

**Required Evidentiary Documents for Financial Review
Supplemental Guidelines for Standard III.D for CALIFORNIA PUBLIC INSTITUTIONS**

ACCREDITATION QUESTIONS	EVIDENCE
Has the college received any qualified or adverse opinions in audit reports in the last 3 years from district, state or federal programs?	Audit Reports (last 3 years)
Has the college implemented all audit recommendations? Have there been the same recommendations for more than one year? What is the auditor's response to the management actions taken?	Management response to auditor's findings and recommendations (last 3 years) CCFS 311 (last 3 years)
What is the institution's unrestricted fund balance and reserves and how has it changed over the last three years?	CCFS 311Q (Most recent quarter) Fiscal Trend Analysis of 311 Data (Can be accessed online at CCCCCO website.)
Does the College maintain a minimum 5% unrestricted reserve of cash or cash equivalent?	Audit Report
Has the State Chancellor's Office had to intervene regarding fiscal stability or compliance?	Letter of agreement between State Chancellor's Office and District, Chancellor's Office communication document, Fiscal Health Certificate
Does the college have long term debt financing?	Audit Report
Does the institution have an obligation for post retirement health benefits (OPEB), compensated absences, and other employee related obligations? If it does, has it done the actuarial study and identified the liability? Is there a plan for funding them?	Actuarial study for post-retirement health benefits, collective bargaining agreements, board policies, actuarial report, reserve reports. Institutional Plan for funding the liability
Does the institution have limits on accrual of unused vacation time? Compensatory time? Is the institution enforcing its policy on limits?	Leave Accrual Policy in Contractual Agreement and Labor Agreements, Board Policies, Human Resource Records
Is the fiscal entity self insured for health benefits, workers compensation, and unemployment? How are reserve levels set?	District Self Certification
Does this fiscal entity have obligations for future total compensation expenditures driven by collective bargaining agreements or other agreements (corporate-buy outs, management/employee agreements, etc?) If so, what are they? Of what significance are they? What is the plan for funding these future obligations?	Current Bargaining agreements District Funding Plan Executive Officer agreements regarding buy-outs and other conditions of employment



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Does the institution and the foundation have an agreement/contract on the role of the foundation? Does it require that the foundation have an independent audit?	Copy of the Agreement Copy of Foundation audited financial statements (last 3 years) Required Continuing Disclosure submittal
Does the college or district have a Prop 39 bond fund?	Copy of minutes from Bond Oversight Committee Copy of audit reports from the last 3 years
Does the college have policies and procedures regarding purchasing? Are they being followed?	Self Certification Policies
Will additional buildings be opened in the next 2-3 years? Is there a plan to fund staff, utilities and operating expenses associated with additional facilities coming online within the next 2-3 years?	Copy of the most current Facility Master Plan Funding Plan Educational Master Plan Total Cost of Ownership Plan Staffing/Human Resources Plan
Is there evidence that planning integrates fiscal and other resources?	Internal documents
Is there evidence that the institution monitors student financial aid obligations such as student loan default rates and compliance with federal regulations?	Annual Financial Report, Financial Aid Compliance Reports

Edited: March 5, 2013



Required Evidentiary Documents for Financial Review
Supplemental Guidelines for Standard III.D for HAWAI'I AND PACIFIC ISLANDS PUBLIC INSTITUTIONS

ACCREDITATION QUESTIONS	EVIDENCE
Has the college received any qualified or adverse opinions in audit reports in the last 3 years from district, state or federal programs?	Audit Reports (last 3 years)
Has the college implemented all audit recommendations? Have there been the same recommendations for more than one year? What is the auditor's response to the management actions taken?	Management response to auditors findings and recommendations (last 3 years)
What is the institution's unrestricted fund balance and reserves and how has it changed over the last three years?	Schedule of 3 year Financial Trends and Analysis
Does the College maintain a minimum 5% unrestricted reserve of cash or cash equivalent?	Audit Report
Has the State or other oversight organization had to intervene regarding fiscal stability or compliance?	Copy of documentation
Does the college have long term debt financing?	Audit Report Long Term debt documents
Does the institution have an obligation for post retirement health benefits (OPEB), compensated absences, and other employee related obligations? If they do, have they done the actuarial study and identified the liability? Is there a plan for funding them?	Actuarial study for post-retirement health benefits, collective bargaining agreements, board policies, plan for funding the liability
Does the institution have limits on accrual of unused vacation time? Compensatory time? Is the institution enforcing its policy on limits?	Personnel Policy Payroll Records
Is the fiscal entity self insured for health benefits, workers compensation, and unemployment? How are reserve levels set?	Insurance Policies on Workers Compensation Policy on Health Benefits
Does this fiscal entity have obligations for future total compensation expenditures driven by collective bargaining agreements or other agreements (corporate buy outs, management/employee agreements, etc?) If so, what are they? Of what significance are they? What is the plan for funding these future obligations?	Notes to Audited Financial Statements Current Bargaining and/or Employment Agreements Funding Plan



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Does the institution and the foundation have an agreement/contract on the role of the foundation? Does it require that the foundation have an independent audit?	Copy of the Agreement Copy of Foundation audited financial statement Audit Report (last 3 years)
Does the college have policies and procedures regarding purchasing? Are they being followed?	Policies on procurement. Questioned costs of the Audit Report and Schedule of Findings
Will additional buildings be opened in the next 2-3 years? Is there a plan to fund staff, utilities and operating expenses associated with additional facilities coming online within the next 2-3 years?	Copy of the most current Facility Master Plan. Funding Plan Appropriation law from State Government
Is there evidence that the institution monitors student financial aid obligations such as student loan default rates and compliance with federal regulations?	Annual Financial Report, Financial Aid Compliance Reports
Is there evidence that planning integrates fiscal and other resources?	Internal documents

Edited: March 5, 2013



**Required Evidentiary Documents for Financial Review
Supplemental Guidelines for Standard III.D for PRIVATE INSTITUTIONS**

ACCREDITATION QUESTIONS	EVIDENCE
Has the college received any qualified or adverse opinions in audit reports in the last 3 years from district, state or federal programs?	Annual Certified Audit Reports (last 3 years)
Has the college implemented all audit recommendations? Have there been the same recommendations for more than one year? What is the auditor response to the management actions taken?	Management response to auditor’s findings and recommendations (last 3 years)
What is the institution’s unrestricted fund balance and reserves and how has it changed over the last three years?	Annual Audited Financial Statements, Statement of Stockholders' Equity, Stockholders Equity Notes to Financial Statements, Amount of Retained Earnings
Does the College maintain a minimum 5% unrestricted reserve of cash or cash equivalent?	Audit Report
Does the college have long term debt financing?	Annual Audited Financial Statements, Notes to Financial Statements dealing with Long-Term Debt
Does the institution have an obligation for post retirement health benefits (OPEB)? If they do, have they done the actuarial study and identified the liability? Is there a plan for funding it?	Annual Audited Financial Statements, Notes to Financial Statements dealing with Commitments and Contingencies and/or Employee Benefit Plan
Does the institution have limits on accrual of unused vacation time? Compensatory time? Is the institution enforcing its policy on limits?	Review Annual Audited Financial Statements and inquire about accrued liabilities, review Accounting Policies and Commitments and Contingencies Notes to Financial Statements. Review company’s employee handbook to ascertain vacation/Paid Time Off.
Is the fiscal entity self insured for health benefits, workers compensation, and unemployment? How are reserve levels set?	Review Employee Benefit Plan. Inquire of management if company is self insured or if Parent Corporation provides self insurance. Review Commitments and Contingencies. Notes to Audited Financial Statements.
Does this fiscal entity have obligations for future total compensation expenditures driven by collective bargaining agreements or other agreements (corporate buy outs, management/employee agreements, etc.?) If so, what are they? Of what significance are they? What is the plan for funding these future obligations?	Inquire of management and obtain written acknowledgment from management as to the existence of any employment agreements or collective bargaining agreements with unions or other organizations. If so, obtain copies and review for future obligations and determine funding plans as necessary or required.



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Does the institution and the foundation have an agreement/contract on the role of the foundation? Does it require that the foundation have an audit?	Generally there are no foundations involved with private companies. Inquiries should be made as to the ownership and funding arrangements with the parent corporation, if any. In addition, inquiry should be made as to arrangements for debt financing. Financial structures within private organizations often incorporate a combination of debt and equity sources of operating capital.
Does the college have policies and procedures regarding purchasing? Are they being followed?	A review of purchasing procedures should be conducted. There could be a purchasing procedures manual that should be reviewed; there should be an accounting procedures manual and, if a purchase order system is being used, a procedural review should be conducted.
Will additional buildings be opened in the next 2-3 years? Is there a plan to fund staff, utilities and operating expenses associated with additional facilities coming online within the next 2-3 years?	A review should be conducted of the current and coming year's capital expenditure budget. In addition, a review of the coming year's financial and operating plan should be conducted. Depending on the time of year the review is being conducted, a comparison of budget to actual revenue and expense should be performed. This review can be a leading indicator of the viability of plans for the future.
Is there evidence that the institution monitors student financial aid obligations such as student loan default rates and compliance with federal regulations?	Annual Financial Report, Financial Aid Compliance Reports
Is there evidence that the institution monitors and complies with the 90/10 rule?	Budget documents, audit reports

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