

California Community Colleges

Sound Fiscal Management Self-Assessment Checklist

1. **Deficit Spending - Is this area acceptable? Yes / No**
 - Is the district spending within their revenue budget in the current year?
 - Has the district controlled deficit spending over multiple years?
 - Is deficit spending addressed by fund balance, ongoing revenue increases, or expenditure reductions?
 - Are district revenue estimates based upon past history?
 - Does the district automatically build in growth revenue estimates?
2. **Fund Balance – Is this area acceptable? Yes / No**
 - Is the district's fund balance stable or consistently increasing?
 - Is the fund balance increasing due to on-going revenue increases and/or expenditure reductions?
3. **Enrollment - Is this area acceptable? Yes / No**
 - Has the district's enrollment been increasing or stable for multiple years?
 - Are the district's enrollment projections updated at least semiannually?
 - Are staffing adjustments consistent with the enrollment trends?
 - Does the district analyze enrollment and full time equivalent students (FTES) data?
 - Does the district track historical data to establish future trends between P-1 and annual for projection purposes?
 - Has the district avoided stabilization funding?
4. **Unrestricted General Fund Balance – Is this area acceptable? Yes / No**
 - Is the district's unrestricted general fund balance consistently maintained at or above the recommended minimum prudent level (5% of the total unrestricted general fund expenditures)?
 - Is the district's unrestricted fund balance maintained throughout the year?
5. **Cash Flow Borrowing - Is this area acceptable? Yes / No**
 - Can the district manage its cash flow without interfund borrowing?
 - Is the district repaying TRANS and/or borrowed funds within the required statutory period?
6. **Bargaining Agreements - Is this area acceptable? Yes / No**
 - Has the district settled bargaining agreements within new revenue sources during the past three years?
 - Did the district conduct a pre-settlement analysis identifying an ongoing revenue source to support the agreement?
 - Did the district correctly identify the related costs?
 - Did the district address budget reductions necessary to sustain the total compensation increase?
7. **Unrestricted General Fund Staffing - Is this area acceptable? Yes / No**
 - Is the district ensuring it is not using one-time funds to pay for permanent staff or other ongoing expenses?
 - Is the percentage of district general fund budget allocated to salaries and benefits at or less than the statewide average (i.e. the statewide average for 2003-04 is 85%)?

8. **Internal Controls** - Is this area acceptable? **Yes / No**
- Does the district have adequate internal controls to insure the integrity of the general ledger?
 - Does the district have adequate internal controls to safeguard the district's assets?
9. **Management Information Systems** - Is this area acceptable? **Yes / No**
- Is the district data accurate and timely?
 - Are the county and state reports filed in a timely manner?
 - Are key fiscal reports readily available and understandable?
10. **Position Control** - Is this area acceptable? **Yes / No**
- Is position control integrated with payroll?
 - Does the district control unauthorized hiring?
 - Does the district have controls over part-time academic staff hiring?
11. **Budget Monitoring** - Is this area acceptable? **Yes / No**
- Is there sufficient consideration to the budget, related to long-term bargaining agreements?
 - Are budget revisions completed in a timely manner?
 - Does the district openly discuss the impact of budget revisions at the board level?
 - Are budget revisions made or confirmed by the board in a timely manner after the collective bargaining agreements are ratified?
 - Has the district's long-term debt decreased from the prior fiscal year?
 - Has the district identified the repayment sources for the long-term debt?
 - Does the district compile annualized revenue and expenditure projections throughout the year?
12. **Retiree Health Benefits** - Is this area acceptable? **Yes / No**
- Has the district completed an actuarial calculation to determine the unfunded liability?
 - Does the district have a plan for addressing the retiree benefits liabilities?
13. **Leadership/Stability** - Is this area acceptable? **Yes / No**
- Has the district experienced recent turnover in its management team (including the Chief Executive Officer, Chief Business Officer, and Board of Trustees)?
14. **District Liability** - Is this area acceptable? **Yes / No**
- Has the district performed the proper legal analysis regarding potential lawsuits that may require the district to maintain increased reserve levels?
 - Has the district set up contingent liabilities for anticipated settlements, legal fees, etc?
15. **Reporting** - Is this area acceptable? **Yes / No**
- Has the district filed the annual audit report with the System Office on a timely basis?
 - Has the district taken appropriate actions to address material findings cited in their annual audit report?
 - Has the district met the requirements of the 50 percent law?
 - Have the Quarterly Financial Status Reports (CCFS-311Q), Annual Financial and Budget Reports (CCFS-311), and Apportionment Attendance Reports (CCFS-320) been submitted to the System Office on or before the stated deadlines?