Section II - Organizational Section

FISCAL YEAR | 2010 2011

COMMITMENT | RESPECT | EXCELLENCE | ACCOUNTABILITY | DIVERSITY

Richland Community College

II. ORGANIZATIONAL SECTION

RICHLAND COMMUNITY COLLEGE
DISTRICT # 537

Principal Officials as of July 1, 2010

Board of Trustees

Name	Position	Term Expires
Amy Bliefnick	Chair	2013
Dale Colee	Vice Chair	2013
Bruce Campbell	Secretary	2011
Emmett Sefton	Trustee	2015
Rev. Wayne Dunning	Trustee	2011
Dr. Larry W. Osborne	Trustee	2011
Randy Prince	Trustee	2015
Leah Dinh	Student Trustee	2011

Executive Staff of the College

Dr. Gayle Saunders	President
Lisa Gregory	Executive Director of Public Information and Chief of Staff
Greg E. Florian	Vice President, Finance and Administration
Dr. Tod Treat	Vice President, Student and Academic Services
Dr. Douglas Brauer	Vice President, Economic Development and Innovative Workforce Solutions

OUR VISION, MISSION AND CORE VALUES

VISION

To be the premier source for education, workforce training, partnerships, and economic development. (Reaffirmed 2009)

MISSION

To provide innovative educational environments, opportunities, and experiences that enable individuals, communities, and the region to grow, thrive, and prosper.

CORE VALUES

Richland has endeavored to identify its Core Values through a series of reflective activities conducted initially through College-wide evaluations and then through the work of a Continuous Improvement Process team. In the spring of 2003, the College adopted five core values: **C**ommitment**, R**espect, **E**xcellence, **A**ccountability, and **D**iversity.

STATEMENT OF PURPOSE

Through the Vision, Mission and Core Values, Richland Community College will improve the quality of life in Central Illinois by actively serving the educational needs of the people, organizations, and institutions it serves. The College pledges to provide equal access to education and training for all citizens regardless of race, age, sex, religion, national origin, ethnic background or disability.

For the purpose of improving the quality of life for the residents of the District, Richland offers the following programs and services:

- The first two years of a baccalaureate, transfer education;
- Occupational/Technical courses, certificates and degrees leading directly to work;
- Basic educational courses and programs designed to prepare students to engage in college study;
- Continuing and community education courses and programs to encourage lifelong learning;
- Student development programs to assist in developing educational and career goals;
- Academic support programs which are supplemental to teaching and learning;
- Community education activities which contribute to the growth and enrichment of the students in the community; and
- Community service programs that establish linkages with business, industry, and government for the purpose of promoting economic growth and well being in Central Illinois.

HISTORY, LOCATION AND DEMOGRAPHICS

HISTORY

1971 – The Community College of Decatur is established by referendum as a comprehensive two-year institution and is housed in a vacated bank building in downtown Decatur, Illinois. A Board of Trustees is to be the ruling body that governs the College.

1975 – The College is re-named Richland Community College to better represent the College's expanded district parameters.

1979 – Richland expands and moves to a new location in an industrial park – a temporary site while a permanent facility is planned.

1980 – Richland Community College Foundation is established.

1984 – Voters approve a bond referendum for the construction of a permanent site.

1988 – Richland relocates to a newly constructed campus offering 151,000 square feet on the Northeast corner of Decatur, Illinois. First classes were held in September.

1991 – The Weidenbacher Greenhouse is constructed and ready for classes.

1992 – The Shilling Community Education Center is built onto the existing permanent structure, adding an additional square footage of 44,600.

2001 – Dr. Gayle Saunders becomes first female President of Richland Community College.

2002 – Two additional wings are added to the campus. The Schrodt Health Education Center and the Industrial Technology wing add 50,000 square feet to the College.

2005 – Richland opens classrooms at the new Hope Academy Center, 1050 E. Sangamon, Decatur IL 62521. The Brush College, LLC, is created and the first Farm Progress Show is held at Progress City USA.

2007 – Richland hosts the Farm Progress Show in Progress City, USA. The ground is broken for the Early Childhood Classroom and Fitness Center.

2007 – The Agribusiness and Occupational Technology Center is dedicated in November.

2008 – In February, The Agribusiness and Occupational Technology Center is renamed the Dwayne O. Andreas Agribusiness Education Center.

2008 – The Compease job classification and compensation system is implemented by the College during the summer.

2008 – Ground was broken for the Center for Sustainability and Innovation in September.

2008 – The Fitness Center opened in its new location in the fall.

2009 – In January the Fairview Park Plaza Center opened as a site for credit and non-credit classes.

2009 – The Adele P. Glenn Academy of Early Childhood Education was dedicated in April.

2009 – The Center for Sustainability and Innovation opened in July.

2009 – In August, the wind turbine started operation; it was dedicated in September.

2009 – In September, Richland hosted the third Farm Progress Show

LOCATION

Located in Decatur, Illinois, the College serves an eight-county district with a population of approximately 134,000. Three hours from Chicago, Illinois, and two hours from St. Louis, Missouri, the College is centrally located within Illinois. The primary campus encompasses 155 acres. The College also operates an attendance center in Clinton, Illinois, which is roughly 25 miles north of the main campus, an attendance center in the Fairview Park Plaza Center and the RCC Hope Academy Center in conjunction with Decatur School District # 61.

The District is home to a variety of regional and international companies including Archer Daniels Midland, Caterpillar, Tate & Lyle, Pittsburgh Plate Glass and Ameren IP. Decatur is the corporate headquarters for Archer Daniels Midland Company, recognized as a leader in applied agricultural research. While much of the District's focus is on manufacturing, nearly half of all businesses fall within the service sector, including health care.

The College also is centrally located to a variety of four-year universities and colleges where Richland graduates can further pursue a baccalaureate degree. In addition to Millikin University, a private university located in the city of Decatur, the College also is within a one-hour drive from three public universities – the University of Illinois at Urbana Champaign, the University of Illinois at Springfield, and Illinois State University. Private universities in the area include Illinois Wesleyan University, Lincoln College, Lincoln Christian College and Springfield College in Illinois.

DEMOGRAPHICS

Counties: Of the 8 counties touched by Richland's services, Macon County and DeWitt County provide the largest residence base. 93% of Richland's students come from Macon County and DeWitt County. The other counties in District #537 include Christian, Piatt, Logan, Sangamon, Moultrie, and Shelby.

Population: In 2005, Richland's District included a population base of 133,743. This is a decrease of about 3% from the year 2000; this is somewhat better than the prior ten-year decrease of nearly 8%. Of the eleven K-12 school districts within Richland's population base, the top five account for

nearly 83% of Richland's population base. The two largest school districts experienced a decrease in population between 2000 and 2005 of roughly 4,000 residents or approximately 4.5%.

Employment/Unemployment: The three major industries in the area are 1) educational, health and social services, 2) manufacturing, and 3) retail trade. From 2000 to 2005, Macon County experienced over 3600 job losses mostly resulting from plant closings within the manufacturing sector. This change has had a direct impact on the population decline within the District. It is estimated that there will be 377 job openings per year within 23 different occupations through 2016. Health Diagnosis/Treatment Practitioners and Food and Beverage Servers top the list with 36 projected annual openings each; Primary and Secondary Teachers come in second with 29 annual openings. The next two categories include Registered Nurses and Motor Vehicle Operators, both with over 20 projected annual openings. These projections, taken from the Illinois Department of Employment Security's Economic Information and Analysis Division, are utilized when making decisions about future program offerings at Richland.

From 1980 to 2000, the unemployment rate in the region decreased from approximately 11% to 5.2% and it remained fairly constant through midyear 2007. Since midyear 2007 the unemployment rate has steadily increased to 13.8% as of March 2010. This pattern is similar to that of the State and the nation. Historically, unemployment rates have an impact on student enrollments in that when unemployment is high, community colleges experience an increase in student enrollments and when unemployment declines, enrollments decrease. Richland Community College has certainly seen that pattern during FY10 with credit hours increasing by 13%.

Education: As reflected in the data from Richland's Environmental Scan for 2007, the percentage of the population in Richland's District with a high school diploma has grown from 75% in 1990 to 87% in 2005. Similarly, the percentage with an Associate's degree or higher has grown from 14% in 1990 to 30% in 2005. The high school percentages are slightly above those of the State and the nation, but at the Associate's degree-level education percentages lag behind the State's 36.3% and the nation's 34.6%. These figures suggest that Richland has a growing pool of available students.

Financial Aid: Financial aid and scholarship awards for FY09 totaled $4.5 million distributed to 3,682 students. In FY 08 financial aid and scholarship awards totaled $4.2 million distributed to 1,891 students. Award levels and the number of recipients had been declining since FY03 when enrollments and financial aid awards peaked. The past two years have seen double digit increases in the number of students applying and being awarded financial aid. This indicates an increasing reliance of the District's students on financial aid for higher education.

According to national statistics on persons below poverty level, there was a .9 increase in the national poverty rate from 12.4% in 2000 to 13.3% in 2005. For Macon County the increase was higher, rising 2.2 percentage points from 12.9% in 2000 to 15.1% in 2005.

Student Body: Richland experienced the highest enrollments in its history in FY03 with total certified credit hours reaching 69,778. Since that time enrollments have fallen back to a level of 67,932 certified credit hours for FY09. Certified credit hours are projected to exceed the totals from FY 03 in FY10 due to increases in displaced workers over the past year and the need for retraining of this workforce. The FY11 budget is based on Certified Credit Hours equaling FY 10.

Richland runs numerous programs through the Illinois Department of Corrections. In FY01 the certified credit hours attributed to Corrections programs were 3,442 and by FY09 those hours had increased to 10,018.

The Richland District includes 20 public and private high schools. Annually about 25% of all graduates at these high schools enroll at Richland Community College.

The Fall 2009 headcount and full-time equivalency were 3,595 and 2,077 respectively, as compared to 3,284 and 1,793 for Fall 2008. For 2009, the average Richland student was a 27-year-old white female. The ratio of part-time to full-time students was 63/36 and female to male students was 59/41. Roughly 79.2% of the student body is white while 17.5% is African American and the remaining 3.3% is comprised of other ethnic groups.

The majority (70.9%) of Richland's students attend classes during the day, with the remainder attending in the evening and on weekends or online. With virtually no change from the prior year, approximately 25% of the students work less than 29 hours per week and 25% are employed for 30 or more hours per week.

Faculty/Staff: In the fall of 2009, Richland had 231 full-time employees. Of this, 96 are faculty, 46 administrative, and the remainder is support personnel. The ethnicity of the faculty and staff included 22 African Americans, 1 Native American, and 3 Hispanics. The average age of all full-time employees was 51. 64% of the College's full-time employees are females compared to 36% males.

The College also has 231 part-time employees. Adjunct faculty accounted for 163 of the part-timers and the ethnicity of part-time employees included 12 African Americans, 1 Native American, and 4 Hispanics. The average age of part-time staff was 47, slightly lower than for full-time staff. The gender difference was 43% males and 57% females.

Organizational: The Organizational Section includes two Organization Charts. The first chart represents Richland from a student-centered focus with instruction, activities and support functions emanating out from students. The second chart presents the College's reporting lines.

Physical Facilities Square Footage:

Main Campus – Original	150,966
Shilling Center	44,607
Agricultural / Maintenance	12,876
Schrodt Health Education Center	25,570
Industrial Technology Center	23,550
Andreas Agribusiness Ed Center	17,861
Center for Sustainability and Innovation	14,680
Fitness Center / Child Dev. Classroom	3,500
TOTAL	293,610

GOALS, OBJECTIVES & ACCREDITATION

RICHLAND'S VISION – THE STRATEGIC PLAN

In February 2008, The Richland Community College Board of Trustees approved the 2008-2011 Strategic Plan. The development process involves two separate but interconnected phases: an Environmental Scan and the formulation of a Strategic Plan.

The Environmental Scan is a snapshot of Richland Community College and internal and external influences. In January 2007, President Saunders convened the Environmental Scan Team, comprised of stakeholders representing Human Resources, faculty, Business Services, and other key areas of the College. The Scan includes three sections: an external section, an internal section, and a section on teaching and learning. The Team examined trends over the past ten years and identified opportunities and challenges that might affect Richland Community College in the future.

In September 2007, President Saunders convened a team of College stakeholders to serve on the Strategic Planning Team. The Team's charge was to create a strategic plan to guide the College's actions and initiatives in meeting the vision and mission of Richland Community College and reflecting the core values of the College. The Team included stakeholders from across the College including faculty, deans, Campus Life, Technical Services, Marketing, Financial Aid, Student and Academic Services, and Finance and Administration.

The Strategic Plan consists of three main goals: teaching and learning, collaborative relationships, and institutional operations. From these, sub-goals and the strategies for achieving them were developed along with measurement outcomes to assess them. The concept of sustainability is a new component of this Strategic Plan and is a guiding principle for the inclusion of strategies and actions.

The Strategic Plan is updated annually and priorities assigned to various areas of the College. The priorities are included in the budget.

Incorporated below is a synopsis and budget implications of the Strategic Plan.

Goal 1: To enhance strengthen, and advance TEACHING AND LEARNING.

Strategy A: Improve the effectiveness of programs and services that support and/or enhance student success.
Strategy B: Improve the effectiveness of programs and services that support and/or enhance college preparedness.
Strategy C: Enhance and expand a global perspective within the curriculum.
Strategy D: Align curriculum with local, regional and global stakeholders' needs.
Strategy E: Enhance alternative methods of curriculum delivery to meet student needs.

Budget Implications – Most of these tasks are ongoing for the College and as such are already a component of each year's operating fund budget. The FY 2011 budget

for Institutional Effectiveness is $42,825. This budget supports various activities designed to improve the quality of the instruction at Richland. The budget for Academic Support and Student Services combined is funded at over $2.1 million for FY 2011. These programs are vital in supporting and/or enhancing student success and college preparedness. (Strategy A, Strategy B, and Strategy D. Also see Goal 3 – Strategy E)

The budget includes money to continue developing programs for the retraining of displaced workers to address the needs of the local area. Resources are also being utilized to continue to develop programs to support the College's initiatives toward retention, persistence and academic effectiveness. (Strategy A, Strategy B, and Strategy D)

The budget reflects several new activities by the College designed to align curriculum with local, regional and global stakeholders' needs. These include the continuing development of a Bio-fuels Technician program, the development of a new math lab that will address the needs of students in remedial math courses and speed up the time required by these students to complete the remedial courses and be prepared to succeed in college level math courses and the expansion of the Online Learning Program. In addition, the budget includes money to support the Fairview Park Plaza Learning Center, the Hope Academy Center and the Clinton Center to provide students with alternative sites for classes. The budget includes money to begin the accreditation process for our Medical Coding program and to hire an RHIT certified instructor to ensure that students can obtain the necessary certification upon graduation to compete in the marketplace. (Strategy D and Strategy E)

Goal 2: To enhance, strengthen, and advance Collaborative Relationships.

Strategy A: Cultivate and enhance external partnerships that support teaching and learning and that promote a seamless transition to College.
Strategy B: Cultivate and enhance external partnerships for workforce training and economic development that promote employment opportunities.
Strategy C: Increase activities that build a positive sense of community for current students, alumni and friends, and the District.

Budget Implications – Depending upon the specific activity designated to an area, budget implications are either nominal or enhanced. Division Deans are given development funds within their budgets and are expected to prioritize staff training requests to utilize these funds in the best interests of the College and in keeping with the goals identified in the Strategic Plan.

The Fiscal Year 2011 budget includes funding to continue the dual credit courses at area high schools to encourage students to get an early start on their college educations. (Strategy A and Strategy C)

The College has applied for LEED certification for our new Center for Sustainability and Innovation that was opened during FY10. This facility promotes sustainability and has helped build a collaborative relationship with the University of Illinois. The budget includes funds to continue the operation of this facility and to start non-credit classes in the upstairs portion of the building. (Strategy B and Strategy C)

Approximately $13,000 is included in the FY 2011 budget specifically to promote Diversity, one of Richland's Core Values, through training programs and materials. The Diversity Conference is a drive-in conference designed for professionals in higher education, public education, business and industry, and social service agencies. The College supports the Conference through attendees and in-kind resources. (Strategy A and Strategy C)

The budget includes resources to continue a minority internship program the College developed and implemented to promote opportunities for positions within and outside of the College. (Strategy B)

The Richland Community College Foundation supports the College through development activities including conducting a major gifts campaign and ongoing solicitation of charitable gifts to support scholarships, facilities, faculty, technology, equipment and program development. Publication of a quarterly newsletter promotes giving opportunities and includes both donor and alumni features. Cultivation of donors is a primary activity and involves hosting groups and individuals on campus for luncheons or dinners along with general or specific tours. Individual scholarship donors are invited to meet the students helped by their generosity. An annual scholarship reception brings students, families, and donors together to celebrate. Outreach to alumni occurs through newsletters and regularly scheduled activities that target alumni. The Eichenauer Scholarship Dinner raises funds for Culinary Arts scholarships, and the annual golf outing supports specific projects identified by College staff. The FY 11 budget includes over $90,000 in general donations and $120,000 for specific capital needs. The Foundation provides over $400,000 in scholarships annually to approximately 300 students. (Strategy B and Strategy C)

The College signed a Cooperative Agreement with Parkland College to add Equine Management, Dental Hygiene, and Automotive Collision Repair. This agreement saves the College significant dollars by allowing our students' access to these programs without having to pay charge backs to Parkland College. The continuing expansion of the Bio-fuels Technician program is one of the specific initiatives included in this budget to cultivate and enhance external partnerships for workforce training and economic development that promote employment opportunities. (Strategy B and Strategy C)

Goal 3: To enhance, strengthen, and advance College Operations.

Strategy A: Ensure sustainability of the College's human resources.
Strategy B: Enhance processes that promote financial sustainability.
Strategy C: Increase effectiveness of institutional infrastructure.
Strategy D: Promote awareness of RCC programs and services.
Strategy E: Enhance processes that measure the effectiveness of Richland Community College.

Budget Implications – Approximately $340,000 of unrestricted funds, grants and Foundation donations have been budgeted for equipment purchases, and hardware and software updates to technology in this budget. The College has made it a priority to make sure that our students are trained on the best equipment feasible. We have budgeted over $100,000 to upgrade computers in many areas of the College and have budgeted $40,000 to purchase the components to allow our students to build and repair computers. This will ensure that our students are trained in the latest computer technology to enhance their opportunities for employment upon completion of their education. In addition, we have included $30,000 in the FY11 budget to develop an improved website for current students, future students and the general public. (Strategy B and Strategy C)

During FY 2008 the College hired a consultant to work with College Administration in evaluating the need for adjustments in the College's current pay classification system. The evaluation has been completed, and this budget includes the cost of making additional pay scale adjustments in FY 2011. Adjustments to the pay system are expected to occur over the next several years as the College strives to make its compensation package more equitable and adjust certain positions closer to a market rate salary. (Strategy A)

The FY 2011 budget includes $440,000 in Capital Projects Funds that will assist in increasing the effectiveness of Richland's institutional infrastructure. (Strategy C)

Approximately $380,000 is budgeted for Marketing staff and activities, with $145,000 designated specifically to advertising costs. These funds are crucial in promoting the awareness of Richland's programs and services. (Strategy D)

ACCREDITATION & IMPROVEMENT INITIATIVES

Accreditation – Richland's accreditation is based on the Academic Quality Improvement Program (AQIP) model through the Higher Learning Commission. Named for its focus, AQIP allows the College to self-assess and identify opportunities for comprehensive improvement. The College's initial accreditation using AQIP was obtained for an initial seven years (through 2007). The AQIP reaffirmation of accreditation is based on the institution's commitment to and success in quality processes, and performance results of those processes as evidenced through AQIP interactions. Once accepted into the AQIP system, a community college must complete a Strategy Forum, a Systems Portfolio, and annual updates. During the initial seven-year period the College was required to undertake and complete several "vital few" action projects that exhibit dynamic opportunities for improvements within the institution and engage its employees.

In April 2008, the Higher Learning Commission reaffirmed the accreditation of Richland Community College through the Academic Quality Improvement Program (AQIP) through 2014. The reaccreditation review was conducted by a peer review team that focused on the activities of the College over the past seven years. The review focused on five criteria: Mission and Integrity; Preparing for the Future; Student Learning and Effective Teaching; Acquisition, Discovery and Application of Knowledge; and Engagement and Service. The review team concluded that Richland Community College met the five criteria and no areas were identified for follow-up review.

Upon adoption of the AQIP model, College employees received training in the processes and tools needed to develop successful continuous improvement techniques, teams and projects. New employees continue to receive training in order to qualify for participation on any of the AQIP teams. AQIP teams are formed as needs are identified, and teams are comprised of volunteering employees that work to generate specific solutions or improvements to College processes. When teams conclude their activities, they submit a document detailing their analysis, recommendations and conclusions.

CQIN - Richland Community College was accepted as a member of the Continuous Quality Improvement Network (CQIN) in 2003. CQIN is a group of organizations, institutions and companies committed to enhancing the quality of higher education through the sharing of best practices, training in quality processes, and advocacy of results-oriented educational and management practices. During FY 2008 Richland participated in CQIN WIRED, which focused on development of a curriculum on innovation skills. During FY 2011 the College will participate in the CQIN Summer Institute, "Achieving Performance Excellence: Accountability, Alignment, and Integration" focusing on the Malcolm Baldrige Excellence Award criteria.

BUDGET AND FINANCIAL INFORMATION

Basis of Accounting

The College follows generally accepted accounting principles of the United States as set forth in the Governmental Accounting Standards Board (GASB) Codification and as applicable to colleges and universities. As such, the modified accrual basis of accounting is used, whereby revenues are recognized when measurable and available, and expenditures (other than interest on long-term debt) are generally recognized when the liability is incurred.

For budgetary purposes and financial reporting, summer session revenues and expenditures are deferred and reported in the succeeding fiscal year in which the program is predominantly conducted. This is considered an immaterial difference from accrual accounting primarily because it is consistently applied from year to year.

The College operates on a fiscal year ending June 30th. In accordance with the GASB statement #33, the College's Board of Trustees adopts a property tax levy in December of each year, which explicitly links such property taxes to the fiscal year beginning the following July. On June 30th, the financial statements reflect property taxes receivable and deferred property tax revenues for the prior calendar year as well as one-half of the current calendar year.

In fiscal year 2004, the College implemented several new GASB pronouncements that resulted in the financial statements being presented in a comprehensive single-column format combining all funds of the College. It is intended to facilitate a better understanding of College operations by presenting financial information in a format more typically used by business entities.

Basis of Budgeting

The College follows a cash basis for budgetary purposes, which differs from generally accepted accounting principles (GAAP) as follows: 1) For budgetary purposes, encumbrances are recorded as expenditures but are reflected as reservations of Fund Balance for GAAP purposes. 2) For GAAP purposes, and as stipulated by GASB 24, the College reports retirement contributions made by the State of Illinois on behalf of the College as both a revenue and expenditure; however, such contributions are not reflected within the budget. 3) Though budgeted, capital expenditures will be eliminated from the statement of revenues, expenses and changes in net assets, and depreciation expense will instead be reflected. 4) Internal service and intra-agency (primarily student financial aid used to fund tuition) revenue and expenditures, while budgeted, will be eliminated for financial reporting.

In developing the budget, the College follows a balanced budget approach. For Richland this is defined as a budget for which all expected cash expenditures are covered by anticipated cash receipts. Cash receipts may include current year revenues or other sources of funds such as Fund Balance Appropriations. When Fund Balance Appropriations are used to balance the budget, year-end audited financial statements will reflect a deficit for accounting purposes. This is because Fund Balance appropriations are not technically considered Revenues in accounting terms; rather they are

Assets arising from excess revenues earned in prior years. However, for budgeting purposes, these funds represent sources which can be used to cover certain uses.

The Fund Balances held by the College are a measure of the fiscal health of those funds and generate interest which can be utilized to support routine operating expenses. In determining whether it is appropriate to use Fund Balances as sources in the budget, management must critically examine the need and the long-term financial impact to the College. Circumstances that would justify utilizing Fund Balances to balance the budget may include any one of the following: 1) Funds received in one year are restricted for a specific purpose or project for which some of the expenses were carried over into subsequent periods. 2) An emergent need or non-controllable expenditure item is forecast for which no other source of funds is available to cover the expenditure, and the Fund Balance is not restricted from being used for this purposes. 3) The Fund Balance has increased over time and management has made a conscientious decision to use these funds for a specific purpose that is consistent with the long-term Strategic Goals and the financial objectives of the College.

Fund Groups

For budgetary control and to comply with legal regulations, the College's accounts are organized into funds and account groups, each of which is considered a separate accounting entity. Expenditures within each fund are further delineated by function and object to more fully reflect the planned activities of the fund.

The College adopts legal budgets for all Governmental Fund types except the Capital Projects Fund.

Fund Type	Fund	Fund #
Governmental		
General	Education	01
	Operations and Maintenance	02
Special Revenue	Restricted Purpose	06
	Audit	11
	Liability, Protection and Settlement	12
Debt Service Fund	Bond and Interest	04
Capital Projects Fund	Operations and Maintenance (Restricted)	03
Proprietary	Auxiliary Enterprise	05
Fiduciary	Trust and Agency	10
	Working Cash	07
Account Groups	General Fixed Asset	08
	General Long Term Debt	09

Budgeting Process

In developing the annual budget, Richland incorporates a team-based approach that includes all of the individuals who have responsibility for budget control or administration. The budget process follows a general pattern that may vary slightly from one year to the next depending on experiences learned in prior budget years, on the needs and preferences of the participants involved, and on time constraints. For the development of the fiscal year 2011 budget, the process started in February with the approval of the Budget Calendar, prepared by the Director of Budgeting. This document was distributed to all of the designated Budget Managers and laid out the specific dates for the planning and submission of budget requests. A copy of the Budget Calendar is included at the end of the Organizational Section.

Revenues were reviewed by the Director of Budgeting and the Vice President of Finance and Administration and updated for the forthcoming year in conjunction with the ongoing five-year planning projections and preliminary review of current data. As part of the updating process, tuition and fee rates were reviewed, enrollment trends were analyzed, and State budget allocations were monitored for changes. From the projected revenues, the Budget Managers were given general guidelines to use in formulating their requests. For request submissions, Budget Managers were given the option of using standardized electronic forms or using their own format, as long as all relevant data was included.

The budget requests were initially submitted to the budget manager's Vice President or the President for review and approval. Meetings were conducted for each Division to review the major components of that Division's overall budget. The meetings were attended by the Dean responsible for the given Division, the Vice President of Student and Academic Services, the Director of Budgeting, and the Vice President of Finance and Administration. Following these meetings, the Director of Budgeting did further analysis of the projected expenditures and worked with the Deans individually making necessary adjustments for errors, inconsistencies, or known resource limitations. When the initial data was compiled, a budget deficit existed, creating the need for further reductions in planned spending. This was accomplished by a thorough analysis of the historical expense pattern in general ledger accounts, and a focused attempt to reduce non-essential discretionary budgets items.

Following this analysis, the data was entered into and compiled by the College's budgeting software. A draft of the Budget was reviewed by the President, Vice Presidents, Director of Budgeting, and Director of Accounting to determine if the Budget was representative of the goals and initiatives of the College. Final adjustments were made to incorporate additional components or initiatives that were identified during the review processes and to reallocate the required resource in order to balance the budget. This was facilitated through discussions with the budget managers, Director of Budgeting, Vice Presidents and President until the budget was balanced.

The Vice President of Finance and Administration presented the Tentative Budget to the Board of Trustees at its May Board Meeting as an informational item for discussion. As required by State statute, the Tentative Budget was also placed on public display in the Business Services Office for a minimum of 30 days prior to a public hearing and adoption of the Final Budget, which is set to occur at the June 2010, Board of Trustees Meeting.

Expenditure Controls

Overall responsibility for budget management lies with the Vice President of Finance and Administration. Day-to-day oversight is the responsibility of the Director of Budgeting.

Budget Managers – All Funds of the College are divided into Cost or Responsibility Centers. A budget manager is assigned to each Center and has authority for approving expenditures from this Center.

Requisitions – Expenditures are generally processed via a Requisition form. Once approved by the Budget Manager, the requisition flows to several other individuals for approval. Deans, Vice Presidents, the President and other high-level Administrators all sign off on requisitions for their areas of responsibility. Additionally, the Director of Budgeting approves the funding availability and account coding, and the Director of Purchasing approves that bidding requirements and other legal restrictions have been met.

Purchase Orders – Once a requisition contains all necessary approvals, it goes to the Purchasing Office where a Purchase Order is created. All Purchase Orders and their supporting documentation go to the Vice President of Finance and Administration for final approval.

Purchasing Cards – There has been a significant reduction in purchasing cards with a select group of individuals in the divisions receiving them. End-of-the-month reconciliations are submitted by each cardholder to the Business Office.

Encumbrances – Once Purchase Orders are approved, they are encumbered against the current year's funds. Encumbrances reduce the balance of budgetary funds available for future expenditures. While salaries cannot currently be encumbered, several other controls exist to prevent over-expenditure in these areas.

Budget Transfers – Because a budget is only a plan, it is usually necessary to allow transfers between line items during the year. This maintains the budget as a viable working plan and also helps to monitor the overall status of budget funds and the extent to which they have been appropriately authorized. Working within the guidelines/regulations noted below, all budget transfers also follow a similar approval process to the Requisition. The primary difference is that the Director of Purchasing does not approve any of these; the President must approve all transfers involving salary lines, and the Director of Budgeting and Vice President of Finance and Administration must approve all.

Management Information Reports - Each month, budget managers receive financial reports from the Director of Accounting detailing current and year-to-date expenditures, encumbrances, and original and remainder budget balances for each account in their various centers of responsibility. These reports reflect both function and object perspectives. Budget transfers made during the month are also reflected.

Detailed budgetary financial reports are prepared monthly for the Board of Trustees. These reports include comparisons by fund of actual expenditures against budgets by function and object; revenue receipts against budget; total salary commitments against budget; and cash and investment balances.

Additionally, the report includes a listing of bills paid by fund. The Board is asked to review and approve these monthly reports.

The monitoring of revenue is a crucial component of the management of the budget. In the event of an unexpected decline in revenue, certain non-essential expenses would be the first to be identified and frozen to insure a balanced budget at year-end. This requires the cooperation and assistance of all budget managers in keeping purchase requisitions limited to only those items which are essential for the provision of services.

Additionally, day-to-day operations require the use of various management information reports by the Director of Budgeting, the Director of Accounting, and Vice President of Finance and Administration. All budget managers have daily access to an on-line database query of the detail of expenditures and budget transactions under their control.

Financial and Budgetary Guidelines

In addition to Richland's (RCC) policies and procedures, major aspects of budgeting and finance are prescribed by the Illinois Public Community College Act, and the Illinois Community College Board (ICCB). Synopses of these guidelines are listed below.

RCC FINANCIAL POLICIES

2.1.1 Budget Adoption, Amendment and Transfer

The Board of Trustees of Richland Community College will adopt an annual budget within the first quarter of each fiscal year. The fiscal year will be from July 1 through June 30 of each year. The annual budget will be adopted in accordance with Illinois Revised Statutes, Chapter 122, Paragraph 103-20.1 and said budget shall contain a statement of cash on hand at the beginning of the fiscal year, an estimate of cash revenues to be received during the fiscal year, and estimate of expenditures contemplated for the fiscal year, and a statement of estimated cash on hand at the end of the fiscal year. The Board may from time to time make transfers between the various items in any fund as long as that transfer does not exceed an aggregate of 10% of the total of said fund as set forth in the budget. If the total should exceed 10%, the Board may proceed to amend said budget with the same procedure used for adoption of the original budget.

In order to carry out the entire educational program of the District, the Board, in accordance with the Illinois Revised Statutes noted above, has established the following policies:

2.2.1 Fiscal Year

The fiscal year for Richland Community College shall begin on the first day of July of each year and end on the following 30th of June.

2.2.2 Financial Reports

It is the function of the Business Office to issue appropriate monthly financial reports.

2.2.3 Annual Budget

An annual budget shall be developed in compliance with all applicable laws. The budget shall be considered as an estimate of revenue to be earned as well as a controlled spending plan for the ensuing year. Staff participation in the budgeting process shall be encouraged at all times.

2.2.4 Accounting System

The modified accrual method shall be used in the accounting system of the College.

2.2.5 Budget Transfers

Each year, the Board of Trustees adopts an annual budget in accordance with the State of Illinois Revised Statutes. The total budget for any fund supported by property taxes cannot be amended by an amount greater than 10% without proceeding through a new adoption procedure. The President is hereby authorized to implement procedures for and approve budget transfers within any given fund. The Board of Trustees shall be informed of all interfund transfers on a monthly basis through the regular financial reports. An increase to the total amount of an adopted budget shall require the approval of the Board of Trustees.

Additionally, revised statute 103-20.1 provides for transfers between the various items in any fund supported by property taxes to not exceed in the aggregate 10% of the total of such fund as set forth in the budget. Accordingly, Richland classifies budget items as salaries, employee benefits, contractual services, commodities, travel, fixed charges, capital outlay, and other expenses. Thus, the 10% rule would apply to transfers between any of these major categories. Budget transfers within any of these categories are not considered under the 10%. Further, contingency accounts would not be subject to the 10% rule since these are non-allocated funds.

2.2.6 Invoices

The Board of Trustees shall authorize the establishment of revolving funds to be used for the purpose of paying the bills of the College. Such revolving funds shall comply with the Illinois Public Community College Act.

2.2.7 (C.8) Banking and Investments – Management (Partial Only)

The College Treasurer and College Director of Accounting are authorized to purchase and sell investments, authorize wire transfers, authorize the release of pledged collateral, and execute any documents required under this procedure.

2.3.1 Purchase of Supplies, Materials, and Equipment

It is the policy of the Richland Community College Board of Trustees to provide needed supplies, materials, equipment and contracts for work to support the educational programs of the College District through the use of sound, efficient, and effective purchasing procedures, which are in compliance with Illinois Community College Board Regulations.

All purchases and other procurements of equipment or services shall be processed through one central purchasing office so that all acquisitions and transactions can be effectively controlled and monitored. It is important that all decisions in awarding contracts or purchase orders be made without prejudice or favoritism. Awards shall be made on the objectively determined merits of each acquisition action such as vendor compliance with specifications, compatibility of the item, price, delivery deadline, service, and other terms and conditions. The Board supports a policy of not knowingly entering into any purchase commitment which would result in a conflict of interest. Accordingly, no purchase contract or order shall be executed with a person or entity having influence over the purchase or procurement decision.

The Board authorizes the College administration to award contracts in accordance with the Illinois Public Community College Act, 110 ILCS 805/1 et. seq. The Board charges the administration with the responsibility for and the Board delegates the administration the authority to develop appropriate guidelines, regulations and procedures to implement this policy.

ICCB REGULATIONS

Annual Budget

The budget is a controlled plan to be used in implementing the philosophy and the objectives of the college. Its development should involve maximum participation and, therefore, the aims and objectives of the college should be reflected at each level.

Colleges are encouraged to use either of the following budgetary formats: line-item appropriation or program budgeting in conjunction with program performance budgeting (PPB), or zero-based budgeting (ZBB). However, a budgetary crosswalk may be necessary to complete the line-item appropriation by function budget required by the ICCB.

Each local Board of Trustees must adopt a budget for each fiscal year within or before the first quarter of each fiscal year. Moreover, a tentative budget must be available for public inspection for at least 30 days, or ten days for community college districts in cities of over 500,000 inhabitants, prior to final adoption; and at least one public hearing must be held on the tentative budget.

It is anticipated that each district will develop an expanded operational budget that is more detailed than the budget required by the ICCB. Care should be taken that any budget adopted by the local Board of Trustees meets the requirements of Section 3-20.1 of the *Public Community College Act* for community college districts in cities with less than 500,000 inhabitants or Sections 7-8 through 7-16 for other community college districts.

> The budget shall contain a statement of the cash on hand at the beginning of the fiscal year, an estimate of the cash expected to be received during such fiscal year from all sources, an estimate of the expenditures contemplated for such fiscal year, and a statement of the estimated cash expected to be on hand at the end of such year. The estimate of taxes to be received may be based upon the amount of actual cash receipts that may reasonably be expected by the district during such fiscal year, estimated from the experience of the district in prior years and with due regard for other circumstances that may substantially affect such receipts. (Section-3-20.1)
>
> The budget shall set forth estimates, by classes, of all current assets and liabilities of each fund of the board as of the beginning of the fiscal year, and the amounts of those assets estimated to be available for appropriation in that year, either for expenditures or charges to be made or incurred during that year or for liabilities unpaid at the beginning thereof. Estimates of taxes to be received from the levies of prior years shall be net, after deducting amounts estimated to be sufficient to cover the loss and cost of collecting those taxes and also deferred collections thereof and abatements in the amount of those taxes extended or to be extended upon the collector's books. (Section 7-9)

The local Boards of Trustees of community college districts in cities of less than 500,000 inhabitants may transfer among budgeted items in a fund, providing that all transfers do not

exceed 10 percent of the total of such fund as set forth in the budget. The local Board of Trustees also may amend the budget by using the same procedure as the original adoption.

One copy of the annual budget in the format prescribed shall be filed with the ICCB no later than October 15.

Certificate of Tax Levy

The language for the Certificate of Tax Levy suggested by Section 3-20.5 of the *Public Community College Act* is included in this section. This certificate must be filed with each county clerk on or before the last Tuesday in December. A copy of the certificate, along with each county clerk's verification of the levy, should be filed with the ICCB no later than January 31. In addition to the adopted annual budget, each college must file with each county clerk, within 30 days of its adoption, the local board's budget resolution and a certified summary of anticipated revenues for the fiscal year. Failure to file these documents authorizes the county clerk to refuse to extend the district's tax levy. Suggested forms for the budget resolution and the summary of anticipated revenues are included as part of this section.

Moreover, when a district levies more than 105 percent of the previous year's tax extensions, the district must have at least one public hearing which may not coincide with the hearing on the tentative budget. The notice must fulfill the following requirements:

> The notice shall appear no more than 14 days nor less than 7 days prior to the date of the public hearing. The notice shall be no less than one eighth page in size, and the smallest type used shall be twelve point and shall be enclosed in a black border no less than 1/4 inch wide. The notice shall not be placed in that portion of the newspaper where legal notices and classified advertisements appear. The notice shall state in plain and simple language the following information: (1) the legal name of the taxing district; (2) the commonly known name of the taxing district; (3) the amount of property taxes, exclusive of election costs, extended or estimated to be extended on behalf of the taxing district for the preceding year; (4) the amount of the proposed levy, exclusive of election costs, for the current year; (5) the percentage increase; and (6) the date, time and place of the public hearing concerning the proposed budget and the proposed levy increase. Such hearing may not coincide with the hearing on the proposed budget of the taxing district.
>
> Any notice which includes information substantially in excess of that specified and required by this Act shall be an invalid notice. (Chapter 120, Section 866)

Additionally, an amended Certificate of Tax Levy may be filed within ten days of notification from the county clerk of the multiplier providing such multipliers will alter the amount of revenue received by the district.

External Audit

Each district is required to submit three copies of its external audit to the ICCB by October 15 following the end of the fiscal year. Required schedules and recommended formats are detailed by the ICCB.

Annual Financial Report

Pursuant to Section 3-22.2 of the *Public Community College Act*, each district is required to publish a financial statement at least once annually prior to November 15 in a newspaper of general circulation in the district, and a copy of this publication must be filed with the ICCB by December 1.

Community College Treasurer's Bond

Each community college treasurer must be bonded. A copy of each bond must be filed with the county clerk(s) and the ICCB.

Requirements for Financial Transactions

The *Public Community College Act* and ICCB rules contain many financial requirements. Although several requirements are highlighted below, you are encouraged to review the *Public Community College Act* and ICCB rules.

Payment of Orders and Bills

The local Boards of Trustees of community college districts in cities of less than 500,000 inhabitants must approve payment of all bills showing to whom and for what purpose each payment is to be made and to what budgetary item each payment should be debited. The payment's purpose and budgetary line item can be shown by *Fiscal Management Manual* account codes. College staff should ensure that each item is properly charged to the correct account and that authority exists for such a transaction. For example, custodial salaries and utilities can be paid from the Operations and Maintenance Fund only upon resolution of the local Board of Trustees.

Bidding Policy

Section 3.27.1 of the *Public Community College Act* requires each district to let all contracts for supplies, materials, or work involving an expenditure in excess of $10,000 to the lowest responsible bidder after due advertisement, excluding the exceptions which are listed in Section 3-27.1 of the Act. The local board may adopt a more restrictive bidding policy.

THE PUBLIC ACT REGULATIONS

805/3-20.1. Adoption of annual budget--Contents--Fiscal year

Community college boards are required to adopt a budget before or within the first quarter of a new fiscal year. The budget must "...specify the objects and purposes of each item and amount needed for each object or purpose." The budget must contain a statement of cash on hand at the beginning of a fiscal year, an estimate of cash to be received and expended during the year, and an estimate of cash expected on hand at the end of the fiscal year. Nothing in this section is to be interpreted as a requirement for a district to change its basis or system of accounting. The Board is required to establish the fiscal year. The budget "...shall be prepared in tentative form by some person or persons designated by the board, and in such tentative form shall be made conveniently available to inspection for at least 30 days prior to final action thereon. At least one public hearing shall be held as to such budget prior to final action thereon." Districts are required to publish a notice of the availability of the budget for public inspection, and notice of the public hearing. Finally, this section authorizes the board to "...from time to time make transfers between the various items in any fund

not exceeding in the aggregate 10% of the total of such fund as set forth in the budget." The Board may amend the budget by following the same procedures for the original adoption outlined in this section.

805/3-20.2. Additional or supplemental budget

If the voters of a community college district approve an increase in the district's tax rate for the Education or Operations & Maintenance Funds after the budget for that period has been adopted, the board may adopt or pass a budget reflecting the supplemental or additional funds to be collected.

805/3-20.3. Expenses payable from taxes for operation and maintenance of facilities purposes and for purchase of college grounds--Educational fund

This section specifies expenditures that must be paid from the amount levied for Operations and Maintenance purposes. Included are "...obligations incurred for the improvement, maintenance, repair or benefit of buildings and property, including the cost of interior decorating and the installation, improvement, repair, replacement, and maintenance of building fixtures, for the rental of buildings and property for community college purposes..." Other expenditures are to be paid from the Educational Fund.

805/3-20.5. Determination of amount to be raised by tax for educational purposes and for operations and maintenance of facilities purposes--Certificate of tax levy

Each year, the college must determine the amount of funds to be raised by the tax levy for the ensuing year. These amounts must be certified by the board and submitted to the county clerk before the last Tuesday in December each year. Suggested language for the Certificate of Tax Levy is also included in this section.

805/3-20.6. Districts in two or more counties--Determination of amounts--Certificates of tax levy

If a college district lies in two or more counties, the certificate of tax levy must be filed with each of the county clerks within the district. Each county clerk is then to determine the portion of the district valuation that lies within the county, and provide this information to the county clerk where the institution is located. Based on the levy certification, the county clerk will determine the tax rates for all of the counties.

805/3-27. Payment of orders and bills--Revolving funds--Collection of funds

The Board may include in the authorized minutes a list of bills approved for payment, showing to whom and for what purpose the debt was incurred. This does not preclude the board from authorizing a voucher system, or other system in accordance with the State Board. The board may establish revolving funds, providing they are in the custody of a bonded employee and are subject to annual audit by a licensed public accountant.

805/2-27.1. Contracts

Contracts for the purchase of supplies, materials, or work exceeding $10,000 are awarded to the lowest responsible bidder considering conformity with specifications, terms of delivery, quality, and serviceability. Several exceptions to this rule are noted in this section, including (1) services of

individuals possessing a high degree of professional skill, (2) contracts for printing financial reports, (3) contracts for printing or engraving bonds or other debt instruments, (4) and many others as outlined in the statute. This section also includes procedures for awarding contracts through the sealed bid process.

805/3-33.5. Working Cash Fund--Monies derived from bonds--State and federal funds

Funds raised by the sale of Working Cash bonds must be maintained in a separate fund, and they are not to be appropriated in the annual budget. The Board may transfer from the Working Cash Fund in anticipation of the receipt of federal or state funds, but the debt to the Working Cash Fund must be satisfied.

805/3-33.6. Working Cash Fund--Transfers of monies--Abolition of fund

Transfers from the Working Cash Fund to the Education or Operations & Maintenance Fund may be made only by board resolution. This section also specifies the terms of such a resolution. The Board may also issue a resolution to abolish the Working Cash Fund and direct the Treasurer as to directing the transfer. If it is abolished, a district may not establish another Working Cash Fund without voter approval. Interest earned by the Fund may be transferred to the Education or Operations and Maintenance Fund by board resolution.

Commitment Respect Excellence Accountability Diversity

Richland Community College
Fiscal Year 2010-2011
Budget Calendar

February 16, 2010

- Board of Trustees considers a tuition increase proposal
- Board of Trustees approves Strategic Plan

February 22, 2010

- Budget forms available on Q - Drive (Q, RCC, RCC Forms, and Budget FY 2011)
- Budget calendar / available on the Q - Drive.
- Required Forms / Instructions available on Q - Drive
- Resource Availability Review Completed

February 26, 2010

- Budget overview presented to Budget Managers – Process, and Revenue Projections
- Budget forms distributed to Budget Managers
- Grant review begins / Business Office Accountant and Grant Managers

March 5, 2010

- All operating budget and equipment budget requests submitted to Vice Presidents and Business Office for review
- Grant managers turn in tentative budgets for ongoing grants to respective VP and business office for approval

March 8th – 12th, 2010

- Budget review meetings (Vice Presidents, Director of Budgeting, & Budget Managers)

March 15th-24th, 2010

- VPs review budget requests authorizing their inclusion in the Tentative Budget
- (March 15th) Dir of Budgeting to provide training for CARS budget entry, Budget Managers (or their designees) learn to enter annual budget requests directly into the CARS system. (N/A to Grant Managers)
- All operating and grant budget request are input into CARS budget module (deadline 3/24/10)
- Budget managers enter operating budgets
- Business office enters grant budgets

1st Week of April, 2010

- Revenue projections updated by VP/Dir of Budgeting and compared with total operating budget requests.
- Preliminary budget based on budget requests compiled/totaled by Business Office.
- President and Vice Presidents informed of initial results.

2nd Week of April, 2010

- President, VPs and Dir of Budgeting meet to discuss adjustments to balance budget.
- Revisions are made to requested budgets to balance revenues with requested expenditures.
- Preparation of Tentative Budget Document is started

May 3, 2010

- VPs review Tentative Budget with President for approval.

May 18, 2010

- Power Point / Presentation of Tentative Budget at Board of Trustees meeting.

May 13, 2010

- Legal notice of June budget hearing is submitted to be published by May 15th.
- Tentative Budget available for public display
- Tentative Budget mailed to Board Members

May 19th – 21st, 2010

- Final adjustments made for Projected FY 2011 Operating Revenues.
- Discussions begin with budget managers for any adjustments needed based on above.

May 25th – May 28th 2010

- Proposed changes to the Tentative Budget are approved by the President & VPs.
- Changes to Grant Budgets are input as needed.
- Preparation of the Final Budget document is developed

1st Week of June, 2010

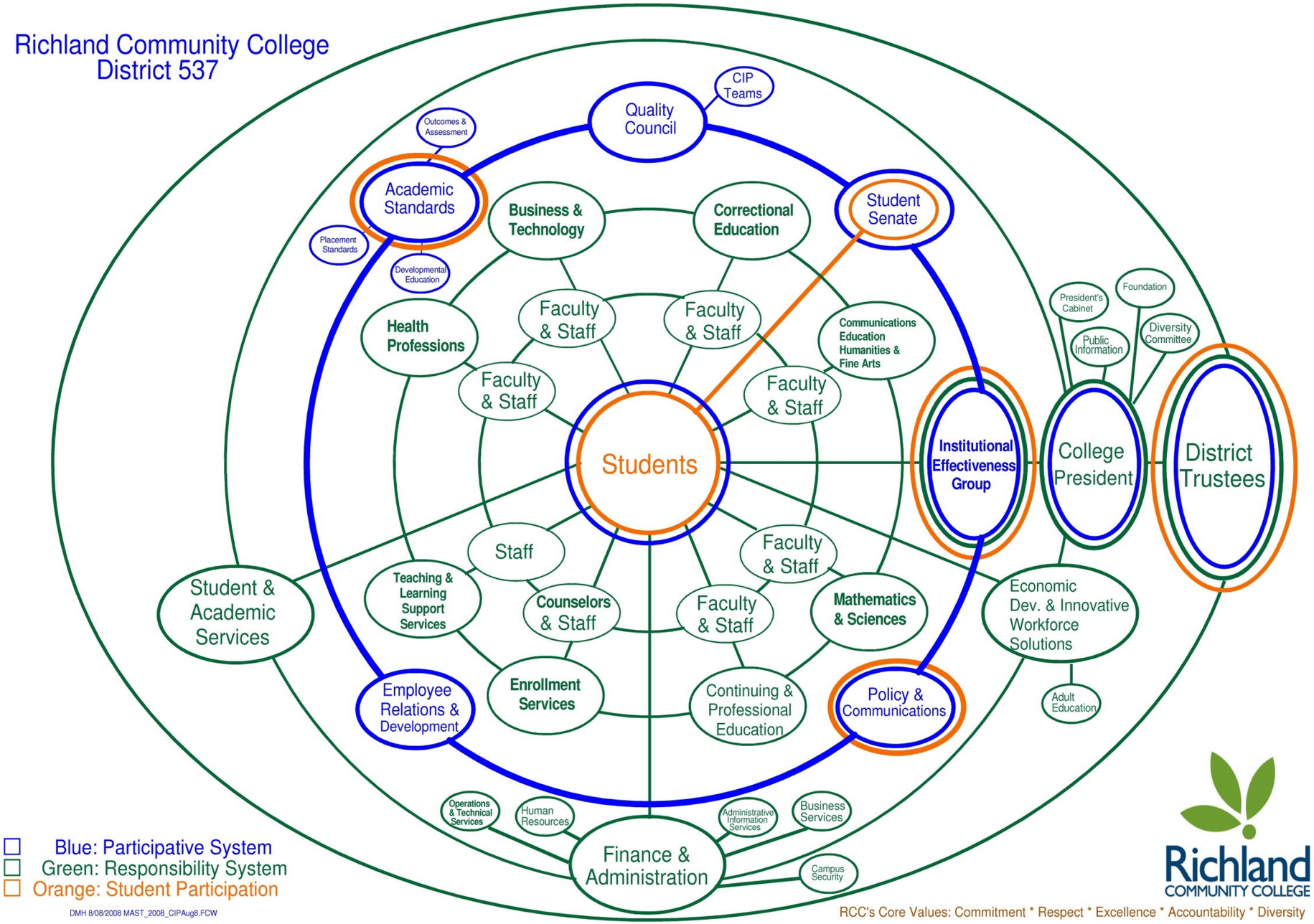
- Final Budget is approved by President

June 15, 2010

- Public hearing on the Final Budget.
- Presentation to the Board of Trustees of the Final Budget.
- Adoption of the Final Budget by the Board of Trustees.

June 16, 2010

- Copies of Final Budget filed with appropriate State and county offices.


Richland Community College
District 537
Quality Council
CIP Teams
Outcomes & Assessment
Academic Standards
Placement Standards
Developmental Education
Student Senate
Business & Technology
Correctional Education
Health Professions
Communications Education Humanities & Fine Arts
Faculty & Staff
Students
Institutional Effectiveness Group
College President
President's Cabinet
Foundation
Public Information
Diversity Committee
District Trustees
Staff
Student & Academic Services
Teaching & Learning Support Services
Counselors & Staff
Mathematics & Sciences
Economic Dev. & Innovative Workforce Solutions
Adult Education
Employee Relations & Development
Enrollment Services
Continuing & Professional Education
Policy & Communications
Operations & Technical Services
Human Resources
Administrative Information Services
Business Services
Finance & Administration
Campus Security
Blue: Participative System
Green: Responsibility System
Orange: Student Participation
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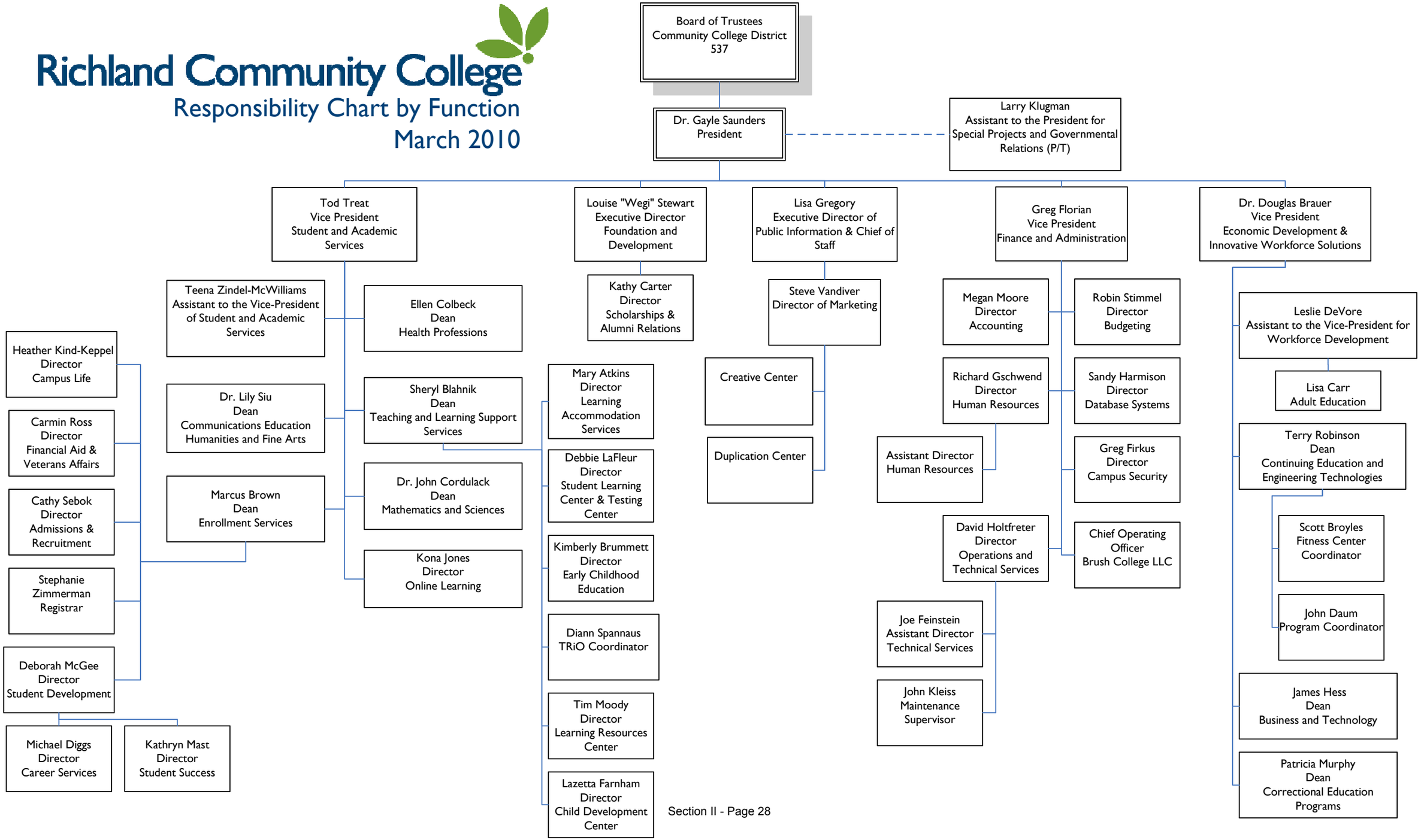
Richland
COMMUNITY COLLEGE
RCC's Core Values: Commitment * Respect * Excellence * Accountability * Diversity

Richland Community College

Responsibility Chart by Function

March 2010