QUESTIONS TO USE IN INSTITUTIONAL EVALUATION

This *Guide* is designed to provoke thoughtful dialogue and judgment about institutional quality by college communities engaged in self study and by peer evaluation teams assigned to affirm the quality of institutions. As either group seeks to evaluate an institution's ability to measure up to the Standards of Accreditation, inquiry — asking questions and seeking answers — is necessary before judgment is made. The following questions are designed to provoke thoughtful reflection about institutional quality. These questions are designed to be asked by either the institution engaged in self-reflection as part of self study, or by the peer evaluation team that visits the campus. The *Guide* also provides a list of possible sources of evidence that can be used to develop answers to the questions raised through the process of inquiry.

The questions, and lists of possible evidence, are designed to inform discussions of *student achievement*, such as number of graduates, number of transfer students, retention rates, course completion rates, job placement rates; *institutional performance* such as the presence and effective use of institutional resources, structures, and policies, to achieve the institutions educational mission; and *student learning outcomes* such as the acquisition of knowledge, skills, abilities and attitudes that the institution intended student to learn and which are defined by the institution as the intended learning outcomes. Remember, there may be many other questions that institutions and team members can and should ask in order to assess institutional quality and effectiveness.

**Standard IIID: 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.

- What is the institution’s overall budget?
  - Does it have sufficient revenues to support educational improvements?
  - Does the resource allocation process provide a means for setting priorities for funding institutional improvements?

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

   a. Financial planning is integrated with and supports all institutional planning.

      - Does the institution review its mission and goals as part of the annual fiscal planning process?
      - Does the institution identify goals for achievement in any given budget cycle?
• 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?

• Does the financial planning process rely primarily on institutional plans for content and timelines?

• Can the institution provide evidence that past fiscal expenditures have supported achievement of institutional plans?

• Does the Board and other institutional leadership receive information about fiscal planning that demonstrates its links to institutional planning?

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

• Do individuals involved in institutional planning receive accurate information about available funds, including the annual budget showing ongoing and anticipated fiscal commitments?

• Does the institution establish funding priorities in some fashion that helps the institution achieve its goals in reasonable fashion? Are items focused on student learning given appropriate priority? What other documents describing funding priorities are used by institutional planners?

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.

• What evidence of long term fiscal planning and priorities exits?

• 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?

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.

• Where or how are the processes for financial planning and budget recorded and made known to college constituents?
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.

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.

   • Are funds allocated, as shown in the budget, in a manner that will realistically achieve the institution’s stated goals for student learning?
   
   • What do the audit statements say about financial management?
   
   • Does the institution provide timely corrections to audit exceptions and management advice?

b. Appropriate financial information is provided throughout the institution.

   • What information about budget, about fiscal conditions, about financial planning and about audit results is provided throughout the college? Is this information sufficient in content and timing to support institutional and financial planning and financial management?

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.

   • 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?
   
   • Does the institution have any other access to cash should the need arise?
   
   • 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., COPS, loans)?
   
   • 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?

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.
• What are the institution’s procedures for reviewing fiscal management? Are those regularly implemented?

• What evidence about fiscal management is provided by external audits and financial program reviews?

• Has the institution received any audit findings or negative reviews during the last six years?

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.

• Are the institution’s special funds audited or reviewed by funding agencies regularly?

• Do the audits demonstrate the integrity of financial management practices?

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.5

• What contractual agreements exist, and are they consistent with institutional mission and goals?

• Does the institution have appropriate control over these contracts? Can it change or terminate contracts that don’t meet its required standards of quality?

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

• Does the institution have an annual external audit to provide feedback on its processes?

• Does the institution review the effectiveness of its past fiscal planning as part of planning for current and future fiscal needs?

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

• What processes does the institution use to assess its use of financial resources?

• How does the institution ensure that it assesses its use of financial resources systematically and effectively?

• How does the institution use results of the evaluation as the basis for improvement?