A closer look at the Accreditation Standards

Standards Seven – Finance

This standard takes a close look at the college’s financial planning processes, the adequacy of its financial resources, the effectiveness of its financial management practices, and its fundraising and resource development efforts. Tables delineating revenues and expenditures are required inclusions in the report.

Financial planning must be ongoing, realistic, and based upon Linfield’s mission and goals. The board should allow the administration appropriate autonomy in financial planning and budgeting, within the context of overall mandates and priorities. Financial planning should be strategically informed and should involve three-year projections of major income categories to guide planning around major expenditure categories. Plans for the management of capital revenue and expenditures must also be included.

In terms of the yearly budgeting process, Linfield should demonstrate clearly defined and executed policies, guidelines, and processes. The resulting budget should be published and distributed to the appropriate constituencies, and budget revisions should be prompt, and when appropriate, communicated to those affected.

The administration must show that debt for capital outlay purposes is periodically reviewed, carefully controlled, and justified to avoid an unreasonable drain on the resources available for educational purposes. Adequate historical records and projections of future planning for indebtedness must be maintained. The governing board should set appropriate policies regarding the use and limiting of debt.

Standard Seven also requires evidence that the college relies on different sources of funds adequate to support programs and services. Linfield must demonstrate adequate financial resources to support its offerings, including specialized occupational and professional programs. Resource allocations among college programs should appropriately reflect Linfield’s mission, goals and priorities.

Documentation indicating a history of financial stability for the past five years is expected. If accumulated deficits have been recorded, a realistic plan to eliminate them must be approved by the board. Transfers among major funds as well as interfund borrowing must be legal and guided by clearly stated policies, with appropriate controls.

The institution should identify sources of student financial aid for current enrollments, provide evidence of planning for future financial aid based on projected enrollments, and control the rela...

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tionship between unfunded financial aid and tuition revenues.

Adequate financial reserves must be maintained to meet fluctuations in operating revenues, expenses, and debt service. Linfield must demonstrate an understanding of the financial relationship among educational programs, general operations, and auxiliary enterprises, as well as their respective contributions to the college. This includes examination of whether balancing the budget requires one type of income over others.

The president must report regularly to the governing board about the financial adequacy and stability of the college. Financial functions should be centralized under a single qualified financial officer responsible to the president. Business functions should operate in an effective and well-organized way under one or more qualified officers. The complexity of the business organization should reflect the size of the college and the significance of business transactions.

Policies regarding cash management and investments should be approved by the board. The accounting system should follow generally accepted principles in the field. Linfield’s governing board is responsible for selecting an independent CPA firm responsible for delivering an annual audit report following generally accepted professional practices. The audit, which includes a management letter and a summary of the latest audited financial statement, must then be made available to the public. The college is bound to give adequate consideration to any recommendations in the auditor’s report. Federal, state, external, and internal audit reports will all be available to the Northwest Commission on Colleges and Universities.

All financial aid and other specific programs not subject to governmental audit should be reviewed annually by an independent CPA and include a management letter. Well-organized programs for internal audits should complement the college accounting system as well as external audit requirements.

Development programs seeking outside sources should be coordinated with academic planning and reflect the mission and goals of the college. Policies guiding development activity should be in place to ensure compliance with government requirements and establish professional and ethical guidelines.

Endowment and life income funds and investments should be administered by an officer, foundation, or committee designated by the governing board. Complete records are to be maintained.

Required Tables for Standard Seven include three year histories of the following: Revenues and Expenditures Summaries; Sources of Financial Aid; Undergraduate Enrollment, Tuition and Unfunded Financial Aid; Revenues; Expenditures; Assets, Liabilities, and Net Assets; Operating Gifts and Endowments; and Capital Investments.

**Standard Eight – Physical Resources**

Standard Eight examines instructional and support facilities, equipment and materials, and physical resources planning. Instructional facilities are of particular importance, with sites both on and off campus sites examined.

Instructional facilities should be sufficient to achieve the mission and goals of the college and adequate for the effective instruction. Furnishings should suit the work, study and research activities of students, faculty, and staff.

The management and maintenance of instructional facilities should be adequate to ensure the continuing quality and safety of Linfield’s educational programs. Facilities construction should consider general health and safety, as well as access by the physically disabled.

Programs off the primary campus should be conducted in facilities appropriate to the programs offered, whether the facilities are owned and operated by the college or by other organizations or individuals.

Suitable equipment, including computing and laboratory equipment, should be provided to meet educational and administrative requirements, and should be readily accessible at both on-and off-campus sites. Equipment should be maintained in proper working condition, be inventoried, and be replaced or upgraded as needed.

Hazardous materials should be used, stored, and disposed of in accordance with prescribed procedures.

Planning for physical resources should be comprehensive, mission-based, and regularly updated. Facilities development and reno-
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Supporting Documentation for Standard Seven – an incomplete list
- a debt service schedule for the past three years and a projection for the next five years
- an endowment and life income from for the past three years
- indication of whether financial statements are provided on an accrual basis, and if so, supplementary documentation of year-end accruals
- a list and description of financial and management reports regularly provided to the Board of Trustees
- copies of the financial section of the IPEDS report for the past three years
- detailed current operating budget, including budget for off-campus programs, summer sessions and other special programs
- student loan default rate for the two most recent years as provided by the US Department of Education

Supporting Documentation for Standard Eight – an incomplete list
- campus map, and/or, if applicable, other educational site maps
- policy statements concerning access to campus for various constituencies, visitor information, security, and public safety
- schedule for replacement of instructional equipment and examples of inventories which are maintained
- campus facilities master plan and accompanying information about recent changes
- annual and long term plans for remodeling, renovation, and major maintenance
- space utilization studies including unit-by-unit assignments
- measures utilized to determine the adequacy of facilities for the institution’s programs and services

Members of the Accreditation Committee

Chair: Barbara Seidman; co-chair Dan Preston

Standard I: Institutional Mission
Co-chairs: Planning Council members Bernie Turner (trustee) and Dr. Chris Keaveney (MLA)

Standard II: Educational Program
Co-chairs: Dr. Barbara Seidman (Interim Dean of Faculty) and Dr. William Millar (REL)

Standard III: Students
Chair: Dan Preston, Dean of Enrollment Services

Standard IV: Faculty
Co-chairs: Dr. Brenda DeVore Marshall (TCA) and Dr. Pam Wheeler (NUR)

Standard V: Library/Information Resources
Chair: Susan Whyte, College Librarian

Standard VI: Governance and Administration
Co-Chairs: FEC chair Dr. Amy Orr (SOAN) and Dr. Liz Atkinson, Associate Dean of Faculty

Standard VII: Finance
Chair: Greg Copeland, College Controller

Standard VIII: Physical Resources
Co-chairs: John Hall, Facilities Director, and Dr. Jeff Summers, Associate Dean of Faculty

Standard IX: Institutional Integrity
Chair: Pam Jacklin, J.D. (trustee)

Committee Staff
Jennifer Ballard, Assistant Registrar for Institutional Research

To learn more about the accreditation process, or to read the 1998 report, 1999 interim report or the 2003 visit report, or to see other materials that are available about the accreditation, go to: http://www.linfield.edu/accreditation/index.php and click on “Resources.”