakdown | BP 3000, 3100,3110FY15/16 Annual Audit ReportSee previous evidence links |
| **III.D.10** - The institution practices effective oversight of finances, including management of financial aid, grants, externally funded programs, contractual relationships, auxiliary organizations or foundations, and institutional investments and assets. |
| III.D.10 Q1 | What processes does the institution use to assess its use of financial resources? | Board policies, annual audit, individual manager access and review of reports on monthly basis, access to Banner Self Service, review of Financial Aid program by USDE, overview by Board, Audit and Finance, CBOC, District Budget, Campus Budget and College Council of significant financial matters. |  |
| III.D.10 Q2 | How does the institution demonstrate compliance with Federal Title IV regulations and requirements? (Federal Regulation) | Annual auditUSDE Federal Financial Aid Program ReviewState reportingBP's |  |
| III.D.10 Q3 | How does the institution ensure that it assesses its use of financial resources systematically and effectively? |  |  |
| III.D.10 Q14 | How does the institution use results of the evaluation as the basis for improvement? |  |  |
| **III.D.11 - Liabilities** - The level of financial resources provides a reasonable expectation of both short-term and long-term financial solvency. When making short-range financial plans, the institution considers its long-range financial priorities to assure financial stability. The institution clearly identifies, plans, and allocates resources for payment of liabilities and future obligations. |
| III.D.11 Q1 | What evidence of long-term fiscal planning and priorities exits? |  |  |
| III.D.11 Q2 | Does the institution have plans for payments of long-term liabilities and obligations, including debt, health benefits, insurance costs, building maintenance costs, etc.? Is this information used in short-term or annual budget and other fiscal planning? |  |  |
| III.D.11 Q3 | Does the Institution allocate resources to the payment of its liabilities and funds/reserves to address long-term obligations? Are resources directed to actuarially developed plans for Other Post-Employment Benefit (OPEB) obligations? |  |  |
| **III.D.12 -** The institution plans for and allocates appropriate resources for the payment of liabilities and future obligations, including Other Post-Employment Benefits (OPEB), compensated absences, and other employee related obligations. The actuarial plan to determine Other Post-Employment Benefits (OPEB) is current and prepared as required by appropriate accounting standards. |
| III.D.12 Q1 | Is the institution fully funding its annual OPEB obligation (Annual required contribution [ARC])? At what level is the contribution being funded? |  |  |
| **III.D.13** - On an annual basis, the institution assesses and allocates resources for the repayment of any locally incurred debt instruments that can affect the financial condition of the institution. |
| III.D.13 Q1 | What is the level of locally incurred debt? |  |  |
| III.D.13 Q2 | What percentage of the budget is used to repay this debt? |  |  |
| III.D.13 Q3 | Does the locally incurred debt repayment schedule have an adverse impact on meeting all current fiscal obligations? |  |  |
| **III.D.14 -** All financial resources, including short- and long-term debt instruments (such as bonds and Certificates of Participation), auxiliary activities, fund-raising efforts, and grants, are used with integrity in a manner consistent with the intended purpose of the funding source. |
| III.D.14 Q1 | Is there an annual assessment of debt repayment obligations, and are resources allocated in a manner that ensures stable finances? |  |  |
| **III.D.15** - The institution monitors and manages student loan default rates, revenue streams, and assets to ensure compliance with federal requirements, including Title IV of the Higher Education Act, and comes into compliance when the federal government identifies deficiencies. |
| III.D.15 Q1 | What is the default rate for the past three years? |  |  |
| III.D.15 Q2 | Is the default rate within federal guidelines? |  |  |
| III.D.15 Q3 | Does the institution have a plan to reduce the default rate if it exceeds federal guidelines? |  |  |
| III.D.15 Q4 | Are student loan default rates, revenues, and related matters monitored and assessed to ensure compliance with Federal Regulation? |  |  |
| **III.D. 16 - Contractual Agreements** - 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 and the quality of its programs, services, and operations.  |
| III.D.16 Q1 | What contractual agreements exist, and are they consistent with institutional mission and goals? |  |  |
| III.D.16 Q2 | Does the institution have appropriate control over these contracts? Can it change or terminate contracts that don't meet its required standards of quality? |  |  |
|  III.D.16 Q3 | Are funds allocated, as shown in the budget, in a manner that will realistically achieve the institution’s stated goals for student learning? |  |  |