

COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE

Section: BOT 400 – Finance	Date Approved: December 20, 2007 Effective Date: January 1, 2008 Amended Date:
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410 Financial Planning

State law (RSA 188-F:6) delegates to the Board of Trustees "... The management and control of all the property and affairs of the Community College System, all of its colleges, divisions and departments.." In addition, (RSA 188-F 6 IV – XII) delegates a number of general authorities in the financial affairs area including, but not limited to the:

- Acceptance of legacies and gifts
- Acceptance of funds from all sources, including financial aid
- Preparation of the biennial budget.
- Preparation of the biennial capital budget
- Receipt, expenditure, allocation and transfer of funds
- Investment of current and reserve funds
- Establishment and collection of tuition, room, board and other fees
- Authority to enter into contracts, leases and other arrangements
- Acquisition of supplies, materials and services
- Acquisition of property, land, buildings and equipment.

411 Trustee Delegation of Authority

The Board of Trustees delegates to its Executive Committee authority for development and coordination of all strategic planning.

The Board of Trustees delegates to its Finance and Audit Committee the responsibility for overseeing of fiscal policies related to long range planning and budgeting.

The Board of Trustees delegates to the Chancellor responsibility for administration of these financial policies and for preparation and presentation of such studies, reports, information and recommendations as are deemed necessary for the proper and effective exercise of the Board's fiduciary responsibilities.

412 General Policy Concerning Financial Planning

The CCSNH and its constituent institutions shall engage in long-range financial planning to continually assess whether projected revenues and expenses are in balance and sufficient to meet stated missions and goals. The Board of Trustees shall be periodically advised as to these estimates and make appropriate adjustments to policies, procedures, and/or practices in order to provide for fiscally responsible operations over the longer term. As a minimum, the CCSNH will develop a tactical plan for each biennial period that coincides with the state funding request cycle. These plans will reflect priorities and positions articulated in system wide and campus strategic planning documents.

420 Operating Budgets

State law (RSA 188-F:6, VI) provides authority for the Board of Trustees to “prepare and adopt a biennial operating budget for presentation to the Governor and the General Court.”

421 Trustee Delegation of Authority

The Board of Trustees shall approve a biennial operating budget for presentation to the Governor and General Court. The Board of Trustees shall also approve an annual operating budget including associated tuition rates and student fees.

The Board of Trustees delegates to the Finance and Audit Committee the responsibility and authority for:

- Review and recommendation to the Board of the proposed biennial operating and capital budget requests.
- Approval of the annual operating budgets of the Colleges and the System Office.
- Approval of major current year budget adjustments and/or transfers.
- Review and recommendation to the Board of funds to be expended from System or College lapse accounts.
- Review and recommendation to the Board of funds to be expended from the Trustee Reserve Expendable Fund held by the CCSNH Foundation.

The Board delegates to the Chancellor responsibility and authority for oversight and management of funds and other resources and

with preparing documents in an appropriate and timely manner that require Committee review and/or approval.

422 Chancellor Delegation of Authority.

The Chancellor, in turn, delegates to the President of each College responsibility and authority for:

- Assuring that units function with proper internal control procedures such that all budgets remain balanced and within authorized limits;
- Assuring that any and all transactions requiring higher level review and/or approval are identified and forwarded in an appropriate and timely manner; and
- Assuring explanations and documentation of authorized adjustments, transfers, and/or revenue/expense patterns be provided in an appropriate and timely manner to officials for reporting purposes.

423 Reporting

State law (RSA 188-F:6, VIII) requires "... CCSNH shall report the amount and purpose of all transfers from one PAU of the budget to a different PAU to the Fiscal Committee of the General Court by November 1 of each year. Copies of such reports shall be sent to the House Education Committee and the Senate Education Committee." This report will also be sent to the members of the Finance and Audit Committee of the CCSNH Board.

State law (RSA 188-F:11, I, II) requires additional reports:

"I. The chancellor and the chairperson of the Board of Trustees of the CCSNH shall issue a joint report annually which shall include detail on the proposed use and distribution of federal vocational and financial aid funds, ongoing upgrades to the information technology systems used by the CCSNH, and the overall operation of the CCSNH including financial status, enrollment data, and program administration. Such report shall be completed by October 15 of each year. A copy of this report shall be delivered to the Chairman of the House Education Committee and Senate Education Committee, the Speaker of the House of Representatives, President of the Senate, the Governor, the Senate Clerk, the House Clerk, and the State Library. This report will also be sent to the members of the CCSNH Board of Trustees.

II. Each year the Chancellor of the CCSNH, as well as one representative from the Board of Trustees and the Presidents of each institution shall appear before the House Finance Committee and the Senate Finance Committee to review the System's programs, cost analysis, revenue projections, and any other information detailed in the written report."

430 Contracts

State law (RSA 188-F:6, XI) provides authority for the Board of Trustees to "enter into any contract, lease, and any other instruments or arrangements that are necessary, incidental or convenient to the performance of its duties and responsibilities."

431 Trustee Delegation of Authority

The Board of Trustees delegates to the Finance and Audit Committee the responsibility and authority for:

- The review and approval of proposed contracts, leases, or arrangements in the amount of \$100,000 or more and/or such proposed instruments that may be unusual by complexity or intent.

The Board of Trustees delegates to the Chancellor the responsibility and authority for approval, oversight and management of all other contracts, leases or arrangements.

- The Chancellor, in turn, delegates to the President of each College the responsibility and authority for approval, oversight and management of contracts, leases or arrangements within parameters and processes established by the Chancellor.

440 Purchasing

State Law (RSA 188-F:6, XII) provides authority for the Board of Trustees to "acquire consumable supplies, materials, and services through cash purchases, sole source purchase orders, bids or contracts as necessary to fulfill the purposes of this chapter."

441 Trustee Delegation of Authority

The Board of Trustees delegates to the Finance and Audit Committee responsibility for approving, oversight and making

recommendations to the Board on equipment, supplies and materials.

The Board of Trustees delegates to the Chancellor the responsibility and authority for approval, oversight and management of the CCSNH policies and procedures for purchasing of goods and services.

- Assuring that such policies and procedures have proper internal controls according to audit principles.
- Assuring that any and all transactions requiring higher level review and/or approval are identified, forwarded and acted upon in a timely manner.

442 General Policy on Acquisition of Equipment, Supplies and Materials

- In general, equipment, supplies, and materials shall be acquired under a competitive bidding process. The Chancellor shall develop and carry out prudent procedures establishing the form and application of the competitive bidding process which shall clearly describe accountability.
- The Chancellor's office must review and approve all acquisitions of equipment, supplies and materials where CCSNH either did not use a competitive bidding process or awarded the contract to other than the low bidder.
- The System shall maintain appropriate inventories of equipment, supplies, and materials of significant value pursuant to procedures developed by the Chancellor.
- The acquisition for more than \$500,000 of any computer hardware or software not described in the Long-range Technology Plan shall be approved by the Finance and Audit Committee.

443 General Policy on Gifts of Equipment, Supplies and Materials

- State law authorizes the Board of Trustees to accept gifts of equipment, supplies, and materials given to, or for the benefit of, the System and its component institutions
- The Chancellor shall develop and implement prudent procedures for the evaluation, receipt, and acceptance of gifts of equipment, supplies, and materials. A proposed gift may be

accepted only if its value to the System (whether financial, educational, or otherwise) is greater than its attendant cost, including exposure to financial, legal, or other risks.

Acceptance of all gifts of equipment, supplies, or materials with a fair market value less than \$50,000 shall be delegated by the Chancellor to the President of each CCSNH institution. Acceptance of all gifts of equipment, supplies or materials with a fair market value in excess of \$50,000 shall be approved by the Chancellor.

450 Investment Management

State Law (RSA 188-F:6, IX) provides authority to the Board of Trustees to “invest any funds not needed for immediate use, including any funds held in reserve, in property and securities in which fiduciaries in the state may legally invest fund.”

451 Trustee Delegation of Authority

The Board of Trustees delegates to its Finance and Audit Committee the responsibility and authority for the investment of funds, including the placement of a portion of all of such funds with the CCSNH Foundation.

460 Internal/External Audit and Compliance

State Law (RSA 188-F:6, XVIII) provides authority to the Board of Trustees to “adopt principles of effective self-governance to assess Board processes, policies and operations in light of such principles.”

461 Trustee Delegation of Authority

The Board of Trustees delegates to its Finance and Audit Committee the responsibility and authority for the establishment and oversight of the internal and external audit and compliance functions of the CCSNH.

462 Internal Audit/Compliance

The purpose of the CCSNH Audit and Compliance function is to assist the Board of Trustees and management in establishing and maintaining policy and procedures that adequately protect the assets of CCSNH, and to provide the Board of Trustees and

management an objective appraisal of compliance with, and adequacy of, existing internal controls.

The internal auditing function is an objective appraisal activity within CCSNH overall organizational structure. The Internal Audit Department is specifically authorized and directed to:

- Have full, free and unrestricted access, consistent with all applicable laws, to all CCSNH functions, files, records, property, and personnel.
- Determine whether management's policies, procedures and instructions are followed in a manner consistent with CCSNH objectives.
- Evaluate any matter that comes to its attention that, in the judgment of the Internal Audit Director, would require a change in policy, procedure, or instruction in order to safeguard CCSNH assets.
- Issue reports to members of management who should be informed or who should take appropriate action, showing the results of the internal audit review and offering recommendations for required improvements. The Internal Audit Director will ensure that all formal audit reports are delivered to each member of the Finance and Audit Committee of the Board of Trustees.
- Obtain and evaluate plans or actions taken to implement audit recommendations from internal or external auditors and recommend further plans or actions if appropriate.

470 Related areas:

During the Self Governance transition period certain State support services or detailed in RSA 188-F:8 remain in force. These services and their impact on the principles of self governance are being assessed and decisions will be made regarding the continuation of such services beyond the 2008/2009 Biennium.

These services include:

- External Audit
- Financial data management
- Legal services
- Payroll management

- Risk management
- Personnel Services
- Administrative Services
- Treasury Services

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