

2015

Little Big Horn College Ad Hoc Report, October 30, 2015



Ad Hoc Report Of October 2015 Little Big Horn College

Little Big Horn College

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10/30/2015

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Little Big Horn College
Ad Hoc Report of October 30, 2015

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Little Big Horn College
Ad Hoc Report to the Northwest Commission on Colleges and
Universities
On Financial Policies of October 30, 2015

1. Introduction.

The Year Three Resources and Capacity Peer-Evaluation Report, March 2013. The Year Three Resources and Capacity Peer-Evaluation Report by NWCCU resulted in two recommendations continued from the NWCCU Year One Report of 2011 and the Focus Visit and Report of 2012 and five recommendations from the Year Three Report and Visit, requesting an Ad Hoc Report in March of 2015.

The 2015 Ad Hoc Report. Little Big Horn College submitted the 2015 Ad Hoc Report regarding Recommendations 1 and 2 from Spring 2012 Focus Visit and Report and five Recommendations for the Spring 2013 Year Three Resources and Capacity Peer-Evaluation Report, and the Year One Mission and Core Themes Peer-Evaluation Report.

The Ad Hoc Report preparation commenced in June 2015, with the Finance Office work sessions on the Financial Policies and Procedures, with the leadership of the Chief Finance Officer Aldean Good Luck. The Ad Hoc Report preparation committee included The Chief Finance Officer Aldean Good Luck, the Institutional Assessment Officer Mandy Plainfeather, the LBHC Accreditation Liaison Officer Janine Pease and the Presidential Assistant and Human Resources Officer Shalene Old Coyote. The Finance Office staff members and the Chief Information Officer Franklin Cooper gave work session assistance, document preparation and review.

The Ad Hoc Report is organized in six sections:

1. Introduction
2. The Recommendation - The Development of Policies approved by the Board of Trustees for oversight and management of financial resources.
3. The Policies development process description and analysis, with a focus on the Finance Office revisions.
4. The Role of the Board of Trustees and the Finance Committee in the development of financial policies, college budget, audit and investment.
5. Summary and Conclusions

2. Recommendation to be addressed – Financial Oversight and Management.

In this Ad Hoc Report, Little Big Horn College responds to the third recommendation of the Ad Hoc Peer Evaluation Report of May 2015, approved by the Commission in July 2015. Here is the recommendation:

Recommendation 3, 2015 Ad Hoc Report. It is recommended that the College develop clearly defined policies approved by the Board, regarding oversight and management of financial resources, including reserves. (Standard 2.F.1, Standard 2.F.1).

The NWCCU accreditation standards referred to in the recommendation are:

Standard 2.F.1. The institution demonstrates financial stability with sufficient cash flow and reserves to support its programs and services. Financial planning reflects available funds, realistic development of financial resources, and appropriate risk management to ensure short-term solvency and anticipate long-term obligations, including payment of future liabilities.

Standard 2.A.30. The institution has clearly defined policies, approved by its governing board, regarding oversight and management of financial resources—including financial planning, board approval and monitoring of operating and capital budgets, reserves, investments, fundraising, cash management, debt management, and transfers and borrowings between funds.

3. Financial Policies Development at Little Big Horn College.

Current Policies. The current Financial Policies and Procedures were developed and approved in 2006 at the time for the LBHC Institutional Self Study. The LBHC Board of Trustees approved them in the February 2006 meeting.

Finance Office Revision of Policies and Procedures. The Finance Office/Finance Division has spent approximately ten hours together, in work sessions, to update and upgrade the policies, during the summer and fall of 2015. The Finance Office staff members identified current practices not reflected in the policies; these were the areas of revision or expansion. Two key areas of financial accounting did not appear in the policies and were amended into the policies. The resulting revisions and new sections are summarized here:

FINANCIAL POLICIES REVISIONS

- **Section 7 – Payroll**

- Subsection 7-g-8 – clarifies conditions and procedures for Emergency Pay requests; Revision,
- Subsection 7-g-17 - provides for Direct Deposit for Payroll, Revision.
- **Section 11 – Student Billing –**
 - Subsection 11-g - further regulates tuition waivers for college employees, board members and senior citizens; Revision.
 - Subsection 11-j – sets a limit on student debt with the college of \$1500. Revision.
- **Section 12 – Inventory –** establishes the practice of property and equipment inventory with the Division Deans. Revision.

FINANCIAL POLICIES NEW SECTIONS

- **Section 2 – Budget** describes the cycle of budget development with a diagram to illustrate the steps in the annual process. Research into non-profit budget development process provided the impetus for the diagram development and the specific and required review and approval of the Board Finance Committee and the Board of Trustees. The budget process involves the LBHC Performance Report with key indicators of institutional achievement by Core Theme. Subsection 2-e – uses budget categories that coincide with the IPEDS reporting system. **New.**
- **Section 3 – Audit** delineates the Independent Auditor’s Report, and the yearly Financial Statements. The audit process also appears in a figure to map the sequence of tasks and level of responsibility expected of the Finance Office, the Independent Auditors, the Board Finance Committee and the Board of Trustees. **New.**
- **Section 6 – College Travel**, subsection 6-e – FIB Lodge Card, the First Interstate Bank Lodging Card is utilized for lodging costs during travel. **New.**
- **Section 7 – Payroll**
 - Subsection 7-g-16 - regulates circumstances of hardship withdrawals by employees and 401K penalties; **New.**
- **Section 8 – Investment/Endowment and Reserves –** schedules an annual meeting in the fall with the First Interstate Wealth Management representatives, at the Board of Trustees summer meeting. **New.**
- **Section 9 – Bank Accounts**
 - Subsection 9-e Auxiliary Enterprises Accounts are delegated to the Dean of Student Services; New, reflecting institutional practice, and,
 - Subsection 9-f Construction Accounts and Loans are managed by the Dean of Administration; New, reflecting institutional practice.

Sections and Sub-sections. The Financial Policies and Procedures have been organized in Sections and Sub-sections for improved access to the policies and procedures by the campus community. This was accomplished by the Ad Hoc Report committee (Pease, Plainfeather and Goodluck).

Anticipated Agenda for Financial Policies and Procedures Development 2015-2016. The Finance Office has designated a year's schedule for policies and procedures development (review, revision and expansion) in this fiscal year including the annual agenda of budget preparation and review within the Board of Trustees quarterly agenda development in December, the delineation of internal and external controls in February, broader involvement of the college divisions in the budget development in April, and expanded documentation of the Auxiliary Services and Construction Accounts financial management, in July.

The LBHC Financial Policies and Procedures are Attachment 1 of this Report.

4. The Role of the Board of Trustees and the Finance Committee in the Development of Financial Policies.

Board of Trustees Manual. The College Board of Trustees adopted a Manual in April 2013 for the purpose of establishing the scope of their responsibilities to the College. The Board of Trustees Manual establishes an Executive Committee with the office Secretary/Treasurer. The Manual delineates duties that pertain to the officers. The Finance Committee of the Board is established in regard to oversight and management of financial resources, as the first destination for the budget, audit and financial policy revision. The Secretary/Treasurer, the Board duties and required meeting agenda items, the Finance Committee, the Board of Trustees approves annual budgets, manages endowment and reserve funds, receives and approves the Annual Independent Audit and the LBHC Performance Report (indicators of institutional achievement by Core Theme).

Policy on Endowment and Reserve. The Financial Policies and Procedures – Section 8 Investment/Endowment and Reserve Funds was reviewed, approved and amended to the financial policies by a Board of Trustees unanimous vote in March 2015. The President and the Chief Finance Officer are delegated by the Board “authority to invest endowment funds.” As part of the management, the college has contracted the investment of endowment funds to the First Interstate Bank Wealth Management Program, with coordination with the Board Finance Committee. The Wealth Management Program has reported to the Board of Trustees annually, in June 2014 and in September 2015.

Budget Review and Approval. The LBHC Operating Budget for Fiscal Year 2015-2016 was prepared by the Finance Office with input from the President's Council during April and May, 2015. The Board Finance Committee did not meet prior to the scheduled Board Meeting. As a result, the college budget went directly to the Board for review and approval. The FY 2015-16 college budget was approved in a meeting of the Board of Trustees in June 2015.

This table indicates the LBHC Board of Trustees Board Meetings from January 2013 to October 2015, with the entries on budget, audit, endowment/reserve and policy review and approval based on the official meeting minutes.

LBHC Board of Trustees Meetings	Budget	Audit	Endowment/ Reserve	Policy Review & Approval	Performance Report
December 2013					√
February 2014					√
June 2014	√				
September 25, 2014			√		
January 22, 2015					
Feb. 24, 2015					√
March 10, 2015				√	
June 11, 2015	√		√		

The LBHC Board of Trustees meeting times have transitioned from monthly meetings to quarterly meetings, commencing in April 2013. The meeting dates indicate Board member availability and events on the community calendar. Severe weather conditions have also caused the postponement of several meetings.

The LBHC Performance Report – Institutional Characteristics. The Board of Trustees and College President’s Council established a set of twenty four data sets that measure the performance of the institution, according to the three Core Themes. The Financial Indicators are measures of the financial status of the college:

- 5.1 Congressional Allocation FY 2011-12 compared to other Academic Years
- 5.2 Percent Distribution of Core Revenues by Source FY 2011 & FY 2013 (IPEDS Figure 14)
- 5.3 Core expenses per FTE enrollment, by function (IPEDS Figure 15)
- 5.4 Average Salaries of Full-time Instructional Staff Equated to 9 Month Contracts ((PEDS Figure 13)
- 5.5 Average Net Price of Attendance for Full-time, First-time Degree Seeking Undergraduate Students 2010-11 to 2013-14 (IPEDS Figure)
- 5.6 Academic year tuition and required fees for full-time, first-time degree seeking undergraduates (IPEDS Figure 4).

The Board of Trustees has reviewed and accepted the LBHC Performance Report as updated annually at their March 2013, March 2014 and December 2014 meetings.

The Little Big Horn College Performance Report of December 2014, Section 5 Financial Indicators is **Attachment 2** of this report.

The Finance Committee of the Board of Trustees. The Finance Committee of the Board of Trustees has a membership of three: 1-Loren Old Bear, Lodge Grass District Representative to the Board, 2-Fatima Bad Horse, Wyola District Representative, and Renee Little Light, Reno or Center Lodge District Representative. Committee membership is voluntary, and a call for committee volunteers is made by the Board Chairman immediately following the bi-annual Board of Trustees elections held in the six Crow Indian reservation districts (on a rotating scheduled).

The Finance Committee approval of the LBHC Financial Policies and Procedures. The Finance Committee of the Board met to review the Financial Policies and Procedures with revisions and new sections on October 15, 2015. Two members of the three member Committee attended the meeting. The draft was reviewed; and, the Chief Financial Officer highlighted the revisions and additions. The Committee voted to accept the LBHC Financial Policies and Procedures, and to recommend their approval at the LBHC Board of Trustees Meeting scheduled for December 2015.

This table indicates the Finance Committee of the Board met two times between January 2013 to October 2015, with the entries on budget, audit, endowment/reserve and policy review and approval based on the meeting minutes.

LBHC Board of Trustees Finance Committee Meeting	Budget	Audit	Endowment/Reserve	Policy Review & Approval	Performance Report
February 19, 2015			√		√
October 15, 2015				√	

5. Summary and Conclusion.

The Benefits of Policy Analysis to Little Big Horn College. The analysis of the Financial Policies and Procedures was a highly beneficial process. Revisions were warranted in several areas for the way in which the policies had become outdated, particularly where new systems required adjustments. Furthermore, and more importantly, the critical analysis of the policies showed several integral financial functions, including budget, audit and auxiliary and construction accounts had been overlooked in the 2006 financial policies. The Finance Office took this opportunity to document the college processes in each of the areas, bringing them into the policies to represent the extensive and comprehensive financial resources oversight and management functions that do occur annually. The Finance Office research on non-profit financial policies was instructive to build in quality professional practices.

Anticipated Agenda for Financial Policies and Procedures Development, 2015-2016. The Finance Office has designated a year's schedule for policies and procedures development (review, revision and expansion) in this fiscal year including the annual budget preparation and review within the Board of Trustees quarterly agenda (December 2015), the delineation of internal and external controls (February), broader involvement of the college divisions in the budget development (April), and expanded documentation of the Auxiliary Services and Construction Accounts financial management procedures (July).

The Board of Trustees and Finance Committee Role in Financial Management. The role of the Board of Trustees in the review and approval of the budget, audit and the investment/reserves is clearly stated in the policies and the Board of Trustees Manual. In practice, the schedule of board and finance committee meetings show some irregularity over the two fiscal years reviewed. While this is in part due to the transition from monthly to quarterly Board of Trustees meetings, it reveals the need to insure the quarterly Board agendas contains the oversight and management of the financial resources of the college. Furthermore, the Finance Committee role has shown to be infrequent, with in the college budget, audit and endowment/reserve accounts and policy development. For the most part, the Board of Trustees has functioned as a committee of the whole on matters of finance.

Conclusion. Little Big Horn College has responded to the recommendation on clearly developed financial policies and the role of the Board of Trustees in that policy development in the period of July 2015 to October 2015. There are four clear benefits/results the college has realized: 1-updated and revised Financial Policies and Procedures, approved by the Board Finance Committee and an agenda for continued policy development; 2-a clear picture of the actual role of the Board and the Finance Committee in the integral oversight and management of financial resources of the institution; 3-a mandate to enforce the annual Board financial oversight and management calendar/agenda within the newly established quarterly Board of Trustees meeting schedule; and, 4-the need to clarify the role of the Board Finance Committee in these processes.

2015

Financial Policies and Procedures

Attachment 1 – LBHC Ad Hoc Report 2015



Division of Finance

Little Big Horn College

10/27/2015

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Financial Policies and Procedures

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Little Big Horn College

Financial Policies and Procedures*

*The Little Big Horn College Financial Policies and Procedures of October 2015 were reviewed and accepted by a consensus vote of the LBHC Board of Trustees Finance Committee on October 15, 2015.

Section 1 - Introduction and Purpose

a. Purpose of Financial Policies & Procedures:

The financial policies and procedures manual for Little Big Horn College is a plan to provide a source for the financial management of the College. The manual covers accounting system, grants management, budgeting, purchasing and other activities related to finance.

A glossary is provided as an appendix to help interpret any financial terms that need clarification.

b. Vision Statement for the Finance Department, Little Big Horn College:

“The Finance Department of LBHC seeks to provide efficient, systematic processes based on ethical financial principles and standards of accountability through effective communication and teamwork.”

Section 2 – Budget (New 10/15)

a. Purpose of the College Budget.

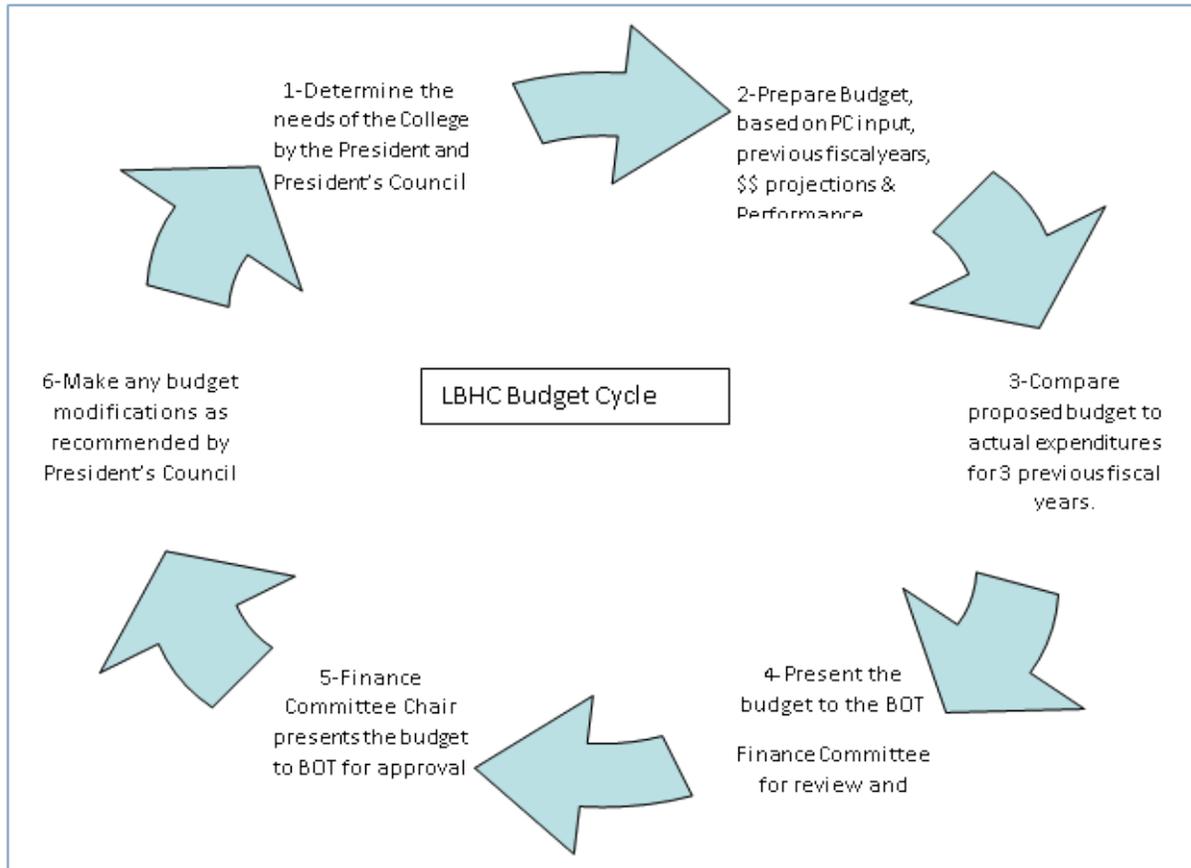
The College budget is a road map of the organization and can provide direction to meet its’ goals and objectives. The College has general policies and procedures related to budgeting and approval of the annual operating budget. Annually, the President and President’s Council will prepare the General Fund Budget and the TCU Budget in the forthcoming fiscal year. Budgeting shall align with the college mission and core themes as established by the Board of Trustees, be fiscally responsible and be realistic in projections of income and expenses.

b. Budget Projections.

The Finance Office and the President will acquire financial data from past fiscal years’ audits, the most current TCU appropriations data, the indirect costs projections for all LBHC grants and contracts, auxiliary services revenue, recognized budget surpluses, and investment/endowment earnings to make budget projections.

c. Budget Cycle.

Description of the Budget Cycle. The College follows a budgeting cycle that takes place in six steps, illustrated in the diagram below.



Annually, during the spring (April, May and June) the College Finance Office prepares a budget utilizing input from the President’s Council, whose members include the college deans and president. The draft budget will be based on Council input, previous fiscal years’ budgets and coming fiscal year revenue projections. The draft budget will be compared to the actual expenditures from three previous fiscal years as reference points, in addition to the annual LBHC Performance Report “Institutional Characteristics” (Institutional Assessment Data). With approval from the President’s Council, the draft College Budget will be presented to the Board of Trustees Finance Committee for review and approval. The BOT Finance Committee then presents the proposed College Budget to the Board of Trustees in the summer meeting for review and approval.

d. Budget Reports.

The Finance Office shall present monthly budget/expenditure reports to the President’s Council for review and approval; and quarterly budget/expenditure reports to the Board of Trustees for review and acceptance.

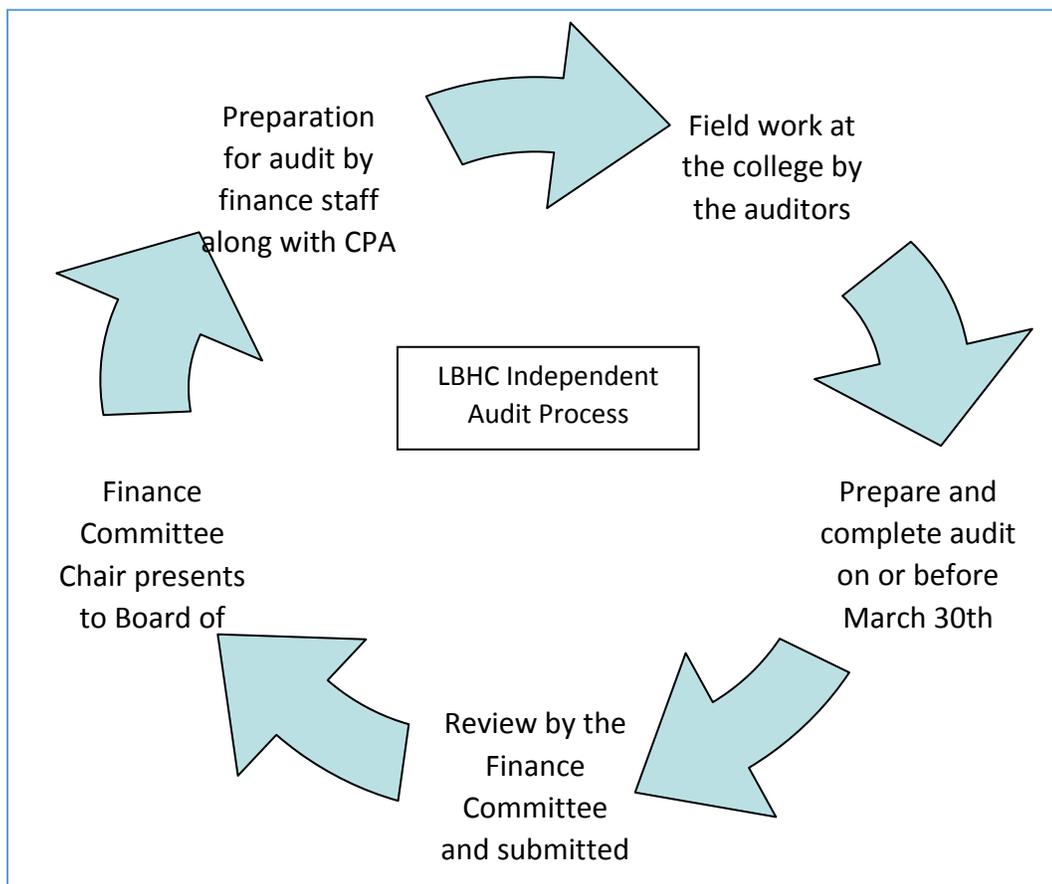
e. Budget Categories.

The College will have budget categories: Instruction, Academic Support, Research Support, Research, Public Service, Student Services, Institutional Support, Auxiliary Enterprises, Scholarships and Fellowships, Independent Operations, and Operation and Maintenance.

Section 3 - Audit (New 10/15)

a. Independent Auditor's Report.

Yearly Financial Statements and the Independent Auditor's Report is prepared in accordance with generally accepted accounting principles in the United State of American as well as guidance issued by OMB federal guidelines. The Audit process is illustrated here:



a-1. **Annual Financial Report.** The annual financial report includes an analysis of the College's overall financial performance during the fiscal year ended June 30th of each year, compared to previous fiscal years. At the completion of the Auditor's report, it is presented to the Board's Finance Committee for review. After the review, the chair of the Finance Committee presents the Independent Auditor's Report to the LBHC Board of Trustees for review and approval.

Note: The Contract with independent auditors is reviewed by the Board of Trustees every three years.

Section 4 - Cash receipts

a. Purpose.

The purpose of this section is to define the procedures related to the receipt of cash.

b. Segregation of duties:

b-1. **Separation of Duties.** To the extent possible the separation of duties shall be in place. When the duties cannot be separated between two or more employees, a monitoring mechanism shall be in place to review the transactions that occur. Custody shall be with a separate person from the bank reconciliation function, accounts payable function and the general ledger entry function.

b-2. **Cash Receipts.** All cash received shall be given to the Payroll Officer. The Payroll Officer shall provide a receipt to the individual, a receipt to accompany the money and one to be left in a numerically numbered receipt book.

b-3. **Cash Deposits.** During the summer months of May through September, the cash shall be deposited every other day. This will alleviate large amounts of *cash on hand* generated by the College bookstore, cafeteria, health and wellness center and the Registrar's Office (transcripts). All cash is to be kept in a locked safe. During the months October through April, cash will be deposited on Fridays or as needed.

b-4. **Petty Cash.** Petty cash is kept on hand at the College Cafeteria, Bookstore, and HWC Health and Wellness Center of no more than \$300. (New 10/15).

c. Direct Deposits.

c-1. **Direct Deposits.** All direct deposits shall be entered into the system by the CFO and/or accounting assistant, upon receipt of the transaction from the bank. After entering the transaction into the system the CFO shall fill in the drawdown log with the recording date and initial. (Revision).

c-2. **Bank Receipts.** The receipt from the bank and a receipt generated from the system shall be retained and kept on file in binders, in the Accounting Assistant's Office.

c-3. **Grant Monies Deposits.** The College receives grant monies directly through an ACH transfer into a Federal Funds account set up at the Bank. This account is separate from the general operating account and the payroll account.

c-4. **Electronic Funds Requests.** The sponsored programs officer and Accounting Assistant shall be responsible to request the funds electronically from the various agencies. A log of requests shall be filled out completely with each transaction. The log shall include: the corresponding grant requesting funds, system from which the money was drawn, account number (grant number) and date requested. In addition, all reports generated from the system that are used to determine the drawdown amount, shall be attached to the request. This paperwork will be kept in binders in the accounting assistant's office and a copy placed in the grant file.

The amount of the drawdown will appear in the grant revenue line item for the corresponding program. Program directors and coordinators can check their individual line item and see the dollar amounts that have been drawn for their program.

c-5. **Reconciliation:** A person independent of writing checks shall perform reconciliation of the bank account promptly at the end of each month. All bank reconciliations are to be retained in a binder in the CFO's office.

c-6. **Federal Funds Reconciliation.** The CFO and/or Accounting Assistant shall reconcile the federal funds account monthly.

Section 5 - Accounts Payable

a. Purpose.

The purpose of the Accounts Payable section of the Finance Policy is to define the procedures related to the processing of vendor checks.

b. Definition.

The Accounts Payable Office issues the purchase order numbers with required documentation and issues checks for vendor payments.

c. Purchase orders.

Purchase order forms are in the file outside of the College reception area and are provided to supervisors electronically. All lines on the purchase order are to be filled out completely before a number will be assigned. In the line item column you must fill in a line item number from your program budget. The accounts payable office will not accept purchase orders with only a description for the account number. On the signature lines the person making the request will sign along with the program director/supervisor or the principal investigator on the grant. The Dean that oversees the program will also sign on the President/Dean's line. The President only signs for the programs in which he/she is directly supervising. Once all the necessary documentation is filled in and provided, the accounts payable clerk will assign a purchase order number and sign in the business office line. The purchase order then becomes a requisition.

d. Requisitions.

Only the items listed on the requisition will be paid for. The person making the request is responsible to obtain the most accurate unit prices available. Although at times shipping rates, taxes, etc. may vary, the requisition must be comparable to the invoice. All requisitions will be paid once an invoice is received and can be matched up with a purchase order number. Purchase orders will not be paid based on quotes.

e. Checks.

Checks will be processed every Thursday and will be ready for distribution on Friday.

e-1. Payment Schedule. All purchase orders or requisitions that need to be paid that week must be in the accounts payable office by 12:00 PM on Monday. At noon the accounts payable clerk will gather all requests and receive them with the date, time and initials. Any late requests will be processed the following week. When a holiday conflicts with the deadline, the deadline will be changed based on when the holiday date. (Revision 10/15)

e.2. Encumbrance. Once a purchase order is given a number and entered into the system, the dollar amount is encumbered. A time limit of 60 days is allowed to maintain encumbrances on the system. Employees will be notified that a purchase order is outstanding for 60 days. The employee will be asked to verify the purchase order is still active or the employee will be asked to reissue a requisition and a new purchase order number will be assigned. The old purchase order will be deleted.

e.3. Check Copies. Once checks are paid, on Friday the accounts payable clerk will separate the check copies according to fund. If the program requires copies of checks they have one week to request those. The accounts payable clerk will make these requested copies and place them into the college mail. No original check copies will leave the accounts payable office! Individuals who do not request copies within the week must schedule an appointment at the accounts payable clerk's discretion.

e.4. Check Signing. The following procedures pertain to check signing, voided checks, and required signatures.

- Please use black or blue pen on all documents. No white out, red pen or pencil is allowed on checks and/or original documents.
- Voided checks must be retained and placed in numerical order. Void shall be stamped on them immediately upon recognition of the spoiled transaction.
- A copy of the check register is kept in binders in the Accounts Payable Office.
- **Signatures**-Two signatures are required on all checks. Original documentation must be attached to the checks and completed with all required backup and signatures. Unused checks shall be kept in a locked cabinet and access is limited. Checks will be utilized in numeric order.
- The Finance office will not be responsible for withholding checks from vendors or consultants.
- If an employee is unable to pick up their check, a note with their original signature may be presented to the payroll officer releasing their check to the specified person. No phone calls telling the payroll officer to release a check, will be accepted.

f. Contracts for consultants:

f-1. Required contract information. Consultant contracts must be completed with the following information:

- Description of services or work to be performed.
- Account expense number to charge the services or work.
- Duration of the contract.
- Amount to be expensed in total.
- Payment/compensation schedule.
- All required signatures.

Contracts do not need a separate purchase order as all the information is stated on the contract.

Contracts for consultants/speakers must have attached the documentation of the work completed. Program directors must submit a brief written statement outlining the experience/background of Cultural Consultants for those who do not have a resume on file.

The minimum and maximum rate must be established and relayed to the consultant/speaker prior to engaging in the contract. The human resources officer will need to initial off on the contract before the contract can be executed.

f-2. **W-9 Required.** A W-9 with current information must accompany all contracts. W-9 forms are in the file outside of the reception area or in the accounts payable office.

f-3. **Multiple payments.** Multiple payments stemming from one contract will require authorization from the contract initiator.

f-4. **1099's:** Independent contractors who earn in excess of \$600.00 in any one year will receive a 1099 at the end of the year. This includes contractors, consultants and students who receive living stipends. Please refer to the Internal Revenue Service guidelines for additional clarification.

Employees on regular payroll cannot be paid through accounts payable for additional contracts. Employees cannot be paid through multiple contracts that would be in excess of 80 hours per pay period.

g. Credit Cards.

g-1. **Store credit cards.** Little Big Horn College maintains credit cards for office supplies, gas and hotels. A purchase order with all required documents must be issued prior to checking out credit cards. **A receipt must accompany the card when checking it back in.** Otherwise, the card will not be accepted back. The person who checks out the credit card is responsible for the card until it is returned. Please do not give the cards to others for use. You will be held liable for any charges incurred on the card during the time it was issued to you.

g-2. **Gas Card.** A monthly list is to be updated for persons who are authorized to use the gas card. If an employee is not on the list, they will be denied the use of the credit card. This is the responsibility of the transportation coordinator. This list is to only include bus drivers for the student transportation routes. Otherwise, all employees must individually check out a card.

Section 6 - College Travel

a. Authorized College Travel.

A request for authorization to travel is on the file outside of the receptionist office. The request needs to be filled out completely with all signatures and supporting documentation. All travel requests must have the President's Signature. The date of travel and time of departure must be filled in. A separate purchase order must be filled out for hotel accommodations and for airline flights. A printout of per

diem rates must be attached. The rates can be obtained at www.firstgov.gov and go to federal rates tab and select the city.

b. Mileage.

If a privately owned vehicle is used, mileage will be paid according to the federal rate and will be paid from the place of employment. An auto mileage report form in the file outside of the receptionist office must be filled out when claiming mileage. Mileage must be pre-approved.

c. Mileage vs. Flight.

If an employee is going on travel and wishes to drive, a comparison between the mileage costs and the cost of a 14 day advance notice for an airline ticket must be analyzed. The person can only claim the amount that is the lesser of the two.

d. FIB Lodging Card. (New 10/15).

A purchase order has to be submitted to the accounts payable office in order to check out the travel card, FIB Lodging Card, for hotel lodging with all proper signatures. All requests must have the President's Signature. Attached to the PO should be the confirmation number from the hotel and upon returning the employee will need to submit a receipt from the hotel to the accounts payable office. The program funding the travel will be charged accordingly. A \$2.95 fee will be added to the PO for the use of the card. If the employee does not follow any of the instructions he/she will be responsible for his/her own lodging, through paycheck deduction

e. Trip Reports.

e-1. **Trip Report Form.** Upon return of being on travel status, a traveler has five working days in which to submit a trip report. Trip report forms are found on the file outside of the College receptionist office. On the report a traveler must complete the following:

- Name
- Program traveled on behalf of college office or program
- Dates of travel
- Purpose of the trip
- Results of the trip

Additional space is provided for a brief list of functions attended, contacts made and any recommendations for action or suggestions for follow-up.

e-2. **Travel Documentation.** The traveler should provide copies of receipts, certificate of completion of training/attendance (if applicable) to support payment of trip expenditures.

e-3. **Trip Report Received.** The accounts payable clerk will maintain the copy of the check paid out for per diem, etc. in a suspension file. Once the report is **received** in the allotted five days, the report is attached to the check and filed in the proper place.

e-4. **Travel Receipts Suspension File.** The accounts payable will periodically review the suspension file. If a trip report is not turned in within the allotted time a standard memo/form will be sent to the individual, their supervisor and or Dean. After the memo/form is sent, the traveler has five more days in which to complete the report. Failure to submit the report after the five additional days has expired will result in disciplinary action. The traveler will be required to pay back the advance received or a payroll deduction will need to be signed.

e-5. **Incomplete Travel.** If a person fails to go on an authorized trip, they must immediately return the advance given to them. If this does not happen, a payroll deduction will need to be signed as soon as possible.

Section 7 - Payroll

a. Purpose.

The purpose of the Payroll Section of the Policies is to define the procedures related to the processing of payroll.

b. Definition.

Payroll is the issuing of payroll checks based on timesheets and documentation along with the payment of all related liabilities.

c. Personnel Action Form, PAF.

When a person is hired they are rated according to the board approved salary schedule. The human resources officer fills out the information on the form and then forwards the information to the payroll officer. All authorization for payroll comes from a personnel action form from the Human Resources Officer. No one is to be paid without a Personnel Action

Form (PAF). If a person is being paid from various sources, a personnel action form needs to be in place for each funding source.

All changes regarding payroll need to be reflected on the Personnel Action Form (PAF).

d. Time & Effort Reporting.

The College requires the documentation of actual hours worked on various programs. Each employee must have contracts in place with signatures prior to beginning work. All contracts, i.e. mini grants, short term projects, added hours, etc. for all employees must be on contract and a copy given to the human resources officer.

e. Payroll Changes.

All Changes regarding payroll need to be reflected on a PAF.

f. Status of Residence.

The payroll officer needs to know status of residence for state income tax purposes. Enrolled Tribal members living on the reservation are exempt from paying state income tax.

g. Timesheets.

g-1. Timesheets Available. Timesheets are on the file outside of the receptionist area. The payroll officer will e-mail an electronic version of the timesheet and leave slip. Please make sure the current version of the timesheet is being used.

g-2 Employees to Sign Own Timesheet. To insure that unauthorized payments are not being made to individuals, each employee is to sign their own timesheet. When signing the timesheet the employee is verifying and testifying to the hours worked for which **they claim**. The Supervisor and Dean are also attesting that the hours claimed are the hours worked by their signature on the timesheet. All hours must add up correctly. The proper leave categories must be filled in and the total for the two week pay period must not exceed 80 hours. All timesheets need to be filled out completely before being turned in.

g-3. Timesheet Submission. Timesheets are due no later than 12:00 PM on the Monday of payroll. No late timesheets will be accepted. If a timesheet is turned in late, payment will be made on the following payday. Please make arrangements to have your timesheet turned in, when you will be out of town. Employees must fill in their employee identification number. This number is no longer your social security number and may be obtained from the payroll officer. The correct pay period must also be filled in. A payroll schedule may be obtained from the payroll officer.

g-4. Payroll Advances Disallowed. No payroll advances shall be granted. (Revised 10/15).

g.5. Time earned to date. Time earned to date can be processed, only in extreme emergencies and only with the approval of the President. A \$25.00 fee will be charged to all "time earned to date" pay, with an additional 25% of amount requested for tax purposes. This applies to full time permanent employees only.

Emergency pay may be allowed before the regular biweekly pay period. Should faculty and staff find it necessary to make a request, the amount requested should not exceed the amount earned up to that particular date. However, the Finance Office discourages emergency pay requests and a \$25 fee is charged for this service. Official memoranda requesting emergency pay must be directed to the President for approval. (Revision 10/15).

g-6. Expended Annual and Sick leave/Pay. Supervisors and Deans must take initiative to ensure leave is available. When employees have used all of their leave yet, continue to claim leave hours on their timesheet, they cannot be paid for those leave hours they do not have. Payroll will not pay if leave is expended. Payroll will issue a notification of a leave deficit to the employee and their supervisor.

g-7. Annual Leave Carryover. Annual leave will only be carried over at 160 hours from fiscal year to fiscal year.

g-8. Personal Leave. 40 hours of personal leave is available to each employee per fiscal year. This is provided on a use or lose basis. Personal leave can only be used for immediate family only (parents,

siblings, children, grandchildren, grandparents, and legal adoptions/guardianships). Bereavement or when imminent death is apparent. Family friendly sick leave: immediate family as defined above.

g-9. **Deductions.** Payroll will no longer make bill payments for employees. AFLAC, 401k, United Health, Crow Credit, Housing, Student Bill, IRS, student loans, LBHC Health & Wellness Center and Bookstore are the only allowable voluntary deductions through payroll.

g-10. **Garnishments.** Any legally required deductions, i.e. IRS, Student Loans, child support will be made.

g-11. **Employee Pay.** No employee is to be paid over 80 hours per pay period.

g-12. **Voided Payroll Checks.** Voided payroll checks must be retained and placed in numerical order. Void payroll checks shall be stamped on them immediately upon recognition of the spoiled transaction.

g-13. **Check Register.** A copy of check register kept in binders in the payroll office.

g-14. **Hardship and 401K.** In the event of a hardship withdrawal taken by an employee's 401K account, the employee will be penalized for early withdrawal, including a 10% tax and/or any additional taxes by IRS. Further, the employee will not be able to contribute to 401K for the next 6 months after the date of the hardship withdrawal. (New 10/15).

g-15. **Payroll Check Signatures**-Two signatures are required on all payroll checks. Original timesheets and documentation must be attached to the checks and completed with all required backup and signatures. Unused checks shall be kept in a locked cabinet and access is limited. All checks will be utilized in numerical order.

g-16. **Payroll Checks Withheld.** The Finance office will not be responsible for withholding checks from employees.

g-17. **Direct Deposit for Payroll.** LBHC Employees may choose to have direct deposit of their payroll check. Employees must complete the Direct Deposit Form with a cancelled check attached for permission to have direct deposits to the employees designated bank. (New 10/15).

g-18. **Permission for Payroll Check Release.** If an employee is unable to pick up their check, a note with their original signature may be presented to the payroll officer to release their check to the specified person. Phone calls telling the payroll officer to release a check, will not be accepted.

Section 8 - Investment/Endowment and Reserve Funds* (New 03/15)

***Approved by the Board of Trustees, March 2015.**

a. Purpose.

The purpose of the Invest Policies and Guidelines section is to provide guidelines for managing the investments of the College in accordance with the objectives determined by the Board of Trustees.

b. Endowment Management. (New 03/15).

Section approved by the LBHC Board of Trustees in March 2015. The policies seek to minimize the risk, follow external guidelines and to ensure a competitive rate of return on investments.

The Board of Trustees has delegated the authority to invest endowment funds to the President and the Chief Financial Officer. Endowment funds are designated by the donor for the purposes of long term investment, not otherwise required or to be used by the daily operations of the college.

The funds shall be invested using sound judgment, discretion and prudence. A comparison of investment opportunities shall occur annually. The endowment fund are invested by the First Interstate Bank Wealth Management Program, with direction from the BOT Finance Committee, using investments most beneficial to the College.

An annual meeting is scheduled in the fall annually with the First Interstate Bank Wealth Management to review investments with the Board of Trustees and President's Council. (New 10/15).

All investments must be insured from the FDIC or assets must be pledged to cover the amount of money invested.

c. TCU Reserve Account. Section approved by the LBHC Board of Trustees in March 2015.

The TCU Reserve account is invested in an Income with growth objective, which is designed to provide income and some capital appreciation for investors with a low risk tolerance and a 3 to 5 year time horizon. It is a long-term target allocation of approximately 65% fixed income and a 35% equity investments. Historical returns for an income with growth portfolio are 4 to 5% annually.

Section 9 - Bank Accounts

a. Operating Account.

The College maintains an operating checking account at a local financial institution. This account is used to meet the daily obligations of the College. All accounts payable checks shall run through this account. All cash deposits are received in this account. The operating account will be a separate and distinct color from the payroll checks. All unused checks will be kept locked and have limited access.

b. Payroll Account.

The College maintains a separate checking account for all expenses related to running payroll. All payroll checks and liabilities are to be paid from this account. Two signatures are required. The payroll checks will be a separate and distinct color from the accounts payable checks. A transfer will be made from the operating account to cover the total cost of a payroll run prior to the issuance of the payroll checks.

c. Repurchase account.

Little Big Horn College maintains a repurchase account at First Interstate Bank. The repurchase account takes the money left in all the College's accounts at the end of the day and invests it in government securities and then puts the principal plus the interest back into the accounts the next morning. This account is insured for 103% of the available balance.

d. Certificates of Deposit.

All certificates of deposits shall be kept in a locked safe or in a safe deposit box at the bank. Access to the original documents shall be limited to the check signers of the college. A current list of CD's along with amounts and maturity dates shall be kept on file at all times.

e. Auxiliary Accounts. (New 10/15).

The college has student clubs and services that are self-supporting entities which exist principally to furnish goods or services to students, staff, faculty, and administration. These clubs and services charge a fee for the delivery of goods or services. Auxiliary services are not subject to the College Finance Policy and Procedures. Auxiliary Accounts and Services have been delegated to the Dean of Student Services.

The auxiliary services of Little Big Horn College include:

- 1) The student clubs officially established under the Division of Student Affairs
- 2) The College Cafeteria located in the Student Union Building
- 3) The LBHC Athletic Department

f. Construction Accounts and Loans. (New 10/15).

All construction financing is to be reviewed by the Board of Trustees. The college may have construction projects to expand the campus facilities, and this may require loans, grants or other forms of financing. The process for this begins with the LBHC construction planning committee. After funds are identified and obtained the resulting agreements, memorandum of understanding and other legal documents are packaged for review by Board of Trustees. All financial transactions are run through LBHC finance with over view by the Chief Financial Officer.

The Dean of Administration is responsible for all campus construction and expansion.

Section 10 - Office of Sponsored Programs

a. Purpose.

The purpose of the Office of Sponsored Programs is to oversee all grants awarded to the College regarding compliance and financial accountability.

b. New Grants.

The formal process has been established and must be followed when applying for a grant.

- **Meet with Dean, President and Sponsored Programs Officer:** When the Request for Proposal is issued, a meeting needs to occur with the Dean, Finance and President. The College needs to ensure that the requirements of the grant can be accomplished and are in agreement with the vision statement of the College.

- Once this is approved a review of the grant and each person needs to sign off on the grant. The Dean will be responsible for knowing the scope of the grant and ensuring the grant is following the mission of the College. The Sponsored Programs Officer is responsible to ensure the budget is in line with the needs of the College. The President has the final approval of the grant.

c. Grant Documentation.

Each grant needs to contain the following information:

- Placement of the grant and personnel on the College organizational chart.
- Integrated Postsecondary Educational System (IPEDS) placement. See Glossary for definition.
- In-kind- how much and what type is to be used (if applicable).
- Abstract – a brief summary of the grant and objectives that the grant needs to accomplish.
- Catalog of Federal Domestic Awards (CFDA) number. This number must be used to report each federal grant on the audit.
- Amount of the grant. Please make sure this number matches the award. Not all money asked for is received and the budget must reflect this change.
- Duration of the grant. The grant documents indicate the duration of the grant whether it is a year or multi-year grant period.
- Indirect – Is indirect allowed on the grant and at what rate? The College sends in an indirect cost proposal each year to be negotiated and accepted by our cognizant agency. A copy of the proposal and rate may be obtained from the Chief Financial Officer. The College manages grants and contracts that have indirect costs as a line item in the budget. Indirect costs are under the control of regulations.
- Reporting requirements – A brief summary on when financial and programmatic reports are due.
- This form will be included in the proposal file and once the grant is awarded it will become part of the grant file and used for quick reference.

d. The Grant Award.

d-1. Notification of College Offices.

Once the grant is awarded the principal investigator must e-mail or notify business personnel, human resources, deans and all interested personnel of the official award. All originals must be in the grant file in the Finance Office.

d-2. Finance Office Grant Documents.

It is the program directors responsibility to make sure all pertinent correspondence and original documentation is filed in the Finance Office. Of greatest importance are the award letter and budget.

d-3. Grants Accounting and Monitoring.

d-4. Accounts Set Up. The sponsored programs officer will review the budget and set up the proper accounts in the accounting system. Five days from the receipt of the official Federal Assistance Award is needed in order to setup the accounts on the accounting system.

d-5. **Access to Jenzabar.** The program director needs to get rights to Jenzabar, the institutional records system, and at the initial meeting with the grants manager they will go over the process to view all the program's accounts on the system. See the Glossary for the description of Jenzabar.

d-6. **Official Grant Budget.** The sponsored programs officer will go over the budget, account numbers and handout a spreadsheet of the official budget. The budget does not always use the same exact names and accounts as the grant. Some programs have anywhere from ten to one hundred line items. All these line items cannot be put into the general ledger on the system. The spreadsheet is to serve as a basis to reconcile printouts from the actual accounting system. After the sponsored programs officer initially sets up the spreadsheet in Excel, it is the responsibility of the program director to maintain and upkeep the figures.

d-7. **Accounts Corrections.** If at any time a figure is in the system incorrectly, it is the responsibility of the program director to immediately inform the Chief Finance Officer by e-mail or in writing to make the correction. Each program is given the opportunity to reconcile before the year end and before the audit is completed. Once the audit is completed, no changes will be made.

d-8. **Grant Monitoring.** Monthly meetings will be setup with the sponsored programs officer during the first week of the month. During this meeting reconciling with the budget should occur along with a narrative of upcoming events. This is to help prepare for the events and make people aware of things that need to be processed. If an event is going to occur the Dean needs to sign off on the occasion. If a program director fails to attend the monthly meeting, a memo will be sent to the Dean. These meetings are important to keep abreast of the progress of each grant.

e. Retention of financial records.

All financial records shall be maintained for a period of seven years. All current and last fiscal year information will be stored in the Finance Office. Any years prior will be placed in storage and labeled by fiscal year. A record retention guide is available upon request.

f. Retention of grant records.

All records both financial and programmatic, pertaining to a grant, shall be retained for three years after the official end date of the grant. All grants that have ended within the last fiscal year shall be stored in the Finance Office. Any previous grants will be labeled and placed in storage until the destroy date.

g. Fixed Asset Account Group.

A list of fixed assets must be maintained in the Finance Office and/or CPA's. Type, serial number, description, location, date acquired, cost and useful life.

h. Inventory.

Once a year, an inventory shall be conducted and completed by June 1st. A list of program inventory shall be placed in the grant file. It is the responsibility of the director to maintain and update this list.

i. Property Losses.

If an item is stolen, a police report needs to be filed immediately. The original police report will be attached to the inventory list in the grant file in the Finance Office.

Section 11 - Student Billing

a. Purpose.

The purpose of the Student Billing Office is to oversee the bookstore, student billing and distribution of student funds.

b. Financial Aid Awards.

Student Billing receives from the Financial Aid notices of student awards, i.e. scholarships, grants, institutional and federal work study.

c. Institutional Work Study.

Students who are unable to receive financial aid may sign up with the financial aid office to work off the student bill. Only tuition can be worked off through Institutional Work Study. The student is still responsible for fees and books. The student's account will be credited with the hours worked and paid at the rate of student employment wage. Financial aid will place students in the college offices and programs in which they are needed. Supervisors sign off on timesheets and provide them to the Financial Aid Office. Financial aid sends a memo to the Student Billing Office; then credits the student account and returns a receipt memo.

d. Book orders.

All book order forms must be completed and submitted by faculty members in a timely manner. Department Heads will order books for adjunct faculty. Incomplete book orders will be returned unprocessed until the order form is complete. Book orders should be turned in as soon as possible to deter the expense of overnight shipping and prevent delays in book delivery to students. All book orders must go through the Bookstore Clerk. Faculty members may not order books directly. If this occurs, the faculty member is responsible for payment of the order.

Faculty members are responsible for ordering instructor's manuals, and are required to go through the Dean of Academics.

e. Students Receive Books.

Students will be asked to turn in their schedule to the Bookstore and the books will be ready for pickup in a timely manner. When the student picks up books they must sign their schedule attesting they have received the books listed. If books are not in, the student will be asked to come back and must sign off when picking up the additional book. After all calculations are made on the cost of the books, the bookstore clerk manually enters in the book charges for each student. Once a student picks up a book, they will not be able to return the book unless they drop the class on or before the add/drop deadline each semester, or in the event the class is cancelled.

f. Disbursement of student checks.

The Finance Office will receive the paperwork for student awards by Monday at noon no later than the seventh week of classes. The financial aid report, referred to as the FAM, trial goes through Financial Aid and the actual award is done through Student Billing. The actual FAM report will post amounts to student accounts. Student Billing will printout detail and verify the credit balance. The Finance Office will process tuition refunds through the student refund process. Student financial aid and scholarships will be applied to the student's current and previous bill with the exception of Pell Grant.

g. Tuition Waiver. (Revised 10/15).

A tuition waiver is available to college employees, board members and senior citizens, for one class per semester. The waivers applications may be obtained from the financial aid office. Once the waiver is complete the financial aid office will provide a memo and the student billing clerk will make the adjustment to the student's account. Only the cost of tuition may be waived. Student is still liable for all fees and books. The tuition waiver must be submitted to the financial aid office within the current semester of registration.

h. Tuition free classes.

With approval from the Dean of Academics, a qualified person offering a tuition free class must notify the Registrar/Admissions Office along with the Financial Aid Office. The Registrar will then inform the student billing clerk. A completed list of all tuition free classes is due in the Finance Office at the end of each semester from the Registrar/Admissions Office. Any instructor or program director offering such classes must adhere to this process. Student's accounts need to be reflective of the most accurate and up to date information.

i. Payroll deductions.

Employees who have student bills for tuition may sign up for a payroll deduction from the payroll officer. Payroll deduction will be a minimum of \$25.00. All students working for the College, in any capacity, with an outstanding student bill, must make arrangements for a payroll deduction.

j. Student Bills.

Any student with a current or past due bill of \$1500.00 or more will not be able to register for classes without paying their bill or setting up a deferred payment plan. A deferred payment plan breaks down the amount of the bill into four or eight equal parts with payment times throughout the semester. Payment on the deferred payment plan will be monitored each month by the student billing clerk throughout the semester. If a student has not made payment they will be asked to promptly provide for payment or be withdrawn from classes. If the student wishes to enroll at a later date, the student's bill must be paid in full. Every attempt should be made and documented by the student to secure financial aid assistance.

k. Transcripts and Diplomas.

Little Big Horn College official transcripts & diplomas will not be released to students or on their behalf without full payment of a student's bill.

GLOSSARY OF TERMS

Accrual Accounting – An accounting method whereby revenues and expenses are identified with specific periods of time, such as month, and are recorded when they are earned or incurred without regard to the date of receipt or payment of cash. (e.g. when supplies are ordered or when employees actually perform the work), instead of when they are paid.

Allowable Costs – Those charges to an award that the Federal awarding agency determines to be allowable in accordance with the applicable Federal cost principles or other terms and conditions contained in the Federal Assistance Award.

Audit Finding – Deficiencies that the auditor is required by A-133 to report in the schedule of findings and questioned costs.

Award – Financial assistance that provides support to accomplish a purpose.

Budget – A plan for spending money to reach certain goals and provide certain services within a given timeframe. The budget serves as the description of how funding will be spent to implement the goals and objectives specified in the grant application.

Budget Period – The annual 12-month, or other, interval of time into which the project is divided for budgetary and funding purposes.

Cash Disbursement Journal – Record of checks that are written.

Cash Receipts Journal – Record of all deposits that are made.

Carry-over balance (COB) – the unobligated funds of the grantee from a previous funding period under a grant that are authorized for use to cover allowable costs in a current funding period.

CFDA Number – The number assigned to a Federal program in the Catalog of Federal Domestic Assistance.

Chart of Accounts – List of each item that the accounting system tracks and acts as the table of contents to the general ledger.

Corrective Action Plan – Action taken that corrects identified deficiencies, produces recommended improvements or demonstrated that audit findings are invalid or do not warrant action.

Cost Allocation – A documented method for equitably assigning costs incurred by multiple funding sources working in a collaborative arrangement.

Disallowance – A determination that funds expended were unallowable based on applicable regulations or Office of Management & Budget (OMB) Circulars, the terms and conditions of the grant award.

Equipment – Any article of tangible, nonexpendable, property having a useful life of more than one year and an acquisition cost of \$5000.00 or more per unit or any property that is considered sensitive in nature.

Encumbered – when an asset is owned by one party subject to the legal claims of another party.

Encumbrance – is government accounting, an encumbrance is an anticipated expenditure, or funds restricted for anticipated expenditures, such as for outstanding purchase orders.

Grantee – Entity that receives financial assistance in the form of a grant directly from the Federal government.

Internal Controls – A process that helps to ensure efficiency, control over all funds, and compliance with all applicable regulations.

IPEDS – Integrated Postsecondary Education Data System. Required reporting for all postsecondary institutions. Finance reports on the individual expenses by category: Instruction, Academic Support, Research, Public Service, Student Services, Institutional Support, Auxiliary Enterprises, Scholarships and Fellowships, Independent Operations and Operation and Maintenance.

- Instruction – expenditures for both credit & non-credit activities. General education, preparatory and adult basic education and remedial and tutorial instruction conducted by the teaching faculty for the institution’s students.
- Research – funds expended for activities specifically organized to produce research outcomes and commissioned by an agency either external to the institution or separately budgeted by an organizational unit within the institution.
- Public Service – funds budgeted specifically for public service and expended for activities established primarily to provide non-instructional services beneficial to groups external to the institution. Examples are seminars and projects provided to particular sectors of the community.
- Academic Support – support services that are an integral part of the institution’s primary mission of instruction, research, or public service. Include expenditures for libraries, museums, audio/visual services, academic computing support, academic administration, personnel development, and course and curriculum development.
- Student Services – funds expended for admissions, registrar activities, and activities whose primary purpose is to contribute to student’s emotional and physical well-being and to their intellectual, cultural, and social development outside the context of the formal instruction program.
- Institutional Support – expenditures for the day-to-day operational support of the institution. Include expenditures for general administrative services, executive direction and planning, legal and fiscal operations, and public relations/development.
- Auxiliary Enterprises – those self-supporting operations of the institution that exist to furnish a service to students, faculty, or staff and that charge a fee that is directly related to, although not necessarily equal to, the cost of the service. Example: Bookstore
- Scholarships and Fellowships – expenditures given in the form of outright grants and trainee stipends to individuals enrolled in formal course work, wither for credit or non-credit.
- Independent Operations – funds expended for operations that are independent of or unrelated to the primary missions of the institution, although they may contribute indirectly to the enhancement of these programs.

- Operation and Maintenance – all expenditures for operations established to provide service and maintenance related to grounds and facilities used for educational and general purposes. Also include expenditures for utilities, fire protection, property insurance and similar items.

Jenzabar – Is a higher education management software platform designed to meet administrative and academic workflows and institutional policies.

No Cost Extension – A request for additional time (not added dollars) to complete the objectives beyond the project period. Approval must be in writing and in place ***before*** the expiration of the project period.

Obligation – A legally binding agreement between two parties for purchase of services, supplies or equipment. Examples include purchase orders and contracts.

OMB Cost Principles – Circulars A-21, A-87 and A-122 provide guidance to allowability of costs.

Payroll Journal – Records all payroll-related transactions.

Prior Approval – The written permission provided by the authorized granting official before the recipient may undertake certain activities.

Program Income – Gross income received by the grantee that was directly generated by the supported activity or earned as a result of the grant.

Questioned Cost – Cost that is questioned as allowable by the auditor or the Federal agency because of an audit finding that resulted from a violation or possible violation of a law or regulation. These costs also occur when they are not supported by adequate documentation or where the costs incurred appear unreasonable and do not reflect the actions a prudent person would take in the circumstances.

Unliquidated Obligations – Federal funds available minus all obligations.

Vendor – Entity providing goods or services that are required for the fulfillment of objectives of a grant.

Prior Approval – Written permission provided by the authorized granting official before the grantee may undertake certain activities.

Project Period – Total time stated on the Financial Assistance Award document (including amendments) for which Federal support is approved.

Period of Availability – Grantees may charge to the grant award only allowable costs resulting from obligations incurred during the funding period. Funds awarded remain available for obligation at any time during the budget period with the following exceptions:

- Grant funds may not be used for obligations or expenditures made prior to the beginning date of an initial grant for a new project unless pre-award costs are specifically provided for with written approval from the awarding document.
- Grantees may not obligate grant funds to conduct project activities after the grant funding period.
- Funds remaining at the end of one annual budget period may not be used as carryover to pay for obligations incurred during a subsequent budget period unless prior written approval is granted for a no cost extension.

Attachment 2 – Board Manual – Sections on Financial matters – page 7 of the Manual

B. GOVERNING BOARD DUTIES AND FUNCTIONS (p 6)

The functions and duties of the Little Big Horn College Board of Trustees are:

1. Clarifying the institution's mission
2. Promulgating long range plans
3. Developing the physical plant
4. Ensuring financial solvency
5. Establishing an adequate board organization
6. Appointing, supporting, and monitoring presidential performance
7. Developing educational programs
8. Bolstering student relationships
9. Serving as a court of appeal

H. SUB-COMMITTEES (p 7)

After the annual election of officers, the Board members will volunteer to the following standing sub-committees for the duration of their term:

- Academic/Curriculum Sub-committee
- Facilities/Construction Sub-committee
- Budget/Finance Sub-committee
- Policy/Elections Sub-committee
- Personnel Sub-committee

Special Ad-Hoc Committees may be appointed at any time by the Chair for specific tasks agreed upon by the Board.

It is the specific duty of a sub-committee to meet and prepare a narrative report to the full

Board recommending Board action on any item referred to that sub-committee for review.

Sub-committees are not allowed to take official board action. They are to make recommendations, unless otherwise specified by the Board, by official Board action or in any policy set by the Board.

- Finance/Budget Sub-committee: (p 8)
 - Review all financial matters and budgets prior to submitting to the Board.
 - Make recommendations to the Board concerning each annual budget.
 - Oversee and monitor the fiscal expenditure of the College as specified in the Charter and By-Laws.
 - Review proposed budget revisions requested by the College administration prior to submission to the Board for action.
 - Review and meet timelines related to budget and finance.

S. BOARD DUTIES AND RESPONSIBILITIES

3. CAPITAL OUTLAY: The Board shall: (p 12)

- a. Act on recommendations of the President for the physical plant development and equipment.
 - b. Act on recommendations of the President for repairs and maintenance of buildings, grounds, and equipment.
 - c. The Board will assist on the long-range campus plan and facility development.
6. BUDGET: The Board shall: (p 13)
- a. Approve the annual operating budget.
 - b. Approve the annual capital budget.
 - c. Approve all auxiliary budgets.
 - d. Review projected College budgets.
 - e. Assist in presenting the needs of the College to the public and in the adoption, through the formulated budget process.
7. FINANCES: The Board shall: (p13)
- 7.1 Review financial reports on a systematic, periodic basis, including all audit reports, as they are available.
 - 7.2 Establish necessary policies to assure proper accounting of College funds, Student Association funds, and any other funds under College supervision.
 - 7.3 Provide for an annual audit of all College funds and any other funds under College supervision.
 - 7.4 Approve appropriate standing resolutions that authorize the Chair of the Board to act as signatory for the College as required; to wit: designation of depositories for College funds and authorization for borrowing funds on short-term notes.

Attachment 3 - LBHC Ad Hoc Report October 2015

Section 5.0 Financial Indicators LBHC Performance Report December 2014

5.0 Financial Indicators

5.1 *Congressional Allocation FY 2011-12 compared to other Academic Years.

Little Big Horn College receives support for educational operations from the Tribally Controlled Community Colleges and Universities Assistance Act, PL 95-471, 1978. This chart overviews the annual appropriations for four fiscal years, FY 2011 to FY 2014.

Fiscal Year	FY 2011	FY 2012	FY 2013	FY 2014
TCCCU to LBHC	\$1,785,040.00	\$2,239,150.00	\$1,976,780.00	\$2,235,370.00

5.2 *Percent Distribution of Core Revenues by Source FY 2011 & FY 2013 (IPEDS Figure 14)

Table 5.2 Percent Distribution of Core Revenues by Source FY 2011 & FY 2013 IPEDS Figure 1.4

Core Revenues	Little Big Horn College FY 2011	TCU's 2011 N=22	Little Big Horn College FY 2013	TCU's 2013 N=24
1. Tuition and Fees	9%	6%	430/2%	7%
2. State Appropriations	0	0	0	0%
3. Local Appropriations	0	0	0	0%
4. Government Grants & Contracts	56%	68%	18,594/70%	71%
5. Private gifts, grants, contracts	2%	3%	0	1%
6. Investment Return	1%	0	1,063/4%	0%
7. Other core revenues	32%	12%	6.406/24%	8%

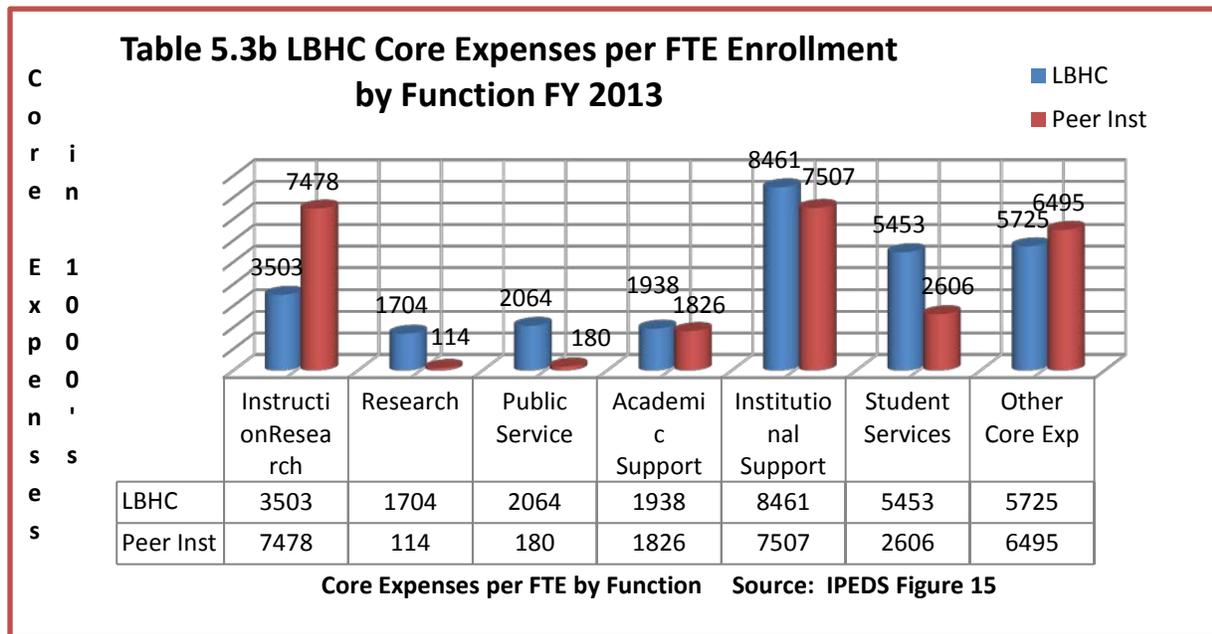
“Core revenues for public institutions reporting under GASB standards include tuition and fees; state and local appropriations; government grants and contracts; private gifts, grants, and contracts; sales and services of educational activities; investment income; other operating and non-operating sources; and other revenues and additions. “

5. 3a and 5.3b *Core expenses per FTE enrollment, by function (IPEDS Figure 15).

In FY 2013 Little Big Horn College exceeded peer institutions in the Core Expenses per FTE enrollment for the functions Research; Public Services, and Student Services. Other Core Expenses, Academic Support and Institutional Support are comparable to amounts per FTE at peer TCU institutions. The LBHC Instruction function is below that of peer institutions.

Table 5.3a Core Expenses per FTE Enrollment, by Function	Peer TCU's FY 2013 n=33	Little Big Horn College FY 2011	Little Big Horn College FY 2012	Little Big Horn College FY 2013

Instruction	7478/29%	2545	2670/9%	3503 or 12%
Research	114/0%	2200	2407/8%	1704 or 6%
Public Service	180/1%	1270	1602/5%	2064 or 7%
Academic Support	1826/7%	1892	2000/6%	1938 or 7%
Institutional Support	7507/29%	6771	8712/28%	8461 or 29%
Student Services	2606/10%	3240	9405/30%	5453 or 19%
Other core expenses	6495/25%	4908	4411/14%	5725 or 20%



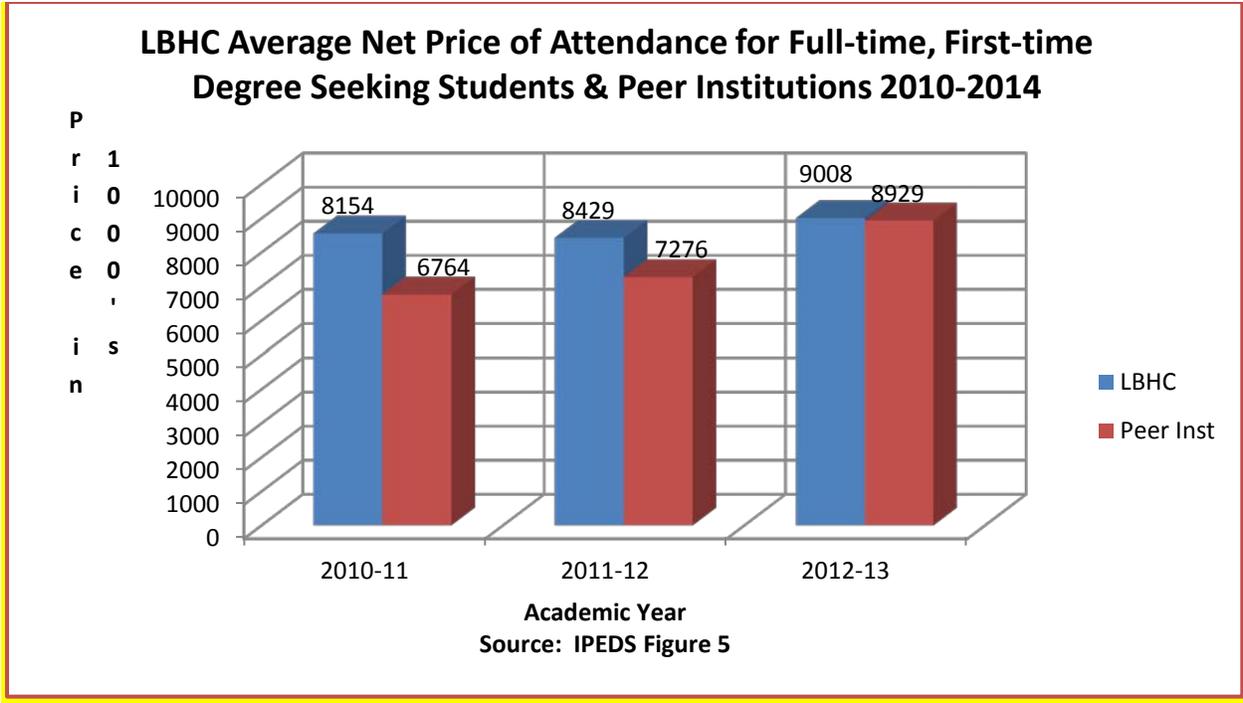
5.4a. *Average Salaries of Full-time Instructional Staff Equated to 9 Month Contracts.

Figure 13 – IPEDS shows the average salaries of full-time instructional staff equated to 9 month contracts by academic rank. For all ranks:

- Little Big Horn College has an average instructional staff salary of \$32,079 (76% of peer average); peer TCU's have an average salary of \$41,975.
- In the Academic Year 2012-13 and 2013-14 Little Big Horn College has an average instructional staff salary of \$34,074; peer institutions average instructor salary was \$42,696.

5.5 *Average Net Price of Attendance for Full-time, First-time Degree Seeking Undergraduate Students 2010-11, 2011-12, 2012-13 and 2013-14 (IPEDS Figure 5).

IPEDS Figure 5 indicates the average net price of attendance for full-time, first-time degree & certificate seeking undergraduate students receiving grant or scholarship aid: 2010-11, 2011-12, 2012-13 and 2013-14..



5.6 *Academic year tuition and required fees for full-time, first-time degree seeking undergraduates, (IPEDS Figure 4).

