

STANDARD 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 resource planning is integrated with institutional planning.

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.

DESCRIPTIVE SUMMARY:

West has implemented a planning and budgeting process to integrate institutional planning with fiscal planning to support the Integrated Master Plan mission and goals. In this process the educational plan drives the budget. Decisions affecting financial resource distribution are to be derived from the collaborative efforts of all constituencies. (III.D-1)

West's financial planning process must follow the guidelines and timelines recommended by the District Budget Committee as approved by the Chancellor and the Board of Trustees. The college's annual planning and budgeting cycle in keeping with the district process and as outlined in the Integrated Master Plan directly links planning and budgeting. Activities throughout the year include:

- Leadership retreat
- Program review and unit planning
- Prioritization
- Development of budget recommendations
- Constituency groups' input
- Decisions by the President on priorities and budget
- Communication of decisions to the constituencies. (III.D-2)

The College Planning Committee establishes and periodically reviews the goals and priorities of the institution; the Budget Committee makes recommendations to the President concerning the proposed budget in support of these college priorities. The recommendations of these committees had been distributed through the College Coordinating Council, which in Fall 2005 was replaced by the College Council. The constituent groups provide their input to the President on these committee recommendations. The President makes the final decisions. The college operational plan submitted to the district reflects this college planning and budget process. (III.D-3) (III.D-4)

To tackle the more than \$700,000 in cuts needed to balance the 2004-05 budget, the college formed the Institutional Effectiveness Task Force, which combined the planning and budget committees as one ad hoc committee. This committee was entrusted with the task of recommending a prioritized list of reductions. To balance the 2005-06 budget, the college engaged in a similar process. (III.D-5)

The decision making process is complicated by the high percentage of the college budget expended on salaries and benefits, which restricts the discretionary funds available, especially when there are mid-year reductions and fee increases that affect enrollment.

The self study survey of the college community indicates that 39 percent agree and 15 percent strongly agree for a total of 54 percent who believe the resources and funding are allocated in a fair manner. (III.D-6)

SELF-EVALUATION:

The college planning process is integrated with and supports institutional planning. College goals have been identified at the Leadership Retreat. Guides to unit planning have been issued to all college entities to guide them on the planning process and the timelines. Because the timelines are sometimes difficult to observe, many recommendations and decisions have to be made late in the process. Because of mid-year cuts, large projected shortfalls and the urgency to balance the budget over the last few years, the budget and planning committees

have met jointly in the Institutional Effectiveness Task Force. In order to address the effectiveness and timeliness of the planning and budgeting process, especially in view of the new governance structure, the process needs to be reviewed. (III.D-7)

PLANNING AGENDA:

- The college will revise the planning and budget process to address the change in the governance structure and the issue of timeliness by concurrently developing unit plans and operating budgets. (III.D-8)

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

DESCRIPTIVE SUMMARY:

The majority of West's financial resources ultimately derive from the state of California, which uses an allocation formula driven primarily by enrollment measured in full time equivalent students (FTES). The state sets a rate of funding for a prescribed population of students (the base), and usually determines a percentage of annual growth in enrollment which will also be funded, if it is reached. If a college exceeds its base-plus-growth allotment, additional revenue may be generated in basic skills enrollment. The allocation of the finite pot of basic skills monies depends on the ratio of the college's level of participation against that of other colleges in the state.

The Los Angeles Community College District receives the state apportionment and distributes funds to the nine colleges, in general using allocation formulae aligned with the state's. A portion of the state funds are retained for District-wide expenses. (III.D-9)

In addition, the college receives funds and administers a number of categorical programs and specially funded programs awarded through federal, state and local agencies, all helpful in recruiting and retaining students.

Here are examples:

- State Instructional Equipment Funds and Telecommunications Technology, Infrastructure Programs (TTIP) funds enabled the college to maintain participation in the statewide internet, purchase new equipment and to improve the technology infrastructure.
- The college successfully secured Title V funding from the federal government for more than \$2.7 million over five years to address academic success, academic technology infrastructure and faculty and staff development in technology use.
- Prop A and AA bond measures provided \$178 million for renovation and new construction.
- The West Los Angeles College Foundation, a separate entity with its own governing board, continues to conduct fundraising activities. (III.D-10) (III.D-11) (III.D-12) (III.D-13) (III.D-14)

The college also generates dedicated revenue, which is income derived from ancillary activities such as the leasing of campus facilities, traffic citations, two-percent enrollment fees, international student application fees, non-resident tuition and transcripts. The amount generated in 2004-05 was approximately \$500,000. (III.D-15)

In the two years following the last accreditation visit in 2000, West experienced significant increases in both revenue and expenditures. The college was then caught in the grips of California's fiscal crisis. In December 2002, community colleges throughout the State were hit with cuts to funding for the year then underway. West was unable to control its expenditures trend quickly enough and ended the fiscal year with a deficit of over \$1,000,000. (III.D-16)

In 2003-04, the college took immediate action to address its fiscal crisis by prudently trimming spending. In spite of further reductions in revenue, the college managed to end that year with a positive balance and did reach its enrollment target. (III.D-17)

In the 2004-05 fiscal year, California hiked student fees from \$18 to \$26 per unit. An improved economic climate meant more job opportunities for potential students and that led to a decrease in enrollment. At the same time the college had a limited marketing budget, which also impacted enrollment. In the 2004-05 academic year, enrollment fell below the projected revenue/enrollment target. The college did not receive anticipated additional growth and basic skills funds. The Institutional Effectiveness Task Force, which combined the planning and budget committees, was established to make recommendations to address the projected shortfall. A very large percentage of the college general fund budget (approximately 95 percent) is earmarked for salaries and benefits, critically limiting any reduction in discretionary funds. The other grants and special funds are restricted and therefore can only be used for their targeted programs. Recommendations were made and action taken to address the shortfall but they were not sufficient. The result was a \$570,479 deficit in 2004-05. (III.D-5) (III.D-18) (III.D-19)

West is taking various actions to meet 2005-06 FTES goals in order to capture available financial resources. The Budget Committee is reviewing expenditures for possible reduction. The Strategic Enrollment Management Committee is reviewing course enrollment and demand in order to maximize the effectiveness of offerings. The Marketing Committee was merged with the Strategic Enrollment Management Committee, and the merged committees are addressing the results of the Focus Group Marketing Study.

The next step is to develop a marketing plan in order to assess the need for courses and programs and how best to promote the college to the community, which will help to develop realistic assessments of revenue from enrollment and budget needs. (III.D-20) (III.D-21)

West develops the annual operational budget by following the guidelines provided by the District through the college's planning and budget process. Each year the District provides a preliminary estimate of West's allocation for the coming year, based on best estimates of the as-yet-undetermined state budget. This conservative preliminary allocation typically would not cover all expenses the college reasonably expects. Our budgeting must take into consideration growth requirements, collective bargaining union salary increases, step and column increases for personnel in addition to potential hikes in benefit costs, utility rate increases and other items. West drafts an operational plan which under-funds expected but flexible expenses such as salaries for adjunct faculty in the Spring and Summer sessions. As the state budget develops, the allocation usually increases, but the final allocation is not determined before August. Funds for the under-funded items have to be identified during the course of the year. Furthermore, the college cannot know its precise allocation for a given year until that fiscal year is over and enrollments have been tabulated. If enrollment is not strong or if costs increase for salaries or other areas, securing funds during the course of the year is difficult. (III.D-2) (III.D-22)



SELF-EVALUATION:

West strives to live within its means. However, the college has had overdrafts of its budget in two of the last three years, and the District has covered them. Efforts to reduce shortfalls have been made through budget reductions using the planning and budgeting process and the Institutional Effectiveness Task Force.

However, cost increases and the very large percentage of the budget dedicated to salaries and benefits, combined with enrollment decreases, have resulted in the college not being able to balance its budget. Changes in enrollment have had significant impact on the generation of revenue through the district's allocation mechanism. The development and implementation of a marketing plan will help but will not guarantee a matching of revenues and expenses, as there will always be risks in projecting enrollment demand. As preliminary District allocations are usually below the final allocation, the college should develop budgets for conservative, probable and optimistic scenarios and plan for the probable budget, preparing prioritized lists for reduction or addition depending on the actual allocation. With the funding levels uncertain and difficulty in reducing budgets once the year has started, as evidenced by the college's overdrafts, this approach would help the college to have a more realistic assessment of the budget at the beginning of the fiscal year.

PLANNING AGENDA:

- The Budget Committee will develop a budget plan with three scenarios: conservative, probable and optimistic with regard to revenue and expenditures
- The Strategic Enrollment Committee will develop a marketing plan to assess demand and promote visibility of the college and our programs to our service area.

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.

DESCRIPTIVE SUMMARY:

The District maintained its contingency reserve at three percent of its projected unrestricted general fund expenditures for fiscal year 2004-2005 as shown in the final budget adopted by the Board of Trustees. In the 2005-2006 Budget Allocation Mechanism, it is indicated that "the District shall maintain a contingency reserve of 3.5 percent of total unrestricted general fund revenue." The District is responsible for the management and repayment of all long-term obligated liabilities, such as refunding Certificates of Participation, General Obligation Bonds, workers' compensation claims and insurance costs. These long-term and continuing costs are included in funds retained by the District to support District operations. Long term payments are made directly by the District. (III.D-23) (III.D-24)

The college budget process follows the district process and annually formulates our budgets. Colleges are mandated to balance their budgets. If a college experiences a deficit, the deficit will be repaid by the college over a three-year period starting one year after incurring the deficit.

SELF-EVALUATION:

The college budget and planning process addresses the long term plans of the college. However, with the limited resources, increasing costs and enrollment decline, the college has had to establish the Institutional Effectiveness Task Force to develop recommendations on budget reductions for the short term to balance the budget. West has implemented various cost saving measures including a hiring freeze and minimizing expenditures not directly related to instruction.

The college meets the standard.

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.

DESCRIPTIVE SUMMARY:

The District has a Board-adopted budget allocation mechanism to allocate funds to the colleges, district office and district-wide accounts. The budget calendar and operational plan instructions are provided each year to colleges with guidelines to develop their annual budgets. The District budget is developed each year in extensive consultation with the District Budget Committee. The college budget follows the planning and budget cycle described in the Integrated Master Plan. The calendar, instructions and forms are included in the Unit Plan Guide. (III.D-1) (III.D-2) (III.D-7) (III.D-9)

The college's operational plan, which is submitted to the District, is developed as part of this planning and budgeting cycle. The Vice President of Administrative Services coordinates the budget preparation process for the college. This process begins with the Vice President in conjunction with the Budget Committee developing parameters for preparing a college operational plan following guidelines set by the District. Administrators, faculty and staff have appropriate opportunities to participate in the planning and budget process.

Operational plan instructions together with budget preparation worksheets are sent to the Vice Presidents of each major division. As explained in Standard I.B.3, each of the college's units completes an annual program review and unit plan. The Vice Presidents meet with division chairs and department managers to discuss unit plans and determine division needs in accordance with the college goals and objectives established in the Integrated Master Plan. Requests for additional resources should be included in the unit plans. When the budget preparation worksheets become available, each division compiles its requests and prioritizes them. In the prescribed planning and budget cycle, they are to be submitted to the Budget Committee, which meets jointly with the College Planning Committee to produce a single prioritized list. The constituencies then provide their input on the recommendations to the President, who makes the final decision. The Operational Plan is submitted to the District Budget Office based on the college preliminary allocation. (III.D-4) (III.D-25)

For the last two years we have asked an ad hoc committee, the Institutional Effectiveness Task Force, to review budget priorities and develop recommendations for expenditure reductions. These were distributed to the constituencies through the College Coordinating Council. We have used our budget process, but the timelines in the calendar have not always been met, and there has been confusion on how the recommendations are distributed to the constituencies as discussed at the Leadership Retreat.

Adjustments to the allocation may occur at the tentative budget and final budget stages. The college operational budget will be adjusted accordingly. The final budget is submitted to the Board of Trustees for approval and adoption in early September. The college will receive a final budget after this Board approval. (III.D-26) (III.D-27)

SELF-EVALUATION:

In order to meet deadlines, an Institutional Effectiveness Task Force has been established the last two years as an ad hoc committee. The confusion in the governance structure has been aggravated by the turnover in the position of the chief budget officer; there have been three Vice Presidents of Administrative Services in the last three years. With the changes in the governance structure, which clearly establish the decision making process and opportunity for constituency input, the Budget Committee should be able to accomplish its role. (III.D-28)

The Budget Committee with representatives from various constituencies is charged with establishing fiscal priorities, monitoring financial planning and making recommendations. The committee is taking a stronger role in the financial planning and management of the college. (III.D-28)

The Budget Committee reviews the allocation of resources and expenditures as part of budget development to assess the appropriateness of the allocations and expenditures for programs. This Budget Committee will now need to include in this assessment student learning outcomes. The college has developed institutional learning outcomes and is in the process of developing program outcomes for all programs.

It is also developing an assessment plan to evaluate the achievement of these outcomes. The assessment plan should assist the Budget Committee in evaluating the appropriate allocation of resources.

At the institutional level, the understanding, participation and competency of financial planning and budgeting varies a great deal. To encourage administrators, division chairs and department managers to become more actively involved in the development and management of their departmental budgets, budget training workshops will be scheduled for the 2005-06 fiscal year.

PLANNING AGENDA:

- The Budget Committee will integrate the assessment of institutional and program outcomes in its allocation of resources
- Administrative Services will schedule budget training workshops for unit plan budget managers (administrators, division chairs and department managers) and constituency leadership to help them understand the process, expectations and timeline of the budget development cycle especially in view of the new governance structure.

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, reflect appropriate allocation and use of financial resources to support student learning programs and services. Institutional responses to external audit findings are comprehensive, timely, and communicated appropriately.

DESCRIPTIVE SUMMARY:

A new financial management system, Systems, Applications and Products (SAP), was implemented on July 1, 2002. The computerized system can be accessed by all college personnel.

SAP is being enhanced to provide better and timely financial information on-line access. Information can be accessed through Business Warehouse (BW) reports available on the LACCD website.

Once the college operational budget is developed and approved, it is installed into the SAP system, allowing division chairs and department managers to monitor their budgets on-line. Fiscal controls are in place that require appropriate account numbers and sufficient funds be established before documents can be processed. The system also features built-in control mechanisms that prevent account overruns. The Vice President of Administration reviews and approves all budget transfers and expenditure transfers as well as documents that obligate college funds.

The Controller's Office at District Business Services is responsible for the maintenance of the centralized financial system and for compiling financial and accounting external reports for all the colleges and the District. The District maintains an updated chart of accounts guaranteeing its compliance with the California Community Colleges reporting requirements. The chart of accounts is accessible through the LACCD website. (III.D-29)

An external independent auditor conducts an annual audit of the college financial statements and the related budget and accounting policies and procedures. Copies of the audit reports are sent to the college and are available for review. The audit performed by KPMG, LLP for the year ending June 30, 2004, confirmed that the year's financial statements were fairly presented and conformed to accounting principles generally accepted in the United States of America. (III.D-30)

SELF-EVALUATION:

The annual external audit indicated there were "no matters involving internal control and its operation that we consider to be material weaknesses." The development of an assessment plan for the college will be important to ensure resources are allocated in keeping with institutional and program outcomes. (III.D-30)

The college meets the standard.

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

DESCRIPTIVE SUMMARY:

The District Financial Management System was implemented on SAP software July 1, 2002. Procurement and accounts payable have been automated, and services have significantly improved. The District implemented Human Resources System in SAP for personnel and payroll operations on July 1, 2005. The District Office Business Division periodically submits reports to the Board, and each college updates its financial plan on a monthly basis to the Chancellor, who updates the District Budget Committee and the Board.

The District has also made available financial, instructional and human resource information through the Business Warehouse application. Extensive training sessions have been provided to technical personnel, and training is now being extended to other personnel. It is intended that Business Warehouse will be the primary means for most employees to access district information.

Financial information about specific areas of the college that emanates from the district office is shared with appropriate personnel on campus. It is also disseminated to various constituencies through committee meetings.

In 2005, Administrative Services coordinated with the chair of the Program Review Subcommittee to revise the unit planning document. By providing unit managers and chairs with detailed data on their budgeted items for the previous fiscal year and for the fiscal year currently underway, the revised document will ensure that chairs are fully aware of their budget status as they do their program review and unit plans, and that the information they provide will feed directly into the deliberations for the next budget. The revisions are under consideration by the College Planning Committee and the Budget Committee. Budget and enrollment plan information included in the monthly closing report, monthly projection and college financial plan and quarterly report is disseminated to the college community through the Budget Committee, College

Planning Committee, College Council, Academic Senate, Classified Forum and at the administrators' meetings. (III.D-31) (III.D-32) (III.D-33)

SELF-EVALUATION:

These reports provide detailed and summary information sufficient for the campus community to evaluate the college's financial condition. The projected fiscal year financial status is relayed to the campus via monthly reports.

This information is presented in several locations including the Budget Committee, the College Planning Committee and the College Council so constituencies have several opportunities to obtain it. Town Hall meetings have been held to brief the campus community on the status of the budget. However, not all campus personnel are able to attend.

PLANNING AGENDA:

- The college will post Budget Committee minutes and financial information on the intranet website.

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.

DESCRIPTIVE SUMMARY:

The District Controller's Office is the primary entity responsible for maintaining District cash flow and reserves. A significant portion of the District cash balance is invested with the Los Angeles County treasurer. The district also invests its cash balances in U.S. government securities, certificates of deposit and other interest-bearing instruments.

The LACCD is self-insured up to a maximum of up to \$500,000 for each workers' compensation claim, \$250,000 per employment practices claims, \$100,000 for each general liability claim up to an amount aggregate of \$300,000. Funds are allocated to meet risk management potential liabilities at the district-wide level.

Historically, the District has maintained liquidity at all times and has been able to meet all long term obligations.

It is district policy to maintain a mandated minimum three percent contingency reserve to meet emergencies. For FY 2005-06, the District set aside 3.5 percent, \$16,152,932 as a contingency reserve in the final unrestricted general fund budget.

The District also maintains a comprehensive set of Board Rules, Administrative Regulations and business procedures governing risk management practices. (III.D-34) (III.D-35) (III.D-36)

In the past three years, the college has been operating with limited resources. In FY 2002-03, the college incurred a deficit of \$1,086,200. Through prudent spending and aggressive cost saving measures, West ended the following year with a surplus of \$196,558. However, the 2004-05 FTES target was not achieved, resulting in a loss of additional growth funds and basic skills monies that had been included in the initial projected total allocation for 2004-05. Consequently, the college ended the fiscal year with a deficit of \$570,479. The college is developing marketing plans to improve the enrollment projections and capture potential enrollment.

SELF-EVALUATION:

West does not have any contingency funds for emergencies. The college relies upon the district contingency fund to meet emergencies. The development of a budget with different scenarios, marketing plan and assessment of potential enrollment will assist in matching revenues with expenditures. The college will still need to modify revenue projections and expenditures based on actual enrollments.

PLANNING AGENDA:

- The college will develop a budget plan with different scenarios based on assumptions of conservative, probable and optimistic outcomes with regard to revenue and its planned expenditures

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.

DESCRIPTIVE SUMMARY:

The Board Rules and Administrative Regulations specify the delegation of certain authorities and responsibilities and delineate the individual person charged with these responsibilities. The District Business Services Division ensures strict adherence to and compliance with the budget and accounting manual prepared by the California Community Colleges. (III.D-34) (III.D-35)

The President is responsible for overseeing the college's fiscal matters. Internal policies and procedures are in place to maintain comprehensive financial records of all transactions. The Vice President of Administrative Services has primary responsibility to manage and control the fiscal resources of the college. Each division chair or department manager is responsible for the accuracy and integrity of its financial transactions.

Financial aid enables economically deprived students to achieve their educational goals.

Financial aid enables economically deprived students to achieve their educational goals. The responsibility for management of financial aid is under the supervision of the Vice President of Student Services, and day-to-day operation is delegated to the financial aid manager. Effective oversight for student financial aid is provided through the collaborative effort of

the college and the District Central Financial Aid Office. An annual external audit of federal and state financial programs is performed by KPMG, LLP. In addition, an audit is performed every four years by the California Student Aid Commission for Fiscal Management of State Grants and Loan Programs. These audit reports indicate no instances of material non-compliance. (III.D-30)

All grants and specially funded programs are managed by program directors who report to a supervising administrator. The college has successfully applied for and obtained a number of federal, state and local grants including the coveted Title III and Title V Grants from the federal government. Program directors administer all of these funds in accordance with specific guidelines. External audits have confirmed that the college complies with all funding requirements. These programs augment college efforts to improve student retentions and recruitment. (III.D-30)

The West Los Angeles College Foundation is a non-profit organization and is a separate entity from the college. The college President and the Foundation Board members are responsible for approving all of the organization's activities to ensure that they are operating in compliance with federal and state laws and regulations. The Foundation sponsors fundraising activities and awards scholarships. (III.D-37)

The Associated Students Organization (ASO) is a recognized entity of the Los Angeles Community College District and is funded by student fees. The group sponsors the annual student orientation, Multicultural Festival, Dean's Tea and June graduation ceremony. The ASO fund is administered in accordance with provisions of the California Education Code and is subject to an annual audit by an external CPA firm. (III.D-30)

Food services consist of a catering truck contracted through ASO, a convenience store operated by Enterprise Services, the retail money-making arm of West, and vending machines contracted through Enterprise Services. The convenience store is a self-supporting retail enterprise that generated net income of \$14,653 in 2004-05. (III.D-38)

The Bookstore is also operated by Enterprise Services. In 2004-05, it covered all operating expenses and generated a net profit of \$72,139. The Bookstore has carryover and reserve balances of approximately \$800,000 including restricted inventory and capital improvement balances of approximately \$500,000. (III.D-39)

SELF-EVALUATION:

The 2004 audit conducted by external independent auditors for financial aid and various specially funded programs were "unqualified," which signifies that the auditors were satisfied with the financial statements and no instances of material non-compliance were noted. (III.D-30)

The college meets the standard.

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.

DESCRIPTIVE SUMMARY:

All monies provided to the college whether they come from the general fund, from fundraising efforts or from grants are used to support the objectives of the Integrated Master Plan. All funds are intended to help students achieve measurable student learning outcomes, those that are institutional and those that are specific to individual academic programs and services.

SELF-EVALUATION:

Our diverse population of students benefit from the increased instructional support, scholarships and other perks endowed by special funds. Please see III.D.2.d. for an explanation of how these funds are used with integrity.

The college meets the standard.

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.

DESCRIPTIVE SUMMARY:

The President and Vice President of Administrative Services are authorized by the Board of Trustees to execute short-term agree

ments and purchase orders not to exceed \$5,000. Contracts in excess of \$5,000 are processed by a regional procurement specialist. Any contractual agreement that requires formal bidding is processed by the District Contracts Office. (III.D-34) (III.D-35)

The District Contracts Office together with the Office of the General Counsel have developed standard contracts that incorporate termination and amendment clauses insuring control over the term and outcome of executed contracts. The Office of General Counsel serves as an available resource to interpret contractual policies and regulations as set forth by Board Rules and state and federal regulations.

For example, West has entered into contracts with the Los Angeles County Probation Department for administration of justice classes, and it has signed a contract with UCLA to offer an Allied Health Program. A facilities lease contract with the Los Angeles Avengers Arena Football team for use of West's new athletic field will generate \$455,000 in additional revenue over a five-year term.

Specially funded programs are secured via contracts with the U.S. Department of Education, the State of California and several Los Angeles County agencies.

SELF-EVALUATION:

Contractual agreements are negotiated and executed in accordance with federal, state and district policies and procedures. Each contract is driven through layers of control at the college and district levels. All contracts must be reviewed, approved and ratified by the Board of Trustees to insure compliance with laws and regulations.

The college has been in compliance with all current district contract rules and procedures.

The college meets the standard.

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.

DESCRIPTIVE SUMMARY:

Since the decentralization of the procurement function from the District Office to the campus in 2000 and the implementation in 2002 of the SAP financial system, the procurement and accounts payable functions have been automated, and services have significantly improved. Effective July 2005, the human resource/payroll system was implemented into SAP. This system will tie together the position control and payroll expenses with the financial system.

SELF-EVALUATION:

Anytime a new software system is implemented there will be issues to resolve. West is working to resolve several issues. Staff is being trained in the new human resources system and continues to increase proficiency. There is a steep learning curve because there are many details to absorb. Staff members are reviewing existing payroll practices to evaluate how best to work with the new SAP system. The District provides limited assistance and support resulting in problems with inaccurate or missing payments that have to be corrected on an individual basis. In some cases, it has taken several weeks or more to resolve specific payroll issues because employees have split assignments and might be paid from multiple sources of funding. The college has assigned an administrative analyst as the single point of contact for employees with personnel and payroll problems.

PLANNING AGENDA:

- The college will continue its effort to formulate a plan to balance the 2005-06 budget and fine tune the SAP HR system.

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.

DESCRIPTIVE SUMMARY:

The college is in the process of changing its governance structure to further align planning and budgeting and to improve the use of financial data and integrate the assessment of



institutional and program outcomes in resource allocation. The College Planning Committee and Budget Committee are now subcommittees of a stronger central body, the College Council. These committees are overseeing the changes in budgeting processes discussed throughout this standard. (III.D-3)

SELF-EVALUATION:

The change in the governance structure is intended to clarify and improve the financial decision-making process. An annual review of

the process needs to be developed in order to ensure the new process is working effectively.

PLANNING AGENDA:

- On an annual basis, the Budget Committee in conjunction with the College Planning Committee and College Council will review the current planning and budgeting processes, forms and fiscal management practices in order to improve the college fiscal management system.

STANDARD III.D. DOCUMENTATION

- III.D-1 Integrated Master Plan
- III.D-2 2005-2006 Budget Operational Plan Instructions
- III.D-3 West Los Angeles College Council
- III.D-4 West Los Angeles College 2005-06 Operational Plan
- III.D-5 West Los Angeles College Institutional Effectiveness Task Force Budget Reduction Recommendations
- III.D-6 West Los Angeles College 2005 Self-Study Questionnaire, Preliminary Results
- III.D-7 West Los Angeles College Unit Plan Guide
- III.D-8 Proposed Annual Planning and Budgeting Timeline for 2006-07
- III.D-9 Los Angeles Community College District 2005-06 Final Budget Allocation Mechanism
- III.D-10 State Instructional Equipment Funds
- III.D-11 Telecommunication and Technology Infrastructure Program (TTIP)
- III.D-12 Title V Grant Award Notification
- III.D-13 Prop A and AA Bond Measures Allocations
- III.D-14 West Los Angeles College Foundation Annual Financial Statement
- III.D-15 2004-05 Dedicated Revenue Status (Year End Final Closing)
- III.D-16 Unrestricted General Fund 2002-03 Open Orders and Ending Balance
- III.D-17 Unrestricted General Fund 2003-04 Open orders and Ending Balance
- III.D-18 2004-05 FTES Annual
- III.D-19 West Los Angeles College 2004-05 Final Year End Closing Report
- III.D-20 2005-06 Draft FTES Targets
- III.D-21 West Los Angeles Community College vs. Two Major Competitors Final Report October 2005
- III.D-22 2005-06 Preliminary Budget Planning Allocations
- III.D-23 Final Budget 2004-05
- III.D-24 Final Budget 2005-06
- III.D-25 Budget Preparation Memo to Vice Presidents
- III.D-26 2005-06 Tentative Budget Allocation
- III.D-27 2005-06 Final Budget Unrestricted General Fund
- III.D-28 West Los Angeles College Implementation of Participatory Governance Agreement Budget Process
- III.D-29 LACCD District Website – Chart of Accounts
- III.D-30 Los Angeles Community College District Report on Audited Basic Financial Statements June 30, 2004
- III.D-31 West Los Angeles College Unrestricted General Fund Monthly Closing Report
- III.D-32 West Los Angeles College Monthly Projection
- III.D-33 West Los Angeles College Quarterly Report
- III.D-34 Los Angeles Community College District Board Rules
- III.D-35 Los Angeles Community College District Administrative Regulations and Procedures
- III.D-36 Los Angeles Community College District Business Manual
- III.D-37 West Los Angeles College Foundation By-laws
- III.D-38 LACCD Cafeteria Operating Statement (Fund 60006) July 1, 2004 through June 30, 2005
- III.D-39 LACCD Bookstore Operating Statement (Fund 80008) July 1, 2004 through June 30, 2005