

## Finances

FDLTCC's self-study process during spring 2008 identified some of the concerns expressed by Commission evaluators in spring 2009, and thus, the college had already begun improvements in the area of financial management by spring 2009. Of particular concern during the evaluation were the college's composite financial index score, reserve funds, and audit findings unresolved from previous years.

The Higher Learning Commission has placed FDLTCC on notice in this area of operations, specifically with regard to Criterion 2, Core Component 2B, which states: "The organization's resource base supports its educational programs and its plans for maintaining and strengthening their quality in the future."

To adequately resolve this area of concern, FDLTCC must take the following necessary action: "Financial stability including stable financial reserves, appropriate internal controls, and an appropriate staffing structure with financial experience and expertise necessary to ensure effective management of college resources and an appropriate separation of duties" (p. 27, Assurance Section, *Final Report*).

The college's primary actions and the results of those actions from January through May 2010 are summarized below.

### **FDLTCC's Primary Actions: Financial Management, January – May 2010**

- Created and implemented campus-wide 5-year budget planning
- Drafted and created budget for FY11
- Calculated and reported to campus budget outlook for 2012 and 2013
- Consistent with FDLTCC's Budget Wheel, reported campus-wide current budget status
- Maintained budget discussions at weekly Leadership Development Team meetings
- Maintained system of monitoring instructional budget
- Maintained financial transparency with public by posting updated operating budget outside of FDLTCC's business office
- Maintained commitment to use excess tuition to build reserve
- Hosted and participated in annual Trends and Highlights budget report with Vice Chancellor of Finance of MnSCU and Lake Superior College
- Held Default Management meetings with U.S. Department of Education (USDE) representatives regarding USDE's new calculation of student loan default rates
- Complied with Perkins' Monitoring Site Visit by MN Department of Education and representatives from Minnesota State Colleges and Universities (MnSCU) system
- Revised Absent from Campus report form and revised travel forms
- Completed implementation of electronic timesheets
- Continued working with Tribe on mission-related grant opportunities
- Targeted a portion of stimulus monies to teaching and learning improvements on main campus and at Red Lake outreach site
- Met with program coordinators to jointly determine appropriate fees for designated courses
- Created and posted Dean of Workforce position
- Created and posted Director of Institutional Research and Planning position
- Created Director of Athletics and Student Preparedness position
- Created Interim Dean of Student Services position
- Complied with MSCFA bargaining unit requirements, and posted three new unlimited full-time faculty positions

### **Results of Actions, January – May 2010**

- Continued to practice and deepen broad-based, participatory budget process
- Estimated reserve in excess of \$150,000 at end of FY10
- Projected positive FY2011 budget
- Continued to build campus awareness of the financial challenges posed by 2012 and 2013 and laid groundwork for future decision making in relation to how such challenges will be met
- Developed new strategic benchmarks for finances in 2010 – 2012 Strategic Plan
- Evaluated financial status of FDLTCC athletics in Leadership Development Team and demonstrated the usefulness and effectiveness of such reviews to assist with decision making
- Revised Default Management plan and materials to pre-empt possible challenges posed by new USDE calculation of default percentages
- Shifted Foundation position duties to include assistance to Financial Aid office
- Established close working relationship with U.S. Department of Education financial aid team

- Reduced audit findings to eight
- Reduced use of paper in Absent from Campus business form by eliminating triplicate format and making copies only at the request of the person submitting the form
- Reduced travel forms from three to one
- Reduced costs and time spent on processing paper timesheets
- Purchasing Camtasia software to assist improvement efforts in online learning
- Purchasing twenty laptops for classroom use at Red Lake outreach site
- Based on MnSCU system-wide comparative data and input from program coordinators regarding program plans and needs, set special fees for designated courses that meet student, program, and institutional needs
- Installed and made operational FDLTCC's first ATM machine
- Based on budget data, and in alignment with institutional plans, created new positions match priority areas, including planning, assessment of student learning, retention and completion, and student preparedness

#### **FDLTCC's Primary Actions: Composite Financial Index (CFI) Score, January – May 2010**

- Based on knowledge garnered in 2009, continued to monitor FDLTCC's CFI score and the four ratios that compose the CFI

#### **Results of Actions, January – May 2010**

- Confirmed correctness of and reported in Trends and Highlights meeting FDLTCC's 2009 CFI: +2.62
- Decided not to submit a facilities capital request for the next Minnesota bonding bill based on the negative effect it would have on the college's debt ratio

#### **FDLTCC's Primary Actions: Audit Findings, January – May 2010**

- Continued campus-wide education and attention to audit findings
- Continued to implement and test strategies to resolve audit findings

#### **Results of Actions, January – May 2010**

- Reduced audit findings to eight, which continue to be tested. FDLTCC's next performance evaluation will occur in June 2010.
- Worked with program coordinators to develop Program Advisory Guidelines to monitor Perkins grant-funding
- Received exemplary marks from Minnesota Department of Education and MnSCU evaluators during Perkins Monitoring Site Visit
- Received new positive acknowledgements from the Internal Auditor office regarding FDLTCC's progress and commitment