Standard Seven
Institutional Resources

The institution has sufficient human, financial, information, physical, and technological resources and capacity to support its mission. Through periodic evaluation, the institution demonstrates that its resources are sufficient to sustain the quality of its educational program and to support institutional improvement now and in the foreseeable future. The institution demonstrates, through verifiable internal and external evidence, its financial capacity to graduate its entering class. The institution administers its resources in an ethical manner and assures effective systems of enterprise risk management, regulatory compliance, internal controls, and contingency management.

Human Resources
7.1 The institution employs sufficient and qualified personnel to fulfill its mission.

7.2 Human resources policies are readily available, consistently applied, and periodically reviewed. Policies provide for the fair redress of grievances.

7.3 Terms of employment are clear, and compensation is adequate to ensure that the institution can attract and retain qualified administrators, faculty, and staff. The institution employs effective procedures for the regular evaluation of all personnel. The institution ensures sufficient opportunities for professional development for administrators, faculty, and staff.

Financial Resources
7.4 The institution preserves and enhances available financial resources sufficient to support its mission. It manages its financial resources and allocates them in a way that reflects its mission and purposes. It demonstrates the ability to respond to financial emergencies and unforeseen circumstances.

7.5 The institution is financially stable. Ostensible financial stability is not achieved at the expense of educational quality. Its stability and viability are not unduly dependent upon vulnerable financial resources or an historically narrow base of support.

7.6 The institution’s multi-year financial planning is realistic and reflects the capacity of the institution to depend on identified sources of revenue and ensure the advancement of educational quality and services for students.

7.7 The governing board reviews and approves the institution’s financial plans based on multi-year analysis and financial forecasting.

7.8 The board retains appropriate autonomy in all budget and finance matters; this includes institutions that depend on financial support from a sponsoring entity (state, church, or other private or public entity)

7.9 All or substantially all of the institution’s resources are devoted to the support of its education, research, and service programs. The institution’s financial records clearly relate to its educational activities.

7.10 The institution and its governing board regularly and systematically review the effectiveness of the institution’s financial aid policy and practices in advancing the institution’s mission and helping to ensure that the institution enrolls and supports the student body it seeks to serve.
7.11 The institution ensures that it has sufficient professionally qualified finance staff, led by a chief financial officer whose primary responsibility to the institution is reflected in the organizational chart.

7.12 The institution ensures the integrity of its finances through prudent financial management and organization, a well-organized budget process, appropriate internal control mechanisms, risk assessment, and timely financial reporting to internal and external constituency groups, providing a basis for sound financial decision-making.

7.13 The institution establishes and implements its budget after appropriate consultation with relevant constituencies in accord with realistic overall planning that provides for the appropriate integration of academic, student service, fiscal, development, information, technology, and physical resource priorities to advance its educational objectives.

7.14 The institution's financial planning, including contingency planning, is integrated with overall planning and evaluation processes. The institution demonstrates its ability to analyze its financial condition and understand the opportunities and constraints that will influence its financial condition and acts accordingly. It reallocates resources as necessary to achieve its purposes and objectives. The institution implements a realistic plan for addressing issues raised by the existence of any operating deficit.

7.15 Opportunities identified for new sources of revenue are reviewed by the administration and board to ensure the integrity of the institution and the quality of the academic program are maintained and enhanced. The institution planning a substantive change demonstrates the financial and administrative capacity to ensure that the new initiative meets the standards of quality of the institution and the Commission's Standards.

7.16 Institutional and board leadership ensure the institution's ethical oversight of its financial resources and practices.

7.17 The institution prepares financial statements in accordance with accounting principles generally accepted in the U.S. The annual audit is prepared by an auditor external to the institution in accord with generally accepted auditing standards adopted by the American Institute of Certified Public Accountants. Board policies and institutional practices ensure the independence and objectivity of the auditor and the appropriate consideration of the audit by the governing board. For institutions whose financial statements are included and audited as part of a larger system or corporation, the system or corporation financial statements disclose separate statements for the institution to support a determination regarding the sufficiency and stability of the institution's financial resources. In all cases, the audit and management letter are appropriately reviewed by the institution's administration and governing board who take appropriate action on resulting recommendations or conclusions.

7.18 The institution directs its fundraising efforts toward the fulfillment of institutional purposes and conducts them in accordance with policies that stipulate the conditions and terms under which gifts are solicited and accepted. The institution accurately represents itself and its capacities and needs to prospective donors and accurately portrays the impact that their gifts can reasonably be expected to have. Gifts are promptly directed toward donors' intentions.

7.19 All fiscal policies, including those related to budgeting, investments, insurance, risk management, contracts and grants, internal transfers and borrowing, fundraising, and other institutional advancement and development activities, are clearly stated in writing and consistently implemented in compliance with ethical and sound financial practices.
7.20 The institution has in place appropriate internal and external mechanisms to evaluate its financial status including fiscal condition, working capital, capital projects, cash flow requirements, and financial management. The institution uses the results of these activities for improvement and to maintain institutional integrity.

**Information, Physical, and Technological Resources**

7.21 The institution has sufficient and appropriate information, physical, and technological resources necessary for the achievement of its purposes wherever and however its academic programs are offered. It devotes sufficient resources to maintain and enhance its information, physical, and technological resources. (See also 4.10)

7.22 The institution provides access to library and information resources, services, facilities, and qualified staff sufficient to support its teaching and learning environments and its research and public service mission as appropriate.

7.23 Facilities are constructed and maintained in accordance with legal requirements to ensure access, safety, security, and a healthy environment with consideration for environmental and ecological concerns.

7.24 The institution’s physical and electronic environments provide an atmosphere conducive to study and research.

7.25 The institution demonstrates the effectiveness of its policies and procedures in ensuring the reliability of its technology systems, the integrity and security of data, and the privacy of individuals. The institution establishes and applies clear policies and procedures and monitors and responds to illegal or inappropriate uses of its technology systems and resources. It has regularly updated disaster planning and recovery policies and procedures.

7.26 The institution uses information technology sufficient to ensure its efficient ability to plan, administer, and evaluate its program and services.