

**Finance Committee Report
October 2011 Board Meeting
Thursday, October 6, 2011**

31200
APPROVED – BOARD OF TRUSTEES COMMUNITY
COLLEGE DISTRICT NO. 508
NOVEMBER 3, 2011

TREASURY:

The operating cash balance as of August 31, 2011 is \$158,381,275 which is more than the \$87 million required by the District's investment policy.

The Working Cash, Short-Term Operating and OPEB portfolios underperformed their respective benchmarks for the month of August due to the flight to quality that makes the returns on treasury higher. The returns of the Working Cash, Short-Term Operating portfolios have outperformed their respective benchmarks on a year-to-date and since inception basis; while the OPEB portfolio's performance has been in line with its benchmark.

The PFM investment strategy will continue to focus on maintaining the safety of the invested principal and achieving the long term objectives of preserving safe, well diversified and high quality portfolios.

Account balances as of September 30, 2011:

PFM Prime Money Market Fund Account - \$8,398,411 with a yield of 0.12%

J.P. Morgan Chase Savings - \$74,049,386 with a yield of 0.26%

Other Treasury Activity:

- A RFP for electronic safes and armored car services was issued October 3rd. The successful vendor will install electronic safes at the seven colleges and cash deposit totals will be transmitted to JPMorgan Chase with funds available the next business day.
- The ACH transmission file for student refunds has been successfully automated. The first "life" file will be transmitted to Chase the week of October 3rd. OIT and Chase continue to work to automate the positive pay and account reconciliation files.
- Continue to work with US bank, System Financial and Accounts Payable to implement the electronic single use payment card for vendor payments. December is the expected start date for the program.

Strategic Metrics

Metric	Frequency	FY11 Base	FY12 Target	Results/Status
Investment Policy Compliance	Monthly	100%	100%	100%
Daily cash needs met and excess balances of \$500,000 are invested timely	Daily	within 48 hours or next business day	within 48 hours or next business day	Compliant
Short-term Investment performance within or better than benchmark in a total return (inception to date) basis net of fees	Quarterly	within 98% of benchmark or better; no real loss of principal	within 98% of benchmark or better; no real loss of principal	Compliant

CONTROLLER'S OFFICE:

Financial Reporting and General Accounting:

The final trial balance and all balance sheet reconciliations were delivered to the auditors on Monday, October 3rd. The auditors' "Prepared by Client" data request schedule is current; these items have specific due dates which have been met up to now.

A preliminary set of WYCC financial statements has been submitted to the auditors, who are near completion of their testing. A second set of financial statements based on the October 3rd trial balance will be prepared and submitted to the auditors in order to meet the November 30th submission date to the Corporation for Public Broadcasting.

The audit of the Foundation financial statements has been completed as of October 4th. The audit team has submitted the document to the concurring partner on October 5th. The Deloitte tax organizer will be completed soon afterwards in order to meet the November 15th tax filing deadline.

The FY 2011 Unit Cost report data was submitted to ICCB on the due date of September 1st.

Grant Accounting:

Grant Accounting submitted \$131,394 in Federal payment requests and \$425,339 in State and Local billing during September.

Grant Accounting furnished supporting documentation to the U.S. Department of Labor for a site visit at Humboldt Park Vocational Education Center on September 22nd. The Department

of Labor was monitoring a \$1 million training grant that is passed through the National Council of La Raza.

All active grants for fiscal year 2011 were reconciled and the grant trial balance was provided to the auditors on October 3rd, along with a draft of the Schedule of Expenditures of Federal Awards. This is five weeks ahead of the delivery of the same material for the FY 2010 audit.

Status of the FY 2011 State Receivables:

As of September 30, 2011, \$10 million of FY 2011 grants receivables from the State are outstanding.

State Program	September 2011
Additional Grant (Equalization)	\$7,500,000
Adult Education	\$2,144,057
Workforce Development	\$238,294
All Other State Funded Programs	\$136,649
WIA (Work Force Invest. Act)	\$15,257
Total	\$10,034,257

Status of the FY 2012 State Receivables:

As of September 30, 2011, \$2.7 million of FY 2012 grants receivables from the State are outstanding.

State Program	September 2011	30 days past due
Additional Grant (Equalization)	\$2,500,000	\$1,250,000
WIA (Work Force Invest. Act)	\$205,444	\$205,444
Total	\$2,705,444	\$1,455,444

Strategic Metrics

Metric	Frequency	FY11 Base	FY12 Target	Results/Status
Accounts Receivables Written Off (Bad Debt Expense)	Annual	4 to 5% of Tuition and Fees	3 to 4% of Tuition and Fees	Not yet due
Compliance with Grant Restrictions	Quarterly	90% to 100% adherence	90% to 100% adherence	First quarter just completed; reports will be reviewed in October
Complete annual audit by deadline	Annual	12/15/2010	11/15/2011	Trial balance delivered to auditors on schedule 10/03/11

Complete month-end close timely	Monthly	30 days after month ends	15 days after month ends	August 2011 report delivered 9/15/11
Complete federal single audit (A-133) timely	Annual	2/28/2011	1/31/2012	SEFA and grant trial balances delivered to auditors on schedule (10/03/11)
Timely submission of manual financial journal entries	Monthly	N/A	7 -10 days after month end	Procedures are under development to ensure this metric is met each month

STUDENT FINANCE:

Student Refunds:

During the month of September 2011 a total of approximately \$180,660 was refunded to students. The chart below details the number of electronic and paper check refunds processed during September:

Refund Type	Number of Refunds	%
Paper Checks	304	79%
Electronic (ACH)	82	21%
Total	386	

Direct Loan Program:

The William D. Ford Federal Direct Loan initiative is offered at all seven colleges and continues to be supported by City Colleges. The chart below details the Direct Loan disbursements for Fiscal Year 2011, as of September 30, 2011, which is the close-out period.

Type	Student Count	Amount	Average
Subsidized	2,732	\$ 7,185,366	\$2,630
Unsubsidized	1,288	3,527,123	2,738
Parent PLUS	15	222,809	14,854
Total	4,035	\$10,935,298	

Federal and State Program:

Financial Aid disbursed to students for the 2010-2011 academic year as of September 30, 2011:

Type of Aid	\$ Disbursed	Student Count	Average
Federal Pell Grant	\$110,386,912	34,921	\$3,161
Federal Supplemental Educational Opportunity Grant (SEOG)	1,253,039	2,125	590

Federal Work-Study	2,054,502	779	2,637
Academic Competiveness Grant (ACG)	324,650	897	362
Illinois Monetary Award Program (MAP)	12,108,005	13,221	916
Total	\$126,127,108		

Student Receivable at September 30, 2011

Term	31-Aug-11	30-Sep-11	Collected
Spring 2009 and prior	\$138,902	\$142,064	-\$3,162
Summer 2009	16,124	16,372	-248
Fall 2009	62,401	62,859	-458
Spring 2010	119,827	119,767	60
Summer 2010	191,176	184,997	6,178
Fall 2010	1,382,707	1,361,588	21,119
Sub-total	\$1,911,136	\$1,887,646	\$23,490
Spring 2011	1,784,461	1,731,472	52,989
Summer 2011	1,677,164	1,359,977	317,187
Grant Total	\$5,372,761	\$4,979,095	\$393,666

Completed Activities:

- E-mailed approximately 15,000 students in an effort to encourage them to sign-up for direct deposit refund option.
- Completed the Department of Education (DOE) Off-Site Program Review Appeal Process for Kennedy King. We are awaiting DOE's response.
- Completed and submitted the 2010-2011 Fiscal Operations Report and Application to Participate (FISAP) to the Department of Education.

Work-in-Progress:

- We are continuing to work on the implementation of the following new DOE regulations: Gainful Employment and Net Price Calculator
- We are in receipt of a letter from Illinois Student Assistance Commission, (ISAC) announcing an On-Site Program Review at Kennedy King for 2010-2011 Academic Year. The review is scheduled to begin October 31, 2011. We are in the process of preparing for this review.
- We are working with Student Affairs to develop the contents of the Student Service Website.
- The responses to the KK DOE final determination letter for its Program Review have been completed and the appeal has been filed with the DOE.

Strategic Metrics

Metric	Frequency	FY11 Base	FY12 Target	Results/Status
Financial Aid Offices (specifically the Directors and Assistant Financial Aid Directors), Office of Finance Staff/Managers and the Internal Audit team should attend conferences conducted by the Dept. of Education, NASFAA, ISAC and other Financial Aid organizations.	End of Term	N/A	Information and knowledge gained from the conferences shared with the rest of the financial aid staff either thru workshops or written documentation.	Staff is scheduled to attend several webinars: <ul style="list-style-type: none">• Oct. 5, 2011 – Supporting Unaccompanied Homeless Youth in Accessing Higher Education• Oct. 11, 2011 - Federal Update and FAFSA and Delivery System Update• Oct. 12, 2011 - Verification Documentation Requirements• Oct. 13, 2011 - Gainful Employment
Percent of Financial Aid Applicants enrolled in Title IV eligible programs	Term at Census Date	70%	75%	Fall 2011 – 72%
Completed financial aid R2T4 (Return to Title IV) calculations within 45 days	Term (After Census Date)	80%	85%	Note: Fall 2011 Census date was September 25, 2011, we can provide the stats 45 days after this date.
Provide financial awareness to staff and students	Annual	N/A	Develop partnership with at least two external agencies (e.g., Ladder UP	Annual; to be reported as of June 30, 2012.

BUSINESS SERVICES:

Completed Activities:

- Completed the new Business Services Travel Conference Leave and Employee/Non-Employee Reimbursement Expense Forms.
- Business Services presented at the District-Wide Grant Work Shop hosted at Malcolm X College on September 22, 2011.

- Updated a few vendor payment process procedures to help provide more efficient timely payments.

Work-in-Progress:

- Business Services continues to monitor District transactions to ensure compliance with the Board operational policies and procedures; as well as federal and state regulations. Violations are noted and reprimands issued, as needed.
- Developing processes around invoice centralization and updating procedural payment process to enhance the proficiency of vendor payments.
- Developing training materials in conjunction with the Finance Systems Department for Direct Voucher/Invoice Vendor Payments and AP Voucher Journal processes.
- Implementation of Electronic Pay Card with US Bank which was approved in July. Approximate target date is December 1, 2011.

Year to Year Comparison for September Period (3)	Period (3) Payment Disbursements (# of /Amount in Millions)										
	# of Checks	Amt.	% of Total	# of ACH	Amt.	% of Total	# of Electronic Pay Card	Amt.	% of Total	Grand Total # of Payments	Grand Total Amount
FY2011	2,106	\$8.3	93.89%	97	\$4.9	4.32%	40	\$0.1	1.78%	2,243	\$13.3
FY2012	776	\$3.1	80.67%	104	\$6.7	10.81%	82	\$0.5	8.52%	962	\$10.3

There was a 63% decrease in printed checks over the prior year due to a reduction in the frequency of payment disbursements from daily to once per week and a 35% increase in electronic payments (ACH and pay card); due to the AP Electronic Vendor Payment Method initiative to go green.

Vouchers/Invoices Processed FY Comparison by Month				
August FY10	August FY11	% Change	August FY12	% Change
2,924	2,608	-.10%	2,146	-17%

The reduction in voucher/invoice processing year to year is due to more strategic sourcing, District-wide combined purchases, and efficiencies gained through combined invoices by vendor for purchases being made for items such as computers, furniture and capital items.

**Aging of Number of Invoices Paid
FY Comparison by Month Period (3)**

Year to Year Comparison for September Period (3)	<30 Days	% to Total	31-60 Days	% to Total	61-90 Days	% to Total	>91 Days	Grand % to Total	Grand Total
FY2011	2,060	67.12%	822	26.78%	111	3.62%	76	2.48%	3,069
FY2012	843	50.57%	622	37.31%	120	7.20%	82	4.92%	1,667

A fiscal year comparison for the month of September noted the percentage of total invoices paid in 60 days or less decreased by 5% from 93% in FY 2011 to 88% in FY 2012. This increase delay in processing invoices is primarily due to the procedural changes such as increased strategic sourcing and district wide combined purchases. Business Services is continuously looking for ways to improve processes and make more efficient use of the system while insuring timely receipt and payment of invoices. In addition, focus has been on more enhanced accountability, proficiency, and management oversight.

Strategic Metrics

Metric	Frequency	FY11 Base	FY12 Target	Results/Status
Number of Vendors Paid Electronically	Monthly	1%	20%	2%
Percentage of Invoices paid Timely	Monthly	83%	88%	88%
Decrease invoices aged 60 days or older.	Monthly	Currently 17%	Decrease to 12%	5% decrease

BUDGET OFFICE:

Work-in-Progress:

Manage the position file to only open budgeted/funded positions at colleges and district office. Continue working with Vice Chancellors to better monitor their budget appropriations. Continue working with Grants/Development to improve the PeopleSoft Grants system/methodology. Work with Strategy and Institutional Intelligence task forces to begin to organize and cost out student/college initiatives. Continue to improve payroll distributions for part-time lecturers. Begin working with Strategy and Institutional Intelligence's strategic plan so that it will support the zero based budgeting process. Complete the FY12 State budget report. Develop suggestions to standardize the college organization charts. Support colleges and district office departments in day-to-day budget transactions and reports.

Aug. 2011 Budget Transfer Summary

There are no transfers needing board authorization for the month of August.

Education and Operation & Maintenance Fund Transfer Summary

No transfer activity for September.

Summary - FY12/One Years of Transfers Needing Board Approval

Category	Transfers	Comments
Total August	\$0	
Total July	\$0	
Total June	\$906,000	OIT college classroom and lab equipment
Total May	\$55,149	Level-up program at colleges
Total April	\$76,262	Graduation cost
Total March	\$6,688,624	March transfers represent a one-time adjustment process for all colleges and district offices. Included transfers for the task forces, reduction in force and college purchases.
Total February	\$317,635	Executive search firm costs, city-wide graduation, District Office mail services and college professional development.
Total January	\$751,979	Salaries for Reinvention Team and miscellaneous student and enterprise fund costs.
Total December	\$110,612	Additional employee at Truman and lobbying services.
Total November	\$303,134	Funds used for increase in PPO fees, Student Government, District Office reorganization and a training specialist at Wright.
Total October	\$80,620	Includes transfers for reorganizing business enterprise funds and the adding of new budgetary controls.
Total September	\$1,879,612	Includes transfers for marketing campaign, reinvention support, reorganizing the Inspector General, Community Relations, Internal Audit Departments and day-to-day operations.
Total August	\$488,971	Includes transfers for reinvention and day-to-day operations.
Total July	\$171,319	Transfers completed before FY11 Budget was completely loaded.

FY11 Capital Projects Summary by Campus			
	Appropriation	Current Projection	Expenditures
Olive Harvey	8,695,489	8,695,489	133,248
SCLC	844,413	844,413	0
Truman	27,906,472	27,906,472	34,323
Daley	12,257,795	12,257,795	517,675
District Office	24,188,364	24,188,364	237,736
Wright	13,763,075	13,763,075	241,069
Malcolm X	4,320,842	4,320,842	259,330
WSLC	87,402	87,402	0
Kennedy King	5,479,899	5,479,899	35,893
Dawson Tech	5,033,497	5,033,497	0
Harold Wash	2,585,269	2,585,269	393,414
District Wide	37,345,699	37,345,699	0
Total	142,508,216	142,508,216	1,852,688
FY11 Capital Projects Summary by Category			
	Appropriation	Current Projection	Expenditures
New Facilities	\$10,143,710	\$10,143,710	\$0
Architectural & Structural	\$57,105,786	\$57,105,786	\$641,763
Technology	\$19,828,049	\$19,828,049	\$0
Property	\$2,150,151	\$2,150,151	\$107,954
Academic Enhancements	\$23,107,928	\$23,107,928	\$521,664
Soft Costs	\$379,535	\$379,535	\$0
Life Safety	\$8,508,216	\$8,508,216	\$0
Mechanical Electrical Plumbing	\$18,144,587	\$18,144,587	\$581,307
Conveying Systems	\$3,140,254	\$3,140,254	\$0
Environment & Compliance	\$0	\$0	\$0
Total	\$142,508,216	\$142,508,216	\$1,852,688
FY11 Capital Projects Summary by Progress			
	Appropriation	Current Projection	Expenditures
Proposed	\$391,554	\$391,554	\$0
Cancelled Project	\$0	\$0	\$0
Soft Costs	\$379,535	\$379,535	\$0
Long Term Planning	\$1,800,000	\$1,800,000	\$0
Planning	\$59,545,740	\$59,545,740	\$0
Funding Process 1	\$18,047,000	\$18,047,000	\$0
Architect Selection	\$5,325,000	\$5,325,000	\$0

Architect Programming Process	\$21,404,230	\$21,404,230	\$128,677
Funding Process 2	\$3,843,426	\$3,843,426	\$0
Pre-Construction	\$4,444,242	\$4,444,242	\$0
Construction	\$26,966,806	\$26,966,806	\$1,717,947
Post-Construction	\$0	\$0	\$0
Completed	\$360,683	\$360,683	\$6,064
Total	\$142,508,216	\$142,508,216	\$1,852,688

Strategic Metrics

Metric	Frequency	FY11 Base	FY12 Target	Results/Status
10% reduction in Board Report budget transfers	Quarterly	515	460	Quarterly metric will be reported in the November report
Maintain the Operating Fund Balance at 3% of Expenses	Annual	Balanced Budget	Balanced Budget	Metric will be reported as Of 6/30/2010

Finance Compliance & Control:

Financial Compliance and Control Report for this month's meeting includes the following:

Work in Progress:

- Implement US Bank Payment Plus Process
 - Work with OIT to perform Data Mapping as per the US Bank Specifications
- Continue the testing of the Gants Proposal Pages as per the Identified requirements/ process changes
- Continue with the development of Interim Financial Statements using nVision Reporting tool
- Prepare the Direct/ Journal Voucher Documentation for the Travel and Reimbursements
- Prepare the Reports to monitor the Office Of Finance Goals and Metrics
- Continue with the Capital Purchase Orders rollover from the Fiscal Year 2011 into the Current Fiscal Year
- Continue with the reorganization of the PeopleSoft Financials User Security

Completed Activities:

- Trained the Grants End Users on how to enter the Grant Proposals
- Posted the Payroll Accruals
- Provided the Data analysis reports for the Fiscal Year 2012 Audit
- Rolled over the Capital Purchase Orders from the previous year into the Current Year

- Cancelled the FY2011 Open Purchase Orders, which are not received by working with the Procurement and the Campuses
- Finalized the Fiscal Year 2011 Vouchers to liquidate the encumbrances
- Worked with the users to post the Accounts Payable, Account Receivable, Billing, Student transactions into the General Ledger

Administrative & Procurement Services

Board Reports

Agreements

4.01 DISTRICT-WIDE UNINTERRUPTABLE POWER SYSTEM MAINTENANCE SOLUTION:

The Office of Administrative and Procurement services is requesting approval to amend the three (3) year District-wide maintenance agreement with Emerson Network Power Liebert Services, Inc. to include the 8th floor UPS system at the District Office, for the period from April 7, 2011 through April 6, 2014, in an additional amount not to exceed \$20,017.74. This solution will provide the District with uninterruptable electric power to all critical equipment in the District Office's main computer room as well as the additional server room now operational, including the PeopleSoft production servers, the main connection to the internet for all sites, and the routing equipment between the Colleges and the District Office. With Indirect M/WBE compliance- MBE: Level 1; WBE : Solai & Cameron, Inc.

4.02 VERTICAL TRANSPORTATION CONSULTING SERVICES –

The Office of Administrative and Procurement services is requesting an amendment to Board Report 28482 approved on January 16, 2008, for the issuance of a purchase order in the amount of \$15,000 to Rodriguez & Associates, Inc. (RAI), the Minority Business Enterprise that completed the balance of the contracted work. The amendment in the amount of \$15,000 represents the balance of the contractual amount remaining from the original Board Report 28482 and awarded to Hobbs & Law to modernize the District Office Elevators and no additional funds are being requested.

Purchases

5.00 JOC PROJECTS-

The Office of Administrative and Procurement Services is requesting approval of the JOC projects with the Board's list of pre-approved contractors for a total not to exceed amount of \$605,958 for the installation of the Public Address System at Wright by Star & Crest for an amount not to exceed \$460,958 and Security Fencing at Truman with Chicago Commercial Contractors at an amount not to exceed \$145,000. Both projects have met the District's M/WBE Goals of 25% and 7%, respectively.

7.05 MONTHLY REPORT TO THE BOARD on UTILITIES, POSTAGE and OTHER MONTHLY EXPENDITURES that in accordance with District purchasing policies in appendix #24 of the Board Rules that were processed in August, 2010.

City Colleges of Chicago Current Formal Bid Projects

Dept/Campus	Solicitation	Status	Estimated Annual Value
ADVERTISED			
WYCC-TV 20	RFQ #MWJ1114 – Hosted Master Control and Traffic Broadcast Operations	Proposals Due: October 12, 2011	\$120,000
Human Resources and Staff Development/Reinvention	RFP# DT1110 – Performance Management and Development Program	Proposals Due: October 19, 2011	\$400,000
Client Services and Student Engagement/Reinvention	Bid #DT1111- Early Alert and Appointment Management	Bids Due: October 11, 2011	\$400,000
Finance	DT1114 – RFP – Electronic Safe and Armored Car Services	Proposals Due: October 26, 2011	\$200,000
Office of Marketing and Communications	RFP # MWJ1115- Market Research Service	Proposal Due: October 28, 2011	TBD
BIDS BEING PREPARED			
Administrative Services	DT1112 – RFP – Offsite Storage and Document Management	Expected Ad Date: October 2011	\$500,000
Office of Information Technology	SH1107 - RFI - Voice Over Internet Protocol (VOIP)	Expected Ad Date: October 2011	TBD
Office of Information Technology	SH1108 – RFP Technical Staff Augmentation	Expected Ad Date: October 2011	TBD
Academic Affairs	DT1115 – RFP – Degree Audit System	Expected Ad Date: October 2011	TBD
BIDS BEING EVALUATED/ SUBMITTED FOR BOARD APPROVAL			
Malcolm X College	Bid # MWJ1105- Instructional Ventilator System	Expected Board Submission Date: November 2011	\$30,000
Administrative Services	Bid # MWJ1107- Shuttle Bus Services	Expected Board Submission Date: November 2011	\$636,000
Administrative Services	Bid # DT1108 – Laboratory Renovation at Wright College	Expected Board Submission Date: December 2011	\$1,700,000
Administrative Services	DT1116 – Dental Hygiene Clinic at Kennedy-King College	Expected Board Submission Date: November 2011	\$888,800
Office of Information Technology	RFP # DT1106 -Electronic Time and Attendance	Expected Board Submission Date: December 2011	\$1,500,000
Office of Information Technology	RFP #SH1106- IT Research Services	Expected Board Submission Date: December 2011	TBD
Olive-Harvey College	Bid # MWJ1113- Supply and Delivery of Semi -Tractor and Trailer	Expected Board Submission Date: December 2011	\$100,000
Academic Affairs	RFP #DT1109-Revised – Implementation of an Integrated Computerized Learning System	Expected Board Submission Date: December 2011	\$900,000
Human Resources and Staff Development	RFP #DT1113 – Pre-Employment Background Investigations	Bids Due: September 19, 2011 Expected	\$200,000