



Southern
Southern West Virginia
Community and Technical College

Board of Governors

**DECEMBER 10, 2013
MEETING AGENDA PACKET**

Members

Thomas A. Heywood, Chair
Wilma J. Zigmond, Vice Chair
Glenn T. Yost, Secretary
Linda Q. Akers
Shelley T. Huffman

Jada C. Hunter
George Kostas
Terry R. Sammons
Debbie Dingess
Mary Nemeth-Pyles

Joanne Jaeger Tomblin
President

Southern West Virginia Community and Technical College
Board of Governors
Meeting of December 10, 2013
West Virginia Governor's Mansion, Charleston, WV

AGENDA

1. Call to Order Mr. Tom Heywood
Board Chair
2. Introduction of Vice President for Academic Affairs and Student Services Ms. Joanne Jaeger Tomblin
President
3. Developmental Education Report Mr. Steven Lacek
Chair, Transitional Studies Department
4. Trade Adjustment Assistance Community College
and Career Training (TAACCCT) Grant Dr. Merle Dempsey
Education Consultant
5. President's Report President Tomblin
6. Financial Report Mr. Sam Litteral
Vice President for Finance and Administration
7. Financial Audit Presentation Mr. Chris Deweese
Suttle and Stalnaker PLLC
8. Action Items
 - 8.1 Approval of Audited Financial Report pp. 4-86
 - 8.2 Appointment of Committee on Tuition and Fees Chair Heywood
 - 8.3 Approval of October 10, 2013 Minutes pp. 87-92
 - 8.4 Request for Code Change Regarding Per Credit Hour Tuition Fee Option pp. 93-99
 - 8.5 Request to Amend Board of Governors Strategic Goals 2012-2015 pp. 100-101
 - 8.6 Request to Amend 2013-2014 President's Goals pp. 102-103
 - 8.7 Final Approval of Proposed Institutional Policies
 - 8.7.1 SCP-1153, Consumer Complaint Procedures pp. 104-108
 - 8.7.2 SCP-5051, Reduced Tuition and Fee Program for
State Residents 65 and Older pp. 109-112
 - 8.8 Approval of Institutional Policies for 30-day Public Comment
 - 8.8.1 SCP-1435.B, Essential Employee Guidelines pp. 113-114
 - 8.8.2 SCP-2562, Faculty Outside Employment or
Non-College Related Activities pp. 115-120
 - 8.8.3 SCP-2686.A, Promotion in Rank and/or Tenure Criteria Forms pp. 121-134
 - 8.8.4 SCP-3214, College Board Advanced Placement Credit pp. 135-139
 - 8.8.5 SCP-4398, Student Grades and Grade Point Average
Requirements for Graduation pp. 140-145
 - 8.8.6 SCP-5780, Travel Regulations pp. 146-152
 - 8.8.7 SCP-8600. A, Board of Governors Operational Guidelines pp. 153-163

- 9. Informational Item pp. 164-165
 - 9.1 Council Approval of FY 2013 Post Audit Reports and Follow-up Report Request
 - 9.2 Marshall University School of Pharmacy Letter

- 10. Executive Session under the Authority of WV Code §6-9A-4(b)2A pertaining to personnel and personnel matters.

- 11. Adjournment Chair Heywood

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
BOARD OF GOVERNORS
MEETING OF DECEMBER 10, 2013**

ITEM: Request for Approval of the Filing of the Audited Financial Report

RECOMMENDED RESOLUTION: *RESOLVED*, That the Southern West Virginia Community and Technical College Board of Governors approve the filing of the audited financial report for the fiscal year ended June 30, 2013.

STAFF MEMBER: Samuel Litteral

BACKGROUND:

The accounting firm of Suttle and Stalnaker, PLLC, conducted the financial audit for Southern West Virginia Community and Technical College for fiscal year ended June 30, 2013. Mr. Chris Deweese and Ms. Kristin Moody, Suttle and Stalnaker Certified Public Accountants, will make a brief presentation regarding their findings. Copies of the financial statements are included with this agenda item.

The Governmental Accounting Standards Board (GASB) establishes standards for the presentation format for college and university standards' statements. This format places emphasis on the overall economic resources of the College. The statement format includes the Statement of Net Assets; Statements of Revenues, Expenses, and Changes in Net Assets; and the Statement of Cash Flows, all reported on a comparative basis with the prior year. The reporting format includes a narrative section called Management's Discussion and Analysis. This section is designed to provide an objective and readable analysis of financial activities based upon facts, decisions, and conditions known as the auditor's report.

**SOUTHERN WEST VIRGINIA
COMMUNITY AND TECHNICAL COLLEGE**

REPORT TO THE GOVERNING BOARD

October 30, 2013

October 30, 2013

Board of Governors
Southern West Virginia Community and Technical College
Mount Gay, West Virginia

We are pleased to present this report related to our audit of the financial statements of Southern West Virginia Community and Technical College (SWVCTC) for the year ended June 30, 2013. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the SWVCTC's financial reporting processes.

This report is intended solely for the information and use of management of the SWVCTC, the Board of Governors, the Higher Education Policy Commission, the West Virginia Council for Community and Technical College Education, federal and state awarding agencies, and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to continue to be of service to the SWVCTC.



Suttle & Stalnaker, PLLC
Charleston, West Virginia

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Required Communications

Statement on Auditing Standards No. 114 requires the auditor to communicate certain matters to keep those charged with governance adequately informed about matters related to the financial statement audit that are, in our professional judgment, significant and relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. The following summarizes these communications.

Area	Comments
Auditor's Responsibility Under Professional Standards	We have audited the financial statements of Southern West Virginia Community and Technical College (SWVCTC) for the year ended June 30, 2013 and have issued our report thereon dated October 30, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and <i>Government Auditing Standards</i> , as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 6, 2013.
Qualitative Aspects of Accounting Practices	<p data-bbox="678 1045 1425 1077">Adoption of, or Change in, Accounting Policies</p> <p data-bbox="678 1094 1425 1818">Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by SWVCTC are described in Note 2 to the financial statements. During 2013, SWVCTC implemented GASB Statement No. 63, <i>Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position</i>; GASB Statement No. 65, <i>Items Previously Reported as Assets and Liabilities</i>; and GASB 66 <i>Technical Corrections - 2012: An Amendment of GASB Statements No. 10 and No. 64</i>. The adoption of GASB Statement Nos. 63 and 65 resulted in the addition of deferred outflows of resources and deferred inflows of resources to the statements of net position. GASB Statement No. 66 did not have a material impact on the financial statements. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.</p>

Area	Comments
Difficulties Encountered in Performing the Audit	<p data-bbox="691 275 1354 298">Management’s Judgments and Accounting Estimates</p> <p data-bbox="691 323 1425 716">Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting SWVCTC’s financial statements can be found in the following <i>Summary of Accounting Estimates</i>.</p> <p data-bbox="691 747 1089 770">Financial Statement Disclosures</p> <p data-bbox="691 800 1425 863">The financial statements disclosures are neutral, consistent and clear.</p> <p data-bbox="691 905 1425 1003">We encountered no significant difficulties in dealing with management in performing and completing our audit.</p>
Corrected and Uncorrected Misstatements	<p data-bbox="691 1045 1425 1255">Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. See the attached <i>Summary of Recorded Audit Adjustments</i> and <i>Summary of Uncorrected Misstatements</i>.</p>
Disagreements with Management	<p data-bbox="691 1297 1425 1549">For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit.</p>
Management Representations	<p data-bbox="691 1581 1425 1686">We have requested certain representations from management that are included in the management representation letter dated October 30, 2013.</p>

Area	Comments
Management Consultations with Other Independent Accountants	In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the governmental unit’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.
Other Audit Findings or Issues	We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
Certain Written Communications Between Management and Our Firm	Copies of certain written communications between our firm and the management of SWVCTC are attached as Exhibits.
Communication Regarding Significant Deficiencies and Material Weaknesses	There are no significant deficiencies or material weaknesses.
Other Matters	With respect to the required supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the required supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Area	Comments
Other Information in Documents Containing Audited Financial Statements	This information is intended solely for the information and use of management of the SWVCTC, the Board of Governors, the Higher Education Policy Commission, the West Virginia Council for Community and Technical College Education, federal and state awarding agencies, and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

Southern West Virginia Community and Technical College
Summary of Accounting Estimates
Year Ended June 30, 2013

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to compute and record these accounting estimates. The following describes the significant accounting estimates reflected in SWVCTC's June 30, 2013 financial statements:

Area	Accounting Policy	Estimation Process	Comments
Depreciation of capital assets	Straight – line method	Based on cost, or if contributed, at fair value of the asset. Depreciation is calculated using the straight-line method over the estimated useful life. Annually, management reviews capital assets for improvement.	We concur with this process.
Valuation of receivables	Net realizable value	Review of net amounts of anticipated collections, established grants, contracts, and loans and historical collection information.	We concur with this process.
Compensated absences	Estimated	Based upon management's calculation of the ultimate liability to be paid.	We concur with this process.
Other post employment benefit liability	Estimated	Based upon the third party trust funds actuarial determination of the annual required contribution which is billed to SWVCTC.	We concur with this process.

Southern West Virginia Community and Technical College
Summary of Recorded Audit Adjustments
Year Ended June 30, 2013

During the course of our audit, we accumulate adjustments that are determined by management to be material to the financial statements and to the related financial statement disclosures, or management otherwise determines are appropriate to make. Following is a summary of the adjustments made to the original trial balance we received.

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
AJE # 2			
To record amount due to the commission at year-end.			
433000-E062-838550	Heaps - Financial Aid	\$ 24,694.00	\$ -
24100-0000-175800	Year End Unrestricted	-	24,694.00
Total		\$ 24,694.00	\$ 24,694.00
AJE # 4			
To adjust Library Holdings to actual, to properly record equipment disposals, to adjust equipment accumulated depreciation to actual and to remove the assets damaged and disposed of in FY12.			
190600-0000-915800	Year End Plant	\$ 20,973.00	\$ -
195000-0000-915800	Year End Plant	179,003.00	-
196000-0000-915800	Year End Plant	3,001.00	-
400085-P003-915800	Year End Plant	23,088.00	-
765000-P003-915800	Year End Plant	51,607.00	-
SS1xxxxxxxxxxxxxxxxxxxx	Loss on impairment	39,778.00	-
190500-0000-915800	Year End Plant	-	11,544.00
190500-0000-915800	Year End Plant	-	198,892.00
195000-0000-915800	Year End Plant	-	11,544.00
195000-0000-915800	Year End Plant	-	51,607.00
467700-P003-175800	Year End Unrestricted	-	23,974.00
765000-P003-915800	Year End Plant	-	19,889.00
Total		\$ 317,450.00	\$ 317,450.00

Southern West Virginia Community and Technical College
Summary of Uncorrected Misstatements
Year Ended June 30, 2013

During the course of our audit, we accumulated uncorrected misstatements that were determined by management to be immaterial, both individually and in the aggregate to the financial statements and to the related financial statement disclosures. Following is a summary of those differences.

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
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There were no uncorrected misstatements identified during the course of our audit.

Certain Written Communications Between Management and Our Firm

Management Comment Letter

Engagement Letter

Management Representations Letter

MANAGEMENT COMMENT LETTER

Board of Governors
Southern West Virginia Community and Technical College
Mount Gay, West Virginia

In planning and performing our audit of the financial statements of the Southern West Virginia Community and Technical College (SWVCTC) as of and for the year ended June 30, 2013, in accordance with auditing standards generally accepted in the United States of America, and *Government Auditing Standards* issued by the Comptroller General of the United States, we considered SWVCTC's internal control over financial reporting (internal control) as a basis for designing auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SWVCTC's internal control. Accordingly, we do not express an opinion on the effectiveness of SWVCTC's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and matters that are opportunities for strengthening internal controls and operating efficiency. The following summarizes our comments and suggestions regarding those matters. We previously reported on SWVCTC's internal control in our report dated October 30, 2013. This letter does not affect our report dated October 30, 2013, on the financial statements of SWVCTC.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various SWVCTC personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

* * * * *

The following are other comments and recommendations determined not to be a material weakness or significant deficiency, but are considered comments worthy of reporting to management.

Physical Inventory of Fixed Assets and Maintenance of Fixed Assets Records

Our capital asset observation revealed that there are immaterial assets with missing tags and assets with a physical location that does not agree to the item location on the capital asset listing. We believe that this indicates the need for a complete physical inventory of capital assets, which will be the best and most efficient method for developing an accurate listing of all capital assets. Additionally, this will allow the SWVCTC to develop procedures whereby the capital asset listing is reconciled to the general ledger, which will ensure an accurate accounting for assets. Specifically, the listing should include the following data:

- Asset or tag number
- Description of the asset
- Location of the asset
- Cost, voucher number, and vendor name
- Date placed in service
- Estimated useful life
- Depreciation method
- Depreciation expense and accumulated depreciation for the year
- Date asset was retired and selling price if applicable

During the audit we also became aware that some procedures in place to properly document dispositions were not being followed by the SWVCTC's staff. Staff should be held accountable for their responsibility of documenting the disposition of capital assets in order to provide management with accurate records from which to report assets. It is also management's responsibility to assess impairment of capital assets as they become aware of the damages, and to properly record the impairment at year end.

Complete information such as the above on all capital assets would provide excellent control for the safeguarding of these assets, which are a significant cost. We understand that the SWVCTC is in the process of implementing a new capital asset inventory system although the system was not fully implemented during the period under audit. We recommend that the SWVCTC continue their efforts to implement the new system.

Controls Over Expenditure Involving the President

During our inquiries regarding policies over the leave reports submitted by the President we found that the SWVCTC's current procedures do not require approval for such reports. While it appears all amounts are reasonable and recorded properly, the lack of review could present a control risk.

We recommend that the President's leave and reports be reviewed by another individual, perhaps a board member. Additional verification of facts could assist in preventing common errors, and improve the overall accuracy and integrity of the record keeping process.

Conversion to Computerized Asset System

Currently, both manual records and computerized are kept for capital assets as a decision about which fixed asset product to use is taking place. We strongly recommend the SWVCTC utilize all available resources of the computerized system including accumulation of asset cost and the calculation of depreciation expense. There is currently a capital asset module within the Banner accounting system which the SWVCTC has purchased.

We recommend that the SWVCTC implement Banner capital assets which would eliminate a significant amount of manual record-keeping duties, make operations more efficient, and provide more accurate information with which to make business decisions regarding capital assets.

Student Accounts Receivable

During our testing of student accounts receivable it was noted that student accounts receivable does not appear to be integrated into Banner Finance. The result is student payments may be made on outstanding balances and are not automatically removed from student accounts receivable.

We recommend management take steps to ensure the student accounts receivable system is fully integrated with the Banner Finance module.

Unearned Revenue

During testing of unearned revenue accounts, it was noted that two accounts contained leftover grant funds that have been carried over for several years. The funds have been held because SWVCTC has been waiting until the grants allow the funds to be returned or instruct SWVCTC on how the funds should be spent.

We recommend that management either return the funds to the grants or use the funds in a manner consistent with the original purpose of the grants.

Information Technology (IT) Comments

Disaster Recovery Plan

SWVCTC revised its Disaster Recovery Plan (DRP) during fiscal year 2011, but the plan has not been fully implemented at June 30, 2013. Lack of a fully implemented DRP increases the risk of SWVCTC being unable to recover if a disaster event occurred when key information technology personnel are not available.

We recommend SWVCTC fully implement the DRP in order to more fully protect their information technology systems.

Information Security Policy

We recognized that SWVCTC has an Information Security Policy in place; however, there are certain elements the policy does not address. We suggest SWVCTC incorporate the following into their Information Security Policy.

Data Classification Policy
Mobile Device Policy
Employee Training
Network Access Policy

Retention Policy
Wireless Access and Networking Policy
Hardware and Software Acquisition Policy
Software Updates and Patches Policy

Each topic should contain the following sections.

- Overview: Provides background information on the issue that the policy will address.
- Purpose: Specifies why the policy is needed.
- Scope: Lays out exactly who and what the policy covers.
- Target Audience: Advises for whom the policy is intended.
- Policy: This is the main section of the document, and provides statements on each aspect of the policy.
- Definitions: For clarity, any technical terms should be defined.

We recommend the topics noted above be added to SWVCTC's existing Information Security Policy. We also recommend that the Policy is reviewed periodically (i.e. annually) by appropriate personnel and updated as needed. The Information Security Policy should be communicated to users in the Student and Employee Handbooks.

General Physical Security

Proper physical security of the IT department should be implemented to maintain the safety of all critical areas including the server room, networking cabinets, media storage, and filing facilities. During the review of physical security of the IT area, we noted that the server room does not have fireproof storage vaults, is not on a raised floor, does not require guests to wear identification badges and does not have emergency procedures posted in the room. We recommend that steps are taken to ensure the server room is protected from damage by maintaining the server above the ground floor and in fireproof storage vaults. Furthermore, it is recommended that all personnel and visitors wear identification badges and emergency procedures are posted in the server area and are properly communicated to all persons with access.

* * * * *

This communication is intended solely for the information and use of management of the SWVCTC, the Board of Governors, the Higher Education Policy Commission, the West Virginia Council for Community and Technical College Education, federal and state awarding agencies, and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

Settle & Stalaker, PLLC

Charleston, West Virginia
October 30, 2013

ENGAGEMENT LETTER

May 6, 2013

Mr. Samuel Litteral, Vice President for Finance and Administration
Southern West Virginia Community and Technical College
P.O. Box 2900
Mount Gay, West Virginia 25637

To Mr. Litteral:

We are pleased to confirm our understanding of the services we are to provide Southern West Virginia Community and Technical College (the College) for the year ended June 30, 2013. We will audit the College's basic financial statements which include the Statement of Net Assets, Statement of Revenues, Expenses and Changes in Net Assets and the Statement of Cash Flows as of and for the year ending June 30, 2013. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the College's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the College's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.

Audit Objectives

The objective of our audit is the expression of an opinion as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the first paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and will include tests of the accounting records of the College and other procedures we consider necessary to enable us to express such opinions.

We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add emphasis-of-matter or other-matter paragraphs. If our opinion on the financial statements is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

The Southern West Virginia Community College Foundation, Inc. is a component unit of the College as defined by GASB Statement Number 39 and you have informed us that it will be required to be included in your basic financial statements for the year ended June 30, 2013. We understand that the audit of the Southern West Virginia Community College Foundation will be conducted by other auditors whose report will be made available to us by September 15, 2013. We will make reference to the other auditor's audit of Southern West Virginia Community College Foundation, Inc. in our report on your financial statements.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The reports on internal control and compliance will each include a paragraph that states that the purpose of the report is solely to describe the scope of testing of internal control over financial reporting and compliance, and the result of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, and that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the College is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

We understand that you intend to furnish a copy of the College's financial statements, including our report thereon, to the West Virginia Council for Community and Technical College Education and such party shall, upon confirmation, utilize this report for preparation of the combined West Virginia Council for Community and Technical College Education financial statements to be reported on by Suttle & Stalnaker, PLLC. In addition, we understand that you will provide a copy of our report to the State of West Virginia for preparation of the combined State of West Virginia financial statements to be reported upon by Ernst & Young, LLP.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will assist with preparation of your financial statements and related notes. You are responsible for making all management decisions and performing all management functions relating to the financial statements and related notes and for accepting full responsibility for such decisions. You will be required to acknowledge in the written representation letter our assistance with preparation of the financial statements and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. You agree to assume all management responsibilities for any non-audit services we provide; oversee the services by designating an individual with suitable skills, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for ensuring that management is reliable and financial information is reliable and properly recorded. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the College from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the College involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud, violations of contracts or grant agreements, or abuse that we may report.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

With regard to using the auditor's report, you understand that you must obtain our prior written consent to reproduce or use our report in bond offering official statements or other documents. With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility, as auditors, is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors. We have advised you of the limitations of our audit regarding the detection of fraud and the possible effect on the financial statements (including misappropriation of cash or other assets). We have offered to perform, as a separate engagement, extended procedures specifically designed to detect fraud and you have declined to engage us to do so at this time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the College's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Engagement Administration, Fees, and Other

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter. Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the West Virginia Higher Education Fund, West Virginia Council for Community and Technical College Education and the State of West Virginia; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Suttle & Stalnaker, PLLC and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to representatives of the cognizant or oversight agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Suttle & Stalnaker, PLLC's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the U.S. Government Accountability Office. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We generally base our fees on the time required at our regulate rates for the services and personnel assigned plus out of pocket costs and relevant computer charges. Our charges also include other appropriate factors, including the difficulty of the assignment, the degree of skill required, time limitations imposed on us by others, the experience and ability of the personnel assigned and the value of services to the client. Interim billings will be submitted as work progresses and as expenses are incurred. Billings are due upon submission. Our fee for the services described in this letter will be the amount included in the master contract on file with the West Virginia Higher Education Fund. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit.

Chris Deweese is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comments received during the period of the contract. Our 2011 peer review report accompanies this letter.

We appreciate the opportunity to be of service to the College and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.


Very truly yours,



Suttle & Stalnaker, PLLC

RESPONSE:

This letter correctly sets forth the understanding of Southern West Virginia Community and Technical College.

By: 

Title: VP of Finance and Administration

Date: May 29, 2013

cc: Joanne Jaeger Tomblin, President
Thomas A. Heywood, Chair



Kelley,
Galloway &
Company, PSC

CERTIFIED PUBLIC ACCOUNTANTS

- 1200 CORPORATE COURT • P. O. BOX 990 • ASHLAND, KENTUCKY 41105-0990 •
- Phone (606) 329-1811 • Fax (606) 329-8756 • E-mail contact@kelleygalloway.com • Web site www.kelleygalloway.com •

Member of the Center for Public Company Audit Firms, the Private Companies Practice Section of the American Institute of Certified Public Accountants and PKF North America Network

SYSTEM REVIEW REPORT

To the Members of Suttle & Stalnaker, PLLC
and the West Virginia Society of CPAs Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Suttle & Stalnaker, PLLC (the firm) in effect for the year ended May 31, 2011. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

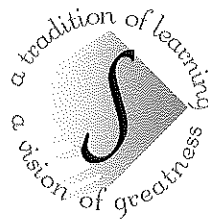
As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Suttle & Stalnaker, PLLC in effect for the year ended May 31, 2011, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Suttle & Stalnaker, PLLC has received a peer review rating of *pass*.

Kelley, Galloway & Company, PSC

Kelley, Galloway & Company, PSC
Ashland, Kentucky
November 2, 2011

MANAGEMENT REPRESENTATIONS LETTER



Southern West Virginia Community and Technical College

October 30, 2013

Suttle & Stalnaker, PLLC
The Virginia Center, Suite 100
1411 Virginia Street, East
Charleston, West Virginia 25301

This representation letter is provided in connection with your audit of the financial statements of Southern West Virginia Community & Technical College (the College), which comprise the respective financial position of the business-type activities and the aggregate discretely presented component unit as of June 30, 2013 and 2012, and the respective changes in financial position and, where applicable, cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors

We confirm, to the best of our knowledge and belief, as of October 30, 2013 the following representations made to you during your audit.

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 6, 2013, including our responsibility for the preparation and fair presentation of the financial statements and for preparation of the supplementary information in accordance with the applicable criteria.
- The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

www.southern.wvnet.edu

"Southern is an EOE, ADA, AA Institution"

DISTRICT OFFICE

PO Box 2900
Mount Gay, WV 25637
Phone: 304-792-7160
Fax: 304-792-7046

LOGAN CAMPUS

PO Box 2900
Mount Gay, WV 25637
Phone: 304-792-7098
Fax: 304-792-7028

WILLIAMSON CAMPUS

1601 Armory Drive
Williamson, WV 25661
Phone: 304-235-6046
Fax: 304-235-6042

BOONE/LINCOLN CAMPUS

3505 Daniel Boone Parkway
Foster, WV 25081-8126
Phone: 304-369-2952
Fax: 304-369-2954

LINCOLN SITE

81 Lincoln Panther
Hamlin, WV 25523
Phone: 304-824-2326
Fax: 304-824-2339

WYOMING/McDOWELL CAMPUS

128 College Drive
Saulsboro, WV 25676
Phone: 304-294-8346
Fax: 304-294-8534

- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- Significant assumptions we used in making accounting estimates are reasonable.
- Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed. No events, including instances of noncompliance, have occurred subsequent to the date of the statement of net position and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.
- The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- Guarantees, whether written or oral, under which the College is contingently liable, if any, have been properly recorded or disclosed.
- Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the date of the statement of net position and have been reduced to their estimated net realizable value.
- We believe that all material expenditures that have been deferred to future periods will be recoverable.
- We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
- We do not plan to make frequent amendments to our pension or other postretirement benefit plans.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - Additional information that you have requested from us for the purpose of the audit.

- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - Minutes of the meetings of the College or summaries of actions of recent meetings for which minutes have not yet been prepared.
- All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
- We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- The following, if any, have been properly recorded or disclosed in the financial statements:
 - All leases and material amounts of rental obligations under long-term leases.
 - All significant estimates and material concentrations known to management which are required to be disclosed in accordance with the AICPA's Statement of Position 94-6, Disclosure of Certain Significant Risks and Uncertainties. Significant estimates are estimates at the date of the statement of net position which could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets for which events could occur which would significantly disrupt normal finances within the next year.
 - Authorized but unissued bonds and/or notes.
 - Risk financing activities.
 - Derivative financial instruments.

- Special and extraordinary items.
- Deposits and investment securities category of custodial credit risk.
- We are responsible for making the accounting estimates included in the financial statements. Those estimates reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and course of action we expect to take. In regard, adequate provisions have been made,
 - To reduce receivables to their estimated net collectable amounts.
 - To reduce obsolete, damaged, or excess inventories to their estimated net realizable values.
 - To reduce investments, intangibles, and other assets which have permanently declined in value to their realizable values.
 - For risk retention, including uninsured losses or loss retentions (deductibles) attributable to events occurring through the date of this letter and/or for expected retroactive insurance premium adjustments applicable to periods through the date of this letter.
 - For pension obligations, post-retirement benefits other than pensions and deferred compensation agreements attributable to employee services rendered through the date of this letter.
 - For any material loss to be sustained in the fulfillment of, or from the inability to fulfill, any service commitments.
 - For any material loss to be sustained as a result of purchase commitments.
 - For environmental cleanup obligations.

Government—Specific

- We have made available to you all financial records and related data.
- There has been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- We have taken timely and appropriate steps to remedy fraud, violations of laws, regulations, contracts, or grant agreements, or abuse that you have reported to us, if any.
- We have a process to track the status of audit findings and recommendations.
- We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

- We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- The College has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources or net position.
- We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- As part of your audit, you assisted with preparation of the financial statements and related notes. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have assumed all management responsibilities. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
- The College has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- The College has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- The financial statements properly classify all funds and activities.
- All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.

- Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- Provisions for uncollectible receivables have been properly identified and recorded.
- Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- We have appropriately disclosed the College's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.



Joanne Tomblin
President



Samuel Litteral
Vice President for Finance and Facilities

Southern West Virginia
Community and Technical College
Financial Statements
Years Ended June 30, 2013 and 2012

and

Independent Auditor's Reports

**SOUTHERN WEST VIRGINIA
COMMUNITY AND TECHNICAL COLLEGE**

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INDEPENDENT AUDITOR'S REPORT

Board of Governors
Southern West Virginia Community and Technical College
Mt. Gay, West Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of the Southern West Virginia Community and Technical College (the College), a component unit of the West Virginia Council for Community and Technical College Education, as of and for the years ended June 30, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents. We did not audit the financial statements of the discretely presented Southern West Virginia Community and Technical College Foundation, Inc. (a component unit of the College). Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the discretely presented financial statements of the Southern West Virginia Community and Technical College Foundation, Inc., is based solely on the report of the other auditors.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audits and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component unit of the College as of June 30, 2013 and 2012, and the respective changes in financial position, and where applicable, cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 2 to the financial statements, the College early adopted GASB Statement No. 65, *Items previously reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2013, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.



Charleston, West Virginia
October 30, 2013

SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2013

5

Overview of the Financial Statements and Financial Analysis

Southern West Virginia Community and Technical College ("the College") presents its financial statements for the fiscal years ended June 30, 2013 and June 30, 2012. The emphasis of discussions about these statements will be on current year data. There are three financial statements presented: the Statements of Net Position; the Statements of Revenues, Expenses, and Changes in Net Position; and the Statements of Cash Flows. This discussion and analysis of the College's financial statements provides an overview of its financial activities for the year and is required supplemental information. Since this analysis is designed to focus on current activities, resulting change and currently known facts, please read it in conjunction with the College's basic financial statements and the footnotes to these financial statements. Responsibility for the completeness and fairness of this information rests with the College.

The Governmental Accounting Standards Board (GASB) establishes standards for the presentation format of College financial statements. The current format places emphasis on the overall economic resources of the College.

Statements of Net Position

The Statement of Net Position presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the College as of the end of the fiscal year. The Statement of Net Position is a point of time financial statement. The purpose of the Statement of Net Position is to present to the readers of the financial statements a fiscal snapshot of the College. The Statement of Net Position presents end-of-year data concerning assets (current and noncurrent), deferred outflows of resources, liabilities (current and noncurrent), deferred inflows of resources, and net position. The difference between current and noncurrent assets and liabilities is discussed in the footnotes to the financial statements.

From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue the operations of the College. They are also able to determine how much the College owes vendors and lending institutions. The Statement of Net Position provides a picture of the net position and its availability for College expenditures.

Net Position is divided into three major categories. The first category, net investment in capital assets, provides the College's equity in property, plant and equipment owned by the College. The next asset category is restricted net position, which is divided into two categories, nonexpendable and expendable. The College does not currently have nonexpendable restricted net position since all funds of this nature would be directed to the Southern West Virginia Community College Foundation, Inc. The corpus of nonexpendable restricted resources is only available for investment purposes. Expendable restricted net position is available for expenditure by the College but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. The final category is unrestricted net position. Unrestricted net position is available to the College for any lawful purpose of the College.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2013**

Condensed Schedules of Net Position
June 30
(in thousands)

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Assets and deferred outflows			
Current assets	\$ 7,438	\$ 7,860	\$ 6,673
Other noncurrent assets	104	103	26
Capital assets, net	<u>30,388</u>	<u>25,351</u>	<u>25,432</u>
Total assets	<u>37,930</u>	<u>33,314</u>	<u>32,131</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 37,930</u>	<u>\$ 33,314</u>	<u>\$ 32,131</u>
Liabilities, deferred inflows and net position			
Current liabilities	\$ 3,254	\$ 3,995	\$ 3,485
Noncurrent liabilities	<u>4,104</u>	<u>4,097</u>	<u>2,955</u>
Total liabilities	<u>7,358</u>	<u>8,092</u>	<u>6,440</u>
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Net position			
Net investment in capital assets	30,353	25,289	25,345
Restricted - expendable	-	-	1
Unrestricted (deficit) net position	<u>219</u>	<u>(67)</u>	<u>345</u>
Total net position	<u>30,572</u>	<u>25,222</u>	<u>25,691</u>
Total	<u>\$ 37,930</u>	<u>\$ 33,314</u>	<u>\$ 32,131</u>

Total net position of the College increased by \$5.3 million from June 30, 2012 to June 30, 2013. Total net position decreased by \$469 thousand from June 30, 2011 to June 30, 2012. These changes are related to a number of changes as described below:

- The fiscal year 2013 increase of \$5.1 million of net investment of capital assets was primarily due to the completion of the Williamson Technology Building.
- The unrestricted net position increased by \$286 thousand as of June 30, 2013. This increase was primarily related to the decrease of Other Post Employment Benefits (OPEB) expense. The OPEB expense decreased by \$1.2 million from 2012 to 2013. This decrease was offset by increases in State grant revenue and payments on behalf of the College.
- The current ratio for fiscal years 2013 and 2012 is 2.29 and 1.97, respectively. The current ratio measures the ability to meet short-term obligations. The current ratio is the most widely-used measure of liquidity. Typically, current ratios range from 1 to 4.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2013**

Statements of Revenues, Expenses and Changes in Net Position

The difference in total net position as presented on the Statement of Net Position is based on the activity presented in the Statement of Revenues, Expenses and Changes in Net Position. The purpose of the statement is to present the revenues received by the College, both operating and nonoperating, and the expenses paid by the College, operating and nonoperating, and any other revenues, expenses, gains and losses received or spent by the College.

Operating revenues are received for providing goods and services to the various constituencies of the College. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the College. Revenues received for which goods and services are not provided are reported as nonoperating revenues. For example state appropriations are nonoperating because they are provided by the Legislature to the College without the Legislature directly receiving commensurate goods and services for those revenues.

Condensed Schedules of Revenues, Expenses and Changes in Net Position
Years Ended June 30,
(in thousands)

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Operating revenues	\$ 6,741	\$ 6,615	\$ 7,442
Operating expenses	<u>21,791</u>	<u>22,137</u>	<u>23,163</u>
Operating loss	(15,050)	(15,522)	(15,721)
Nonoperating revenues	14,631	14,341	14,227
Capital payments on behalf	5,769	712	237
State capital grants (federal)	<u>-</u>	<u>-</u>	<u>669</u>
Increase (decrease) in Net Position	<u>\$ 5,350</u>	<u>\$ (469)</u>	<u>\$ (588)</u>

A review of the individual revenue and expense categories and those items that contributed to the overall increases in net position reveals the following explanations:

Operating Revenues

- For fiscal year 2013 tuition and fees contributed approximately 15% of the total operating revenues. In fiscal year 2012, tuition and fees accounted for approximately 12% of total operating revenue. The percentage decrease in tuition and fees was mainly a result of a 21% increase in state contract and grant funding, which increased total operating revenues.
- For fiscal year 2013 grant and contract revenues increased by \$263 thousand for a 6% increase. The increase was due to additional funding from State grant awards and contracts in fiscal year 2013. As a percentage of operating revenue, grant and contract revenue accounted for 66% in fiscal year 2013 and 64% in 2012.
- In fiscal year 2013 other revenues decreased by \$349 thousand resulting from a \$264 thousand decrease in miscellaneous revenue and a \$85 thousand decrease in auxiliary revenue.

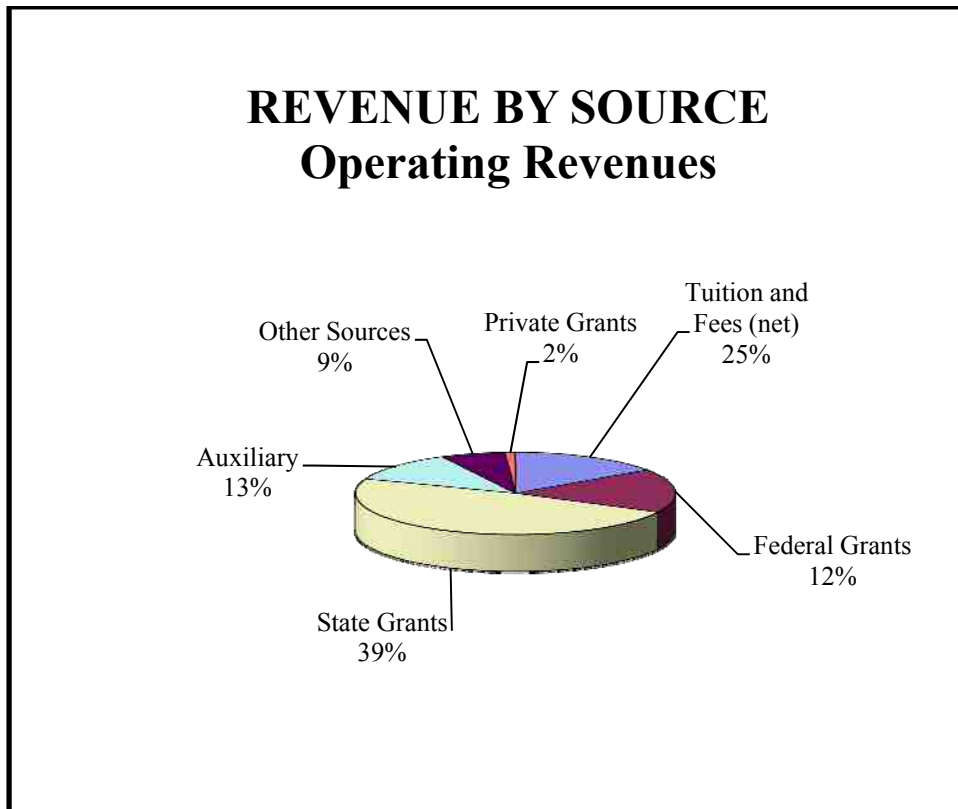
**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2013**

Operating Expenses

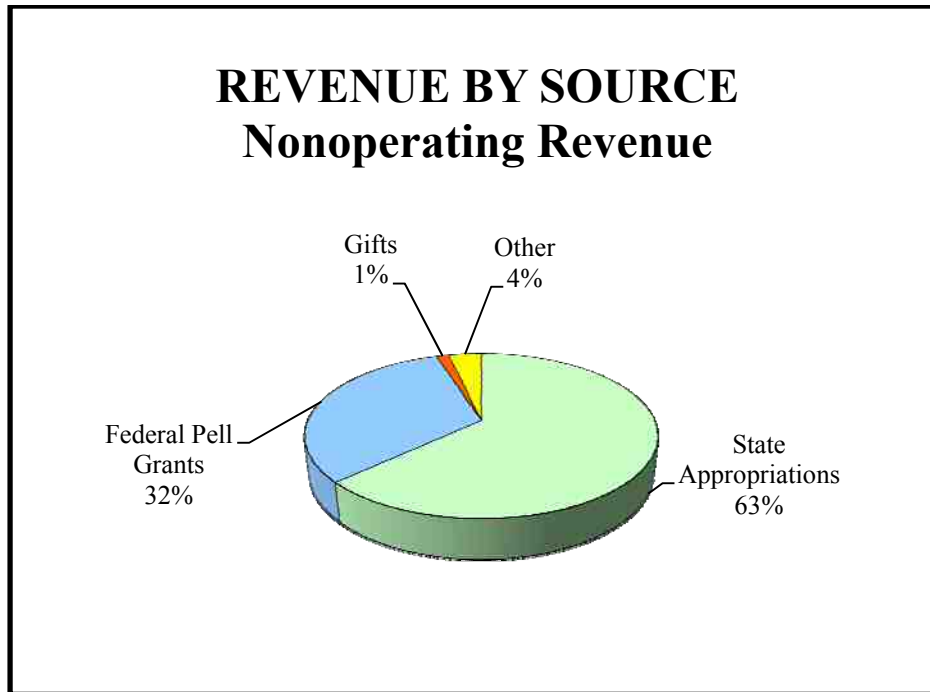
- The total cost of benefits decreased by 30% for fiscal year 2013 as compared to fiscal year 2012 reflecting an decrease in Other Post Employment Benefits for the fiscal year.
- In fiscal year 2013 salaries and wages increased by \$298 thousand or approximately 3%. This increase was a result of employee raises during the year.

Nonoperating Revenues

- For fiscal year 2013 Federal Pell grant revenues decreased by \$114 thousand or approximately 2%. This decrease was a result of a decrease in enrollment and fewer students being eligible for aid than in fiscal year 2012.
- In fiscal year 2013 State appropriations increased by \$47 thousand or 1%.
- In fiscal year 2013 investment income increased by \$2 thousand or 21%. The College participates in the investment pool managed by the State.



**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2013**

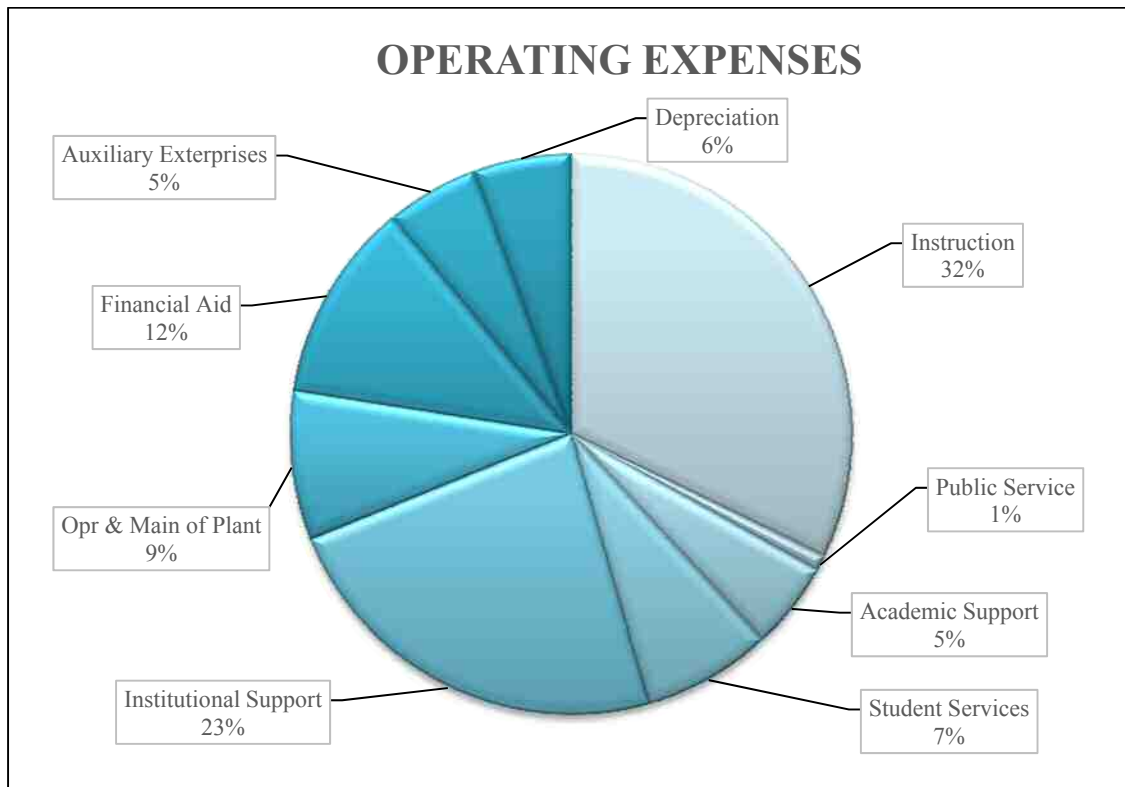


Operating Expenses
Years Ended June 30,
(in thousands)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	(2012 to 2013) Increase (Decrease)	(2012 to 2013) Percent Change
Operating expense					
Instruction	\$ 6,995	\$ 7,016	\$ 7,176	\$ (21)	(0.30)%
Academic support	1,095	973	1,037	122	12.54%
Student services	1,615	1,538	1,291	77	5.01%
Public service	191	165	323	26	15.76%
Operations & maintenance plant	1,872	1,645	1,183	227	13.80%
Institutional support	5,071	5,754	6,013	(683)	(11.87)%
Financial aid	2,506	2,897	3,917	(391)	(13.50)%
Auxiliary	1,163	941	1,020	221	23.49%
Depreciation	1,226	1,152	1,148	74	6.42%
Other	<u>57</u>	<u>56</u>	<u>55</u>	<u>2</u>	3.57%
Total	\$ <u>21,791</u>	\$ <u>22,137</u>	\$ <u>23,163</u>	\$ <u>(346)</u>	(1.56)%

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2013**

The following is a graphic illustration of fiscal year 2013 operating expenses:



Statements of Cash Flows

The final statement presented by the College is the Statement of Cash Flows. The Statement of Cash Flows presents detailed information about the cash activity of the College during the year. The statement is divided into five parts. The first part deals with operating cash flows and shows the net cash used by the operating activities of the College. The second section reflects cash flows from noncapital financing activities. This section reflects the cash received and spent for nonoperating, noninvesting, and noncapital financing purposes. The third section deals with cash flows from capital and related financing activities. This section deals with the cash used for the acquisition and construction of capital and related items. The fourth section reflects the cash flows from investing activities and shows the purchases, proceeds, and interest received from investing activities. The fifth section reconciles the net cash used in operations to the operating income or loss reflected on the Statement of Revenues, Expenses and Changes in Net Position.

SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE 11
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2013

Condensed Schedules of Cash Flows
Years Ended June 30,
(in thousands)

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Cash provided (used) by:			
Operating activities	\$ (14,756)	\$ (12,974)	\$ (13,836)
Noncapital financing activities	14,005	13,968	14,197
Capital and related financing activities	-	(96)	(338)
Investing activities	<u>9</u>	<u>7</u>	<u>9</u>
Net change in cash	(742)	905	32
Cash, beginning of year	<u>7,123</u>	<u>6,218</u>	<u>6,186</u>
 Cash, end of year	 <u>\$ 6,381</u>	 <u>\$ 7,123</u>	 <u>\$ 6,218</u>

Capital Asset and Debt Administration

Capital Assets, Net
June 30,
(in thousands)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>(2012 to 2013)</u> Increase (Decrease)	<u>(2012 to 2013)</u> Percent Change
Capital Assets					
Land and Improvements	\$ 1,288	\$ 1,288	\$ 1,288	\$ -	0.00%
Construction in Progress	4	949	237	(945)	(99.58)%
Buildings	37,860	31,271	31,271	6,589	21.07%
Equipment	5,843	5,614	6,854	229	4.08%
Library Holdings	<u>3,990</u>	<u>3,879</u>	<u>3,864</u>	<u>111</u>	2.86%
Total	48,985	43,001	43,514	5,984	13.92%
Less: Accum Depreciation	<u>(18,597)</u>	<u>(17,650)</u>	<u>(18,081)</u>	<u>(947)</u>	5.37%
Net Capital Assets	<u>\$ 30,388</u>	<u>\$ 25,351</u>	<u>\$ 25,433</u>	<u>\$ 5,037</u>	19.87%

Capital assets net increase of \$5 million was a result of current year additions offset by depreciation on capital assets.

Current year additions to capital assets totaled approximately \$7.3 million and were comprised of \$6.6 million in additions related to construction of a new facility on the Williamson campus, \$530 thousand in equipment additions and \$137 thousand in library additions.

The OPEB liability increased by \$14 thousand in fiscal year 2013.

Readers interested in more detailed information regarding capital assets and debt administration should review the accompanying notes 5 and 6 to the financial statements.

SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE 12
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2013

Economic Outlook

During the 2000 Legislative Session the governance of higher education in the State was changed. Effective July 1, 2001, the Higher Education Policy Commission (Commission) was established at the State level and the institutional Board of Advisors was replaced by the institutional Board of Governors. The 2006 Legislature created the Council for Community and Technical College Education, removing governance of the College from the Commission. The economic outlook for West Virginia continues to be negative for several more years, leaving the College vulnerable to spending freezes if there is a significant downturn in the State's economy.

Although the economic forecasts for the State of West Virginia and the number of high school graduates in the State continues to decline, the College attracts and maintains non-traditional students to replace losses of traditional college age students. Also, emphasis is placed on dual credit course offerings in high schools. The College continues to offer incentives to faculty to develop modular and web based courses as alternate methods of course delivery. Improved physical plant and favorable comparison of fee structures with peer institutions indicate that the College should be able to remain competitive for new and returning students.

During December 2009 the Commission, on behalf of the Council, issued approximately \$78 million in bonds which will be repaid from excess Lottery Funds. The College's share of the bond issuance was \$6 million which will be used to finance the construction of a new building on the Williamson campus. During fiscal year 2013, the College had payments made from these available funds of \$5 million by the Commission. As of June 30, 2013, there was less than \$100 thousand remaining available from the \$6 million bond issue.

Requests for Information

The financial report is designed to provide an overview of the finances of the College for those with an interest in this organization. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Southern West Virginia Community and Technical College at Post Office 2900, Mount Gay, West Virginia 25637.

SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
STATEMENTS OF NET POSITION
JUNE 30, 2013 AND 2012

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	<u>2013</u>	<u>2012</u>
ASSETS AND DEFERRED OUTFLOWS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 6,381,327	\$ 7,122,894
Accounts receivable, net of allowance for doubtful accounts	602,202	423,209
Due from the Commission	306	11,748
Due from Federal Government	48,107	67,242
Due from other State Agencies	367,519	5,325
Prepaid expenses	5,404	8,795
Inventories	<u>33,366</u>	<u>221,215</u>
Total current assets	<u>7,438,231</u>	<u>7,860,428</u>
NONCURRENT ASSETS:		
Cash and cash equivalents	104,140	103,650
Capital assets, net of accumulated depreciation	<u>30,388,202</u>	<u>25,350,894</u>
Total noncurrent assets	<u>30,492,342</u>	<u>25,454,544</u>
DEFERRED OUTFLOWS OF RESOURCES:		
Total deferred outflows of resources	<u>-</u>	<u>-</u>
TOTAL	<u>\$ 37,930,573</u>	<u>\$ 33,314,972</u>
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION		
CURRENT LIABILITIES:		
Accounts payable	\$ 167,113	\$ 132,247
Due to the Commission/Council	25,678	846,691
Due to other governments	313,424	18,669
Accrued liabilities	814,662	972,483
Compensated absences - current portion	304,576	294,502
Capital lease - current portion	27,921	26,857
Unearned revenue	<u>1,601,046</u>	<u>1,703,712</u>
Total current liabilities	<u>3,254,420</u>	<u>3,995,161</u>
NONCURRENT LIABILITIES:		
Capital lease - net of current portion	7,152	35,073
Other postemployment benefit liability	3,918,846	3,905,054
Compensated absences	<u>177,618</u>	<u>157,278</u>
Total noncurrent liabilities	<u>4,103,616</u>	<u>4,097,405</u>
DEFERRED INFLOWS OF RESOURCES:		
Total deferred inflows of resources	<u>-</u>	<u>-</u>
NET POSITION:		
Net investment in capital assets	30,353,129	25,288,964
Unrestricted net position (deficit)	<u>219,408</u>	<u>(66,558)</u>
Total net position	<u>30,572,537</u>	<u>25,222,406</u>
TOTAL	<u>\$ 37,930,573</u>	<u>\$ 33,314,972</u>

The Accompanying Notes Are An Integral
Part Of These Financial Statements

SOUTHERN WEST VIRGINIA COMMUNITY COLLEGE FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash and cash equivalents	\$ 456,965	\$ 477,288
Certificates of deposit	57,746	57,746
Investments at estimated market value	2,481,697	2,343,271
Miscellaneous receivable	5,826	1,972
Interest and dividends receivable	7,756	6,752
Prepaid expenses	8,547	9,047
Unconditional promises to give, net	542,702	600,200
	<u>\$ 3,561,239</u>	<u>\$ 3,496,276</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 32,782	\$ 42,355
Payable to related party	218,186	119,326
Total liabilities	<u>250,968</u>	<u>161,681</u>
NET ASSETS		
Unrestricted	5,896	(4,597)
Temporarily restricted	3,289,375	3,324,192
Permanently restricted	15,000	15,000
Total net assets	<u>3,310,271</u>	<u>3,334,595</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,561,239</u>	<u>\$ 3,496,276</u>

SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2013 AND 2012

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	<u>2013</u>	<u>2012</u>
OPERATING REVENUES:		
Student tuition and fees, net of scholarship allowance of \$3,748,595 and \$3,659,207 for 2013 and 2012, respectively	\$ 1,035,804	\$ 823,767
Contracts and grants:		
Federal	1,161,632	1,378,754
State	3,242,393	2,676,322
Private	69,664	154,973
Auxiliary enterprise revenue, net of scholarship allowance of \$457,295 and \$188,205 for 2013 and 2012, respectively	790,609	876,388
Miscellaneous, net	440,742	704,906
Total operating revenues	<u>6,740,844</u>	<u>6,615,110</u>
OPERATING EXPENSES:		
Salaries and wages	9,161,638	8,863,640
Benefits	2,514,669	3,568,447
Supplies and other services	5,611,637	4,893,263
Utilities	713,525	706,675
Student financial aid - scholarships and fellowships	2,505,616	2,896,923
Depreciation	1,225,659	1,152,282
Fees assessed by the Commission for operations	58,425	56,255
Total operating expenses	<u>21,791,169</u>	<u>22,137,485</u>
OPERATING LOSS	<u>(15,050,325)</u>	<u>(15,522,375)</u>
NONOPERATING REVENUES:		
State appropriations	9,228,731	9,181,588
Gifts	200,000	-
Investment income	8,624	7,118
Federal Pell grants	4,672,574	4,786,650
Other nonoperating	521,196	365,967
Total nonoperating revenues	<u>14,631,125</u>	<u>14,341,323</u>
DECREASE IN NET POSITION BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES	(419,200)	(1,181,052)
CAPITAL PAYMENTS MADE AND EXPENSES INCURRED ON BEHALF OF THE COLLEGE	<u>5,769,331</u>	<u>712,043</u>
INCREASE (DECREASE) IN NET POSITION	5,350,131	(469,009)
NET POSITION - Beginning of year	<u>25,222,406</u>	<u>25,691,415</u>
NET POSITION - End of year	<u>\$ 30,572,537</u>	<u>\$ 25,222,406</u>

SOUTHERN WEST VIRGINIA COMMUNITY COLLEGE FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES, INVESTMENT INCOME, AND OTHER SUPPORT				
Contributions	\$ -	\$ 423,750	\$ -	\$ 423,750
Interest and dividend income	1,108	109,106	-	110,214
Gain on investment	4,513	73,673	-	78,186
Net assets released from restriction	641,346	(641,346)	-	-
Total revenues, investment income, and other support	<u>646,967</u>	<u>(34,817)</u>	<u>-</u>	<u>612,150</u>
EXPENSES				
Program services:				
Scholarships	367,046	-	-	367,046
Educational development	40,012	-	-	40,012
Total program services	<u>407,058</u>	<u>-</u>	<u>-</u>	<u>407,058</u>
Administrative and general	198,280	-	-	198,280
Fundraising	31,136	-	-	31,136
Total expenses	<u>636,474</u>	<u>-</u>	<u>-</u>	<u>636,474</u>
CHANGE IN NET ASSETS	10,493	(34,817)	-	(24,324)
NET ASSETS, BEGINNING OF YEAR	<u>(4,597)</u>	<u>3,324,192</u>	<u>15,000</u>	<u>3,334,595</u>
NET ASSETS, END OF YEAR	<u>\$ 5,896</u>	<u>\$ 3,289,375</u>	<u>\$ 15,000</u>	<u>\$ 3,310,271</u>

SOUTHERN WEST VIRGINIA COMMUNITY COLLEGE FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES, INVESTMENT INCOME, AND OTHER SUPPORT				
Contributions	\$ 517	\$ 775,520	\$ -	\$ 776,037
Federal grant revenue	-	1,000	-	1,000
Interest and dividend income	1,357	85,900	-	87,257
Gain on investment	(3,861)	136,698	-	132,837
Net assets released from restriction	495,696	(495,696)	-	-
Total revenues, investment income, and other support	493,709	503,422	-	997,131
EXPENSES				
Program services:				
Scholarships	224,830	-	-	224,830
Educational development	148,029	-	-	148,029
Total program services	372,859	-	-	372,859
Administrative and general	173,128	-	-	173,128
Fundraising	30,000	-	-	30,000
Total expenses	575,987	-	-	575,987
CHANGE IN NET ASSETS	(82,278)	503,422	-	421,144
NET ASSETS, BEGINNING OF YEAR	77,681	2,820,770	15,000	2,913,451
NET ASSETS, END OF YEAR	\$ (4,597)	\$ 3,324,192	\$ 15,000	\$ 3,334,595

SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2013 AND 2012

18

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from student tuition and fees	\$ 948,542	\$ 531,425
Cash received from contracts and grants	3,517,417	4,704,562
Payments to and on behalf of employees	(11,609,774)	(11,255,487)
Payments to suppliers	(5,566,205)	(4,880,742)
Payments to utilities	(712,999)	(702,402)
Payments for scholarships and fellowships	(2,505,616)	(2,896,923)
Auxiliary enterprise charges, net of scholarship allowance	790,609	876,388
Fees assessed by Commission	(58,425)	(56,255)
Other receipts, net	440,742	704,906
Net cash used in operating activities	<u>(14,755,709)</u>	<u>(12,974,528)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
State appropriations	9,228,731	9,181,588
Federal student loan program - direct lending receipts	387,244	605,096
Federal student loan program - direct lending payments	(387,244)	(605,096)
Gifts	104,000	-
Pell grants	4,672,574	4,786,650
Net cash provided by noncapital financing activities	<u>14,005,305</u>	<u>13,968,238</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Purchases of capital assets	(524,783)	(358,505)
Payments on long-term borrowings from financial institutions	(26,857)	(25,835)
Withdrawals from (deposits to) noncurrent cash and cash equivalents	(490)	(77,881)
Other nonoperating revenue	552,343	365,967
Net cash provided by (used in) capital financing activities	<u>213</u>	<u>(96,254)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on investments	<u>8,624</u>	<u>7,118</u>
Net cash provided by investing activities	<u>8,624</u>	<u>7,118</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(741,567)	904,574
CASH AND CASH EQUIVALENTS - Beginning of year	<u>7,122,894</u>	<u>6,218,320</u>
CASH AND CASH EQUIVALENTS - End of year	<u>\$ 6,381,327</u>	<u>\$ 7,122,894</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating loss	\$ (15,050,325)	\$ (15,522,375)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	1,225,659	1,152,282
Changes in assets and liabilities:		
Accounts receivable, net of allowance for doubtful accounts	(82,993)	(288,073)
Due from the Commission	11,442	(11,672)
Due from the Federal Government	19,135	(59,468)
Due from other State Agencies	(362,194)	(5,325)
Prepaid expenses	3,391	(4,083)
Inventories	187,849	85,471
Accounts payable	34,866	(46,423)
Due to the Commission/Council	(821,013)	721,063
Due to other State Agencies	-	-
Due to other governments	294,755	(11,580)
Accrued liabilities	(157,821)	(12,341)
Compensated absences	30,414	(1,783)
Other postemployment benefits	13,792	1,172,553
Unearned revenue	(102,666)	(142,774)
Net cash (used) in operating activities	<u>\$ (14,755,709)</u>	<u>\$ (12,974,528)</u>
NONCASH TRANSACTIONS:		
Capital payments made and expenses incurred on behalf of the College	<u>\$ 5,769,331</u>	<u>\$ 712,043</u>

The Accompanying Notes Are An Integral
Part Of These Financial Statements

NOTE 1 - ORGANIZATION

Southern West Virginia Community and Technical College (the College) is governed by the Southern West Virginia Community and Technical College Board of Governors (the Board). The Board was established by Senate Bill 653 (S.B. 653).

Powers and duties of the Board include, but are not limited to, the power to determine, control, supervise and manage the financial, business and educational policies and affairs of the institutions under its jurisdiction, the duty to develop a master plan for the institution, the power to prescribe the specific functions and institution's budget request, the duty to review at least every five years all academic programs offered at the institution, and the power to fix tuition and other fees for the different classes or categories of students enrolled at its institution.

S.B. 653 also created the West Virginia Higher Education Policy Commission (the Commission), which is responsible for developing, gaining consensus around and overseeing the implementation and development of a higher education public policy agenda. Senate Bill 448 gives the West Virginia Council for Community and Technical College Education the responsibility of developing, overseeing and advancing the State's public policy agenda as it relates to community and technical college education.

As a requirement of Governmental Accounting Standards Board standards (GASB), the College has included information from the Southern West Virginia Community College Foundation, Inc. (the Foundation).

Although the College benefits from the activities of the Foundation, the Foundation is independent of the College in all respects. The Foundation is not a subsidiary of the College and is not directly or indirectly controlled by the College. The Foundation has its own separate, independent Board of Directors. Moreover, the assets of the Foundation are the exclusive property of the Foundation and do not belong to the College. The College is not accountable for, and does not have ownership of, any of the financial and capital resources of the Foundation. The College does not have the power or authority to mortgage, pledge, or encumber the assets of the Foundation. The Board of Directors of the Foundation is entitled to make all decisions regarding the business and affairs of the Foundation, including, without limitation, distributions made to the College. Under State law, neither the principal nor income generated by the assets of the Foundation can be taken into consideration in determining the amount of State-appropriated funds allocated to the College. Third parties dealing with the College, the Board, and the State of West Virginia (the "State") (or any agency thereof) should not rely upon the financial statements of the Foundation for any purpose without consideration of all the foregoing conditions and limitations.

The financial statements of the College have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by GASB. The financial statement presentation required by GASB provide a comprehensive, entity-wide perspective of the College's assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, expenses, changes in net position, and cash flows.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The College is an operating unit of the West Virginia Higher Education Fund and represents a separate fund of the State of West Virginia (the State) that is not included in the State's general fund. The College is a separate entity which, along with all State institutions of higher education, the West Virginia Council of Community and Technical Colleges, and the Commission (which includes West Virginia Network for Educational Telecomputing), forms the Higher Education Fund of the State. The Higher Education Fund is considered a component unit of the State, and its financial statements are discretely presented in the State's comprehensive annual financial report.

The accompanying financial statements present all funds under the authority of the College. The basic criterion for inclusion in the accompanying financial statements is the exercise of oversight responsibility derived from the College's ability to significantly influence operations and accountability for fiscal matters of related entities. A related Southern Alumni Association (Alumni Association) of the College is not part of the College's reporting entity and is not included in the accompanying financial statements as the College has no ability to designate management, cannot significantly influence operations of these entities and is not accountable for the fiscal matters of the Alumni Association under GASB.

As of July 1, 2003, the College adopted GASB Statement No. 39, Determining Whether Certain Organizations Are Component Units, an amendment to GASB Statement No. 14. As a result, the Southern West Virginia Community College Foundation, Inc. (Foundation) was originally not included because the economic resources held by the Foundation were not significant to that inclusion. Beginning with the year ended June 30, 2008, the resources held by the Foundation became significant and are now included. As a result, the audited financial statements of the Foundation are presented here as a discrete component unit with the College combined financial statements in accordance with GASB. The Foundation's audited financial statements were as of and for the year ended December 31, 2012 and 2011. The Foundation is a private nonprofit organization that reports under FASB standards, including FASB Statement No. 117, Financial Reporting for Not-for-Profit Organization. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's audited financial information as it is presented herein as required by GASB No. 39.

Financial Statement Presentation - GASB establishes standards for external financial reporting for public colleges and universities and requires that financial statements be presented on a basis to focus on the College as a whole. Net position is classified into four categories according to external donor restrictions or availability of assets for satisfaction of College obligations. The College's net position is classified as follows:

- *Net investment in capital assets* - This represents the College's total investment in capital assets, net of depreciation and outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets, net of related debt.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- *Restricted net position, expendable* - This includes resources in which the College is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

The West Virginia State Legislature, as a regulatory body outside the reporting entity, has restricted the use of certain funds by Article 10, *Fees and Other Money Collected as State Institutions of Higher Education* of the West Virginia State Code. House Bill 101 passed in March 2005 simplified the tuition and fee structure and removed the restrictions but included designations associated with auxiliary and capital items. These activities are fundamental to the normal ongoing operations of the institution. These restrictions are subject to change by future actions of the West Virginia State Legislature.

- *Restricted net position, nonexpendable* - This includes endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal. The College does not have any restricted nonexpendable net position at June 30, 2013 or 2012.
- *Unrestricted net position* - Unrestricted net position represents resources derived from student tuition and fees, state appropriations and sales and services of educational activities. These resources are used for transactions relating to the educational and general operations of the College, and may be used at the discretion of the Board of Governors to meet current expenses for any purpose. These resources also include resources of auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff.

Basis of Accounting - For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's financial statements have been prepared on the accrual basis of accounting with a flow of economic resources measurement focus. Revenues are reported when earned and expenditures when materials or services are received. All intercompany accounts and transactions have been eliminated.

Cash and Cash Equivalents - For purposes of the statements of net position, the College considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and cash equivalents balances on deposit with the State of West Virginia Treasurer's Office (the State Treasurer) are pooled by the State Treasurer with other available funds of the State for investment purposes by the West Virginia Board of Treasury Investments (BTI). These funds are transferred to the BTI and the BTI is directed by the State Treasurer to invest the funds in specific external investment pools in accordance with West Virginia code, policies set by the BTI, and by provisions of bond indentures and trust agreements, when applicable. Balances in the investment pools are recorded at fair value or amortized cost which approximates fair value. Fair value is determined by a third-party pricing service based on asset portfolio pricing models and other sources in accordance with GASB. The BTI was established by the State Legislature and is subject to oversight by the State Legislature. Fair value and investment income are allocated to participants in the pools based upon the funds that have been invested. The amounts on deposit are available for immediate withdrawal or on the first day of each month for the WV Short Term Bond Pool and, accordingly, are presented as cash and cash equivalents in the accompanying financial statements.

The BTI maintains the Consolidated Fund investment fund, which consists of eight investment pools and participant-directed accounts, three of which the College may invest in. These pools have been structured as multiparticipant variable net asset funds to reduce risk and offer investment liquidity diversification to the Fund participants. Funds not required to meet immediate disbursement needs are invested for longer periods. A more detailed discussion of the BTI's investment operations pool can be found in its annual audited financial report. A copy of that annual report can be obtained from the following address: 1900 Kanawha Blvd., E. Room E-122 Charleston, West Virginia, 25305 or <http://www.wvbt.com>.

Permissible investments for all agencies include those guaranteed by the United States of America, its agencies and instrumentalities (U.S. Government obligations); corporate debt obligations, including commercial paper, which meet certain ratings; certain money market funds; repurchase agreements; reverse repurchase agreements; asset-backed securities; certificates of deposit; state and local government securities (SLGS); and other investments. Other investments consist primarily of investments in accordance with the Linked Deposit Program, a program using financial institutions in West Virginia to obtain certificates of deposit, loans approved by the legislature, and any other program investments authorized by the legislature.

Appropriations Due from Primary Government - For financial reporting purposes, appropriations due from the State are presented separate from cash and cash equivalents, as amounts are not specific deposits with the State Treasurer but are obligations of the State.

Allowance for Doubtful Accounts - It is the College's policy to provide for future losses on uncollectible accounts, contracts, grants, and receivables based on an evaluation of the underlying account, contract and grant balances, the historical collectibility experienced by the College on such balances and such other factors which, in the College's judgment, require consideration in estimating doubtful accounts.

Inventories - Inventories are stated at the lower-of-cost or market, cost being determined on the first-in, first-out method.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Noncurrent Cash and Cash Equivalents, and Investments - Cash and cash equivalents that are (1) externally restricted to make debt service payments and long-term loans to students, or to maintain sinking or reserve funds, (2) to purchase capital or other noncurrent assets, or (3) permanently restricted net position, are classified as a noncurrent asset in the accompanying statements of net position.

Capital Assets - Capital assets include property, plant and equipment and books and materials that are part of a catalogued library. Capital assets are stated at cost at the date of acquisition or construction, or fair market value at the date of donation in the case of gifts. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 50 years for buildings and infrastructure, 20 years for land improvements, 7 years for library holdings, and 5 to 10 years for furniture and equipment. The College's capitalization threshold is \$5,000. There was no interest capitalized during 2013 and 2012. The accompanying combined financial statements reflect all adjustments required by GASB.

Unearned Revenue - Revenues for programs or activities to be conducted primarily in the next fiscal year are classified as unearned revenue. Unearned revenue at the College primarily consists of grant funding not spent or with unmet timing requirements and summer tuition collected in advance. Financial aid and other deposits are separately classified as deposits.

Compensated Absences and Other Postemployment Benefits (OPEB) - GASB provides for the measurement, recognition, and display of OPEB expenditures, assets, and liabilities, including applicable note disclosures and required supplementary information. During fiscal year 2006, House Bill No. 4654 was established to create a trust fund for postemployment benefits for the State. The College is required to participate in this multiple-employer, cost-sharing plan, the West Virginia Retiree Health Benefit Trust Fund, sponsored by the State of West Virginia. Details regarding this plan and its stand-alone financial statements can be obtained by contacting the West Virginia Public Employees Insurance Agency (PEIA), State Capitol Complex, Building 5, Room 1001, 1900 Kanawha Boulevard, East, Charleston, WV 25305-0710 or <http://www.wvpeia.com>.

GASB requires entities to accrue for employees' rights to receive compensation for vacation leave or payments in lieu of accrued vacation or sick leave as such benefits are earned and payment becomes probable. The College's full-time employees earn up to two vacation leave days for each month of service and are entitled to compensation for accumulated, unpaid vacation leave upon termination. Full-time employees also earn 1 1/2 sick leave days for each month of service and are entitled to extend their health or life insurance coverage upon retirement in lieu of accumulated, unpaid sick leave. Generally, two days of accrued sick leave extend health insurance for one month of single coverage, and three days extend health insurance for one month of family coverage. For employees hired after 1988, or who were hired before 1988 but did not choose such coverage until after 1988 but before July 1, 2001, the employee shares in the cost of the extended benefit coverage to the extent of 50% of the premium required for the extended coverage. Employees hired July 1, 2001, or later will no longer receive sick leave credit toward insurance premiums when they retire. Additionally, all retirees have the option to purchase continued coverage regardless of their eligibility for premium credits. This liability is now provided for under the multiple-employer, cost-sharing plan sponsored by the State.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Certain faculty employees (generally those with less than a 12-month contract) earn a similar extended health or life insurance coverage retirement benefit based on years of service. Generally, 3 1/3 years of teaching service extend health insurance for one year of single coverage, and five years extend health insurance for one year of family coverage. Faculty hired after July 1, 2009, will no longer receive years of service credit toward insurance premiums when they retire. Employees hired after July 1, 2010, receive no health insurance premium subsidy from the College. Two groups of employees hired after July 1, 2010, will not be required to pay the unsubsidized rate: 1) active employees who were originally hired before July 1, 2010, who have a break in service of fewer than two years after July 1, 2010; and 2) retired employees who retired before July 1, 2010, return to active service after July 1, 2010, and then go back into retirement. In those cases, the original hire date will apply.

The estimated expense and expense incurred for the vacation leave or OPEB benefits are recorded as a component of benefits expense in the combined statements of revenues, expenses, and changes in net position.

Deferred Outflows of Resources - Consumption of net position by the College that is applicable to a future fiscal year is reported as a deferred outflow of resources on the statement of net position.

Deferred Inflows of Resources - An acquisition of net position by the College that is applicable to a future fiscal year is reported as a deferred inflow of resources on the state of net position.

Risk Management - The State's Board of Risk and Insurance Management (BRIM) provides general, property and casualty, and liability coverage to the College and its employees. Such coverage may be provided to the College by BRIM through self-insurance programs maintained by BRIM or policies underwritten by BRIM that may involve experience-related premiums or adjustments to BRIM.

BRIM engages an independent actuary to assist in the determination of its premiums so as to minimize the likelihood of premium adjustments to the College or other participants in BRIM's insurance programs. As a result, management does not expect significant differences between the premiums the College is currently charged by BRIM and the ultimate cost of that insurance based on the College's actual loss experience. In the event such differences arise between estimated premiums currently charged by BRIM to the College and the College's ultimate actual loss experience, the difference will be recorded, as the change in estimate becomes known.

In addition, through its participation in the West Virginia Public Employees Insurance Agency (PEIA) and a third-party insurer, the College has obtained health, life, prescription drug coverage, and coverage for job related injuries for its employees. In exchange for payment of premiums to PEIA and the third-party insurer, the College has transferred its risks related to health, life, prescription drug coverage, and job related injuries.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

West Virginia had a single private insurance company, BrickStreet Insurance, which provided workers' compensation coverage to all employers in the state. Other private insurance companies began to offer coverage to private-sector employers beginning July 1, 2009 and to government employers beginning July 1, 2010. Nearly every employer in the State, who has payroll must have coverage. The cost of all coverage is paid by the employers. BrickStreet retains the risk related to the compensation of injured employees under the program.

Classification of Revenues - The College has classified its revenues according to the following criteria:

- *Operating revenues* - Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances, (3) most federal, state, local, and nongovernmental grants and contracts, and (4) sales and services of educational activities.
- *Nonoperating revenues* - Nonoperating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenues that are defined as nonoperating revenues by GASB, such as state appropriations, Federal Pell Grants, investment income, and sale of capital assets (including natural resources).
- *Other revenues* - Other revenues consist primarily of capital grants and gifts.

Use of Restricted Net Position - The College has not adopted a formal policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Generally, the College utilizes restricted net position first, when practicable.

Federal Financial Assistance Programs - The College makes loans to students under the Federal Direct Student Loan Program. Under this program, the U.S. Department of Education makes interest subsidized and nonsubsidized loans directly to students, through institutions like the College. Direct student loan receivables are not included in the College's statements of net position as the loans are repayable directly to the U. S. Department of Education. In 2013 and 2012, the College received and disbursed \$387,244 and \$605,096, respectively, under the Federal Direct Student Loan Program on behalf of the U. S. Department of Education, which is not included as revenue and expense on the statements of revenues, expenses, and changes in net position.

The College distributes student financial assistance funds on behalf of the federal government to students under the Federal Pell Grant, Supplemental Educational Opportunity Grant and College Work Study programs. The activity of these programs is recorded in the accompanying financial statements. In 2013 and 2012, the College received and disbursed \$4,764,175 and \$4,886,485 respectively, under these federal student aid programs.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Scholarship Allowances - Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship allowances in the statement of revenues, expenses and changes in net position. Scholarship allowances are the difference between the stated charge for goods and services provided by the College, and the amount that is paid by students and/or third parties making payments on the student's behalf.

Financial aid to students is reported in the financial statements under the alternative method as prescribed by the National Association of College and College Business Officers (NACUBO). Certain aid such as loans and funds provided to students as awarded by third parties are accounted for as a third party payment (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Under the alternative method, these amounts are computed on a College basis by allocating the cash payments to students, excluding payments for services on the ratio of total aid to the aid not considered to be third party aid.

Government Grants and Contracts - Government grants and contracts normally provide for the recovery of direct and indirect costs, subject to audit. The College recognizes revenue associated with direct costs as the related costs are incurred. Recovery of related indirect costs is generally recorded at fixed rates negotiated for a period of one to five years.

Income Taxes - The College is exempt from income taxes, except for unrelated business income, as a governmental instrumentality under Federal income tax laws and regulations of the Internal Revenue Service as described in Section 115 of the Internal Revenue Code.

Cash Flows - Any cash and cash equivalents escrowed, restricted for noncurrent assets or in funded reserves have not been included as cash and cash equivalents for the purpose of the statement of cash flows.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Risk and Uncertainties - Investments are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain securities, it is reasonably possible that changes in risk and values will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Newly Adopted Statements Issued by the Governmental Accounting Standards Board

The College has adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The objective of this statement is to provide guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in the statement of financial position and related disclosures. The adoption of this statement resulted in the addition of deferred outflows of resources and deferred inflows of resources to the statements of net position.

The College has early adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The adoption of this statement did not have a material impact on the financial statements. The adoption of this statement resulted in the addition of deferred outflows of resources and deferred inflows of resources to the statements of net position.

The College has early adopted GASB Statement No. 66, *Technical Corrections - 2012: An Amendment of GASB Statements No. 10 and No. 64*. This statement improves accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November, 1989 FASB and AICPA Pronouncements*. The adoption of this statement did not have a material impact on the financial statements.

Recent Statements Issued by the Governmental Accounting Standards Board

The GASB has issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, effective for fiscal years beginning after June 15, 2014. This statement enhances the information provided in the financial statements regarding the effects of pension-related transactions, the pension obligations of the entity, and the resources available to satisfy those obligations. The College has not yet determined the effect that the adoption of GASB Statement No. 68 may have on its combined financial statements.

The GASB also issued Statement No. 69, *Government Combinations and Disposals of Government Operations*, effective for fiscal years beginning after December 31, 2013. This statement provides guidance on measurement and reporting of combinations and disposals of government operations. The College has not yet determined the effect that the adoption of GASB Statement No. 69 may have on its financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The GASB also issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, effective for fiscal years beginning after June 15, 2013. Early application is encourage. This statement requires a state or local government guarantor that offers a nonexchange financial guarantee to another organization to recognize a liability on its financial statements when it is more likely than not that the guarantor will be required to make a payment to the obligation holders under the agreement. In addition, the Statement requires: (1) A government guarantor to consider qualitative factors when determining if a payment on its guarantee is more likely than not to be required. Such factors may include whether the issuer of the guaranteed obligation is experiencing significant financial difficulty or initiating the process of entering into bankruptcy or financial reorganization; (2) An issuer government that is required to repay a guarantor for guarantee payments made to continue to report a liability unless legally released. When a government is released, the government would recognize revenue as a result of being relieved of the obligation; (3) A government guarantor or issuer to disclose information about the amounts and nature of nonexchange financial guarantees. The College has not yet determined the effect that the adoption of GASB Statement No. 70 may have on its financial statements.

Reclassifications – Certain amounts in the 2012 financial statements have been reclassified to conform to the 2013 presentation. The reclassification was a reduction of \$1,170,697 of tuition and fee revenue, \$202,692 of auxiliary revenue, and \$1,373,389 reduction in student financial aid expense in FY 2012. The impact of the reclassification on FY 2012 net position was \$0.

NOTE 3 - CASH AND CASH EQUIVALENTS

The composition of cash and cash equivalents was as follows at June 30:

	2013		
	Current	Noncurrent	Total
Cash on deposit with the State			
Treasurer/BTI	\$ 6,341,289	\$ -	\$ 6,341,289
Cash in bank	35,238	104,140	139,378
Cash on hand	4,800	-	4,800
	\$ 6,381,327	\$ 104,140	\$ 6,485,467

NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)

	2012		
	Current	Noncurrent	Total
Cash on deposit with the State			
Treasurer/BTI	\$ 7,075,571	\$ -	\$ 7,075,571
Cash in bank	42,523	103,650	146,173
Cash on hand	4,800	-	4,800
	\$ 7,122,894	\$ 103,650	\$ 7,226,544

Cash held by the State Treasurer includes \$1,608,188 and \$2,524,671 of restricted cash primarily for operating grants as of June 30, 2013 and 2012, respectively.

The combined carrying amount of cash in the bank at June 30, 2013 and 2012 was \$139,378 and \$146,193, as compared with the combined bank balance of \$172,621 and \$146,193, respectively. The difference is primarily caused by items in transit and outstanding checks. The bank balances were covered by federal depository insurance as noted below or were collateralized by securities held by the State’s agent. Regarding federal depository insurance, accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

Amounts with the State Treasurer/BTI as of June 30, 2013 and 2012, are comprised of the following investment pools:

The BTI has adopted an investment policy in accordance with the “Uniform Prudent Investor Act.” The “prudent investor rule” guides those with responsibility for investing the money for others. Such fiduciaries must act as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income; preserve capital; and, in general, avoid speculative investments. The BTI’s investment policy is to invest assets in a manner that strives for maximum safety, provides adequate liquidity to meet all operating requirements, and achieves the highest possible investment return consistent with the primary objectives of safety and liquidity. The BTI recognizes that risk, volatility, and the possibility of loss in purchasing power are present to some degree in all types of investments. Due to the short-term nature of BTI’s Consolidated Fund, the BTI believes that it is imperative to review and adjust the investment policy in reaction to interest rate market fluctuations/trends on a regular basis and has adopted a formal review schedule. Investment policies have been established for each investment pool and account of the BTI’s Consolidated Fund. Of the BTI’s Consolidated Fund pools and accounts in which the College invests, all are subject to credit risk. The following BTI investment risk information has been extracted from the notes to BTI’s financial statements.

WV Money Market Pool - Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. For the years ended June 30, 2013 and 2012, the WV Money Market Pool has been rated AAAM by Standard & Poor’s. A Fund rated “AAAM” has extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit, market, and/or liquidity risks. “AAAM” is the highest principal stability fund rating assigned by Standard & Poor’s. As this pool has been rated, specific information on the credit ratings of the underlying investments of the pool have not been provided.

NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)

The BTI limits the exposure to credit risk in the WV Money Market Pool by requiring all corporate bonds to be rated AA- by Standard & Poor's (or its equivalent) or higher. Commercial paper must be rated at least A-1 by Standard & Poor's and P-1 by Moody's. The pool must have at least 15% of its assets in U.S. Treasury issues.

At June 30, 2013 and 2012, the WV Money Market Pool investments had a total carrying value of \$2,495,868,000 and \$2,786,968,000, respectively, of which the College's ownership represents 0.24% and 0.22%, respectively.

WV Government Money Market Pool - Credit Risk - For the years ended June 30, 2013 and 2012, the WV Government Money Market Pool has been rated AAAM by Standard & Poor's. A Fund rated "AAAM" has extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit, market, and/or liquidity risks. "AAAM" is the highest principal stability fund rating assigned by Standard & Poor's. As this pool has been rated, specific information on the credit ratings of the underlying investments of the pool have not been provided.

The BTI limits the exposure to credit risk in the WV Government Money Market Pool by limiting the pool to U.S. Treasury issues, U.S. government agency issues, money market funds investing in U.S. Treasury issues and U.S. government agency issues, and repurchase agreements collateralized by U.S. Treasury issues and U.S. government agency issues. The pool must have at least 15% of its assets in U.S. Treasury issues.

At June 30, 2013 and 2012, the WV Government Money Market Pool investments had a total carrying value of \$287,184,000 and \$299,629,000, respectively, of which the College's ownership represents 0.01% and 0.02%, respectively.

WV Short Term Bond Pool - Credit Risk - The BTI limits the exposure to credit risk in the WV Short Term Bond Pool by requiring all corporate bonds to be rated A by Standards & Poor's (or its equivalent) or higher. Commercial paper must be rated at least A-1 by Standards & Poor's and P-1 by Moody's. Mortgage-backed and asset-backed securities must be rated AAA by Standard & Poor's and Aaa by Moody's. As this pool has not been rated, the following table provides information on the credit ratings of the WV Short Term Bond Pool's investments (in thousands):

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NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)

Security Type	Credit Rating*		2013		2012	
	Moody's	S&P	Carrying Value	Percent of Pool Assets	Carrying Value	Percent of Pool Assets
Corporate asset-backed securities	Aaa	AAA	\$ 53,681	8.72 %	\$ 95,628	18.99 %
	Aaa	NR *	59,810	9.71	38,524	7.64
	B1	CCC **			896	0.18
	B3	BB **			311	0.06
	B3	BBB- **			53	0.01
	B3	CCC **			280	0.06
	Ca	CCC **	308	0.05	586	0.12
	Ca	D **	95	0.02		
	Caa1	CCC **	932	0.15		
	Caa2	CCC **			186	0.04
	Caa3	CCC **			243	0.05
	Caa3	D **	367	0.06	26	0.01
	Caa3	NR **	24	0.00		
	NR	AAA	37,411	6.07		
	NR	AA+	2,514	0.41	3,900	0.77
	NR	* NR *	3,819	0.62	3,786	0.75
			<u>158,961</u>	<u>25.81</u>	<u>144,419</u>	<u>28.68</u>
Corporate bonds and notes	Aa2	AA+	3,002	0.49	9,025	1.79
	Aa2	AA	12,731	2.07		
	Aa2	AA-	9,192	1.49		
	Aa3	AA-	33,034	5.36	15,666	3.11
	Aa3	A+	11,693	1.90		
	Aa3	A			23,032	4.57
	A1	AA+	13,295	2.16		
	A1	AA	4,118	0.67	12,145	2.41
	A1	A+	47,500	7.71	30,684	6.09
	A1	A	13,522	2.19		
	A2	A+	9,348	1.52		
	A2	A	47,709	7.75	39,064	7.76
	A2	A-	5,052	0.82		
	A3	A-	7,986	1.30	7,755	1.54
	A3	BBB+			3,006	0.60
	Baa1	A- **	2,416	0.39	4,162	0.83
	Baa2	A- **	6,959	1.13	6,709	1.33
			<u>227,557</u>	<u>36.95</u>	<u>151,248</u>	<u>30.03</u>
U.S. agency bonds	Aaa	AA+	9,986	1.62	45,024	8.94
U.S. Treasury notes***	Aaa	AA+	140,154	22.76	44,251	8.79
U.S. agency mortgage backed securities****	Aaa	AA+	73,692	11.97	77,065	15.30
Money market funds	Aaa	AAAm	5,457	0.89	41,610	8.26
			<u>\$615,807</u>	<u>100 %</u>	<u>\$503,617</u>	<u>100 %</u>

* NR = Not Rated

** The securities were not in compliance with BTI Investment Policy at June 30, 2013 and/or 2012. The securities were in compliance when originally acquired, but were subsequently downgraded. BTI management and its investment advisors have determined that it is in the best interests of the participants to hold the securities for optimal outcome.

*** U.S. Treasury issues are explicitly guaranteed by the United States government and are not subject to credit risk.

**** U.S. agency mortgage backed securities are explicitly guaranteed by the United States government and are not subject to credit risk.

At June 30, 2013 and 2012, the College's ownership represents 0.07% and 0.16%, respectively, of these amounts held by the BTI.

NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. All the BTI's Consolidated Fund pools and accounts are subject to interest rate risk.

The overall weighted average maturity of the investments of the WV Money Market Pool cannot exceed 60 days. Maximum maturity of individual securities cannot exceed 397 days from date of purchase, except for government floating rate notes, which can be up to 762 days. The following table provides information on the weighted average maturities for the various asset types in the WV Money Market Pool:

The overall weighted average maturity of the investments of the WV Government Money Market Pool cannot exceed 60 days. Maximum maturity of individual securities cannot exceed 397 days from date of purchase, except for government floating rate notes, which can be up to 762 days. The following table provides information on the weighted average maturities for the various asset types in the WV Government Money Market Pool:

Security Type	2013		2012	
	Carrying Value (In thousands)	WAM (Days)	Carrying Value (In thousands)	WAM (Days)
Repurchase agreements	\$ 229,326	3	\$ 90,204	3
U.S. Treasury notes	279,755	132	330,865	122
U.S. Treasury bills	34,993	77	237,978	37
Commercial paper	970,395	43	853,470	35
Certificates of deposit	259,000	66	110,000	10
U.S. agency discount notes	445,784	47	738,706	44
Corporate bonds and notes	10,000	60	36,000	48
U.S. agency bonds/notes	66,603	139	189,691	68
Money market funds	<u>200,012</u>	1	<u>200,054</u>	1
	<u>\$ 2,495,868</u>	52	<u>\$ 2,786,968</u>	46

The overall weighted average maturity of the investments of the WV Government Money Market Pool cannot exceed 60 days. Maximum maturity of individual securities cannot exceed 397 days from date of purchase, except for government floating rate notes, which can be up to 762 days. The following table provides information on the weighted average maturities for the various asset types in the WV Government Money Market Pool:

The overall effective duration of the investments of the WV Short Term Bond Pool cannot exceed 731 days. Maximum effective duration of individual securities cannot exceed 1,827 days (five years) from date of purchase. The following table provides information on the effective duration for the various asset types in the WV Short Term Bond Pool:

NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)

Security Type	2013		2012	
	Carrying Value (in Thousands)	Effective Duration (Days)	Carrying Value (in Thousands)	Effective Duration (Days)
U. S. Treasury bonds/notes	\$ 140,154	491	\$ 44,251	366
Corporate bonds/notes	227,557	293	151,248	242
Corporate asset-backed securities	158,961	471	144,419	250
U.S. agency bonds/notes	9,986	583	45,024	23
U.S. agency mortgage-backed securities	73,692	60	77,065	13
Money market funds	5,457	1	41,610	1
	<u>\$ 615,807</u>	358	<u>\$ 503,617</u>	180

Other Investment Risks - Other investment risks include concentration of credit risk, custodial credit risk, and foreign currency risk. None of the BTI's Consolidated Fund's investment pools or accounts is exposed to these risks as described below.

Concentration of credit risk is the risk of loss attributed to the magnitude of the BTI's Consolidated Fund pool or account's investment in a single corporate issuer. The BTI investment policy prohibits those pools and accounts permitted to hold corporate securities from investing more than 5% of their assets in any one corporate name or one corporate issue.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the BTI will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Repurchase agreements are required to be collateralized by at least 102% of their value, and the collateral is held in the name of the BTI. Securities lending collateral that is reported on the BTI's statement of fiduciary net assets is invested in a pool managed by the securities lending agent. In all transactions, the BTI or its agent does not release cash or securities until the counterparty delivers its side of the transaction.

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. None of the BTI's Consolidated Fund's investment pools or accounts holds interests in foreign currency or interests valued in foreign currency.

Deposits - Custodial credit risk of deposits is the risk that in the event of failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. Deposits include nonnegotiable certificates of deposit. None of the above pools contain nonnegotiable certificates of deposit. The BTI does not have a deposit policy for custodial credit risk.

SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE 34
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 AND 2012

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable are as follows at June 30:

	<u>2013</u>	<u>2012</u>
Student tuition and fees, net of allowance for doubtful accounts of \$405,494 and \$284,627 in 2013 and 2012, respectively	\$ 255,994	\$ 228,735
Due from Foundation	316,304	126,776
Other accounts receivable	<u>29,904</u>	<u>67,698</u>
	<u>\$ 602,202</u>	<u>\$ 423,209</u>

NOTE 5 - CAPITAL ASSETS

The following is a summation of capital asset transactions for the College for the years ended June 30:

	2013			
	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not being depreciated:				
Construction in process	\$ 949,026	\$ 3,801	\$ (949,026)	\$ 3,801
Land	<u>1,288,470</u>	<u>-</u>	<u>-</u>	<u>1,288,470</u>
Total capital assets not being depreciated	<u>\$ 2,237,496</u>	<u>\$ 3,801</u>	<u>\$ (949,026)</u>	<u>\$ 1,292,271</u>
Other capital assets				
Buildings	\$ 31,270,822	\$ 6,588,967	\$ -	\$ 37,859,789
Equipment	5,614,264	530,827	(301,870)	5,843,221
Library holdings	<u>3,878,356</u>	<u>136,717</u>	<u>(25,177)</u>	<u>3,989,896</u>
Total other capital assets	<u>40,763,442</u>	<u>7,256,511</u>	<u>(327,047)</u>	<u>47,692,906</u>
Less accumulated depreciation for:				
Buildings	(9,844,377)	(738,025)	-	(10,582,402)
Equipment	(4,079,903)	(430,834)	253,551	(4,257,186)
Library holdings	<u>(3,725,764)</u>	<u>(56,800)</u>	<u>25,177</u>	<u>(3,757,387)</u>
Total accumulated depreciation	<u>(17,650,044)</u>	<u>(1,225,659)</u>	<u>278,728</u>	<u>(18,596,975)</u>
Other capital assets, net	<u>\$ 23,113,398</u>	<u>\$ 6,030,852</u>	<u>\$ (48,319)</u>	<u>\$ 29,095,931</u>
Capital asset summary:				
Capital assets not being depreciated	\$ 2,237,496	\$ 3,801	\$ (949,026)	\$ 1,292,271
Other capital assets	<u>40,763,442</u>	<u>7,256,511</u>	<u>(327,047)</u>	<u>47,692,906</u>
Total cost of capital assets	43,000,938	7,260,312	(1,276,073)	48,985,177
Less accumulated depreciation	<u>(17,650,044)</u>	<u>(1,225,659)</u>	<u>278,728</u>	<u>(18,596,975)</u>
Capital assets, net	<u>\$ 25,350,894</u>	<u>\$ 6,034,653</u>	<u>\$ (997,345)</u>	<u>\$ 30,388,202</u>

SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 AND 2012

NOTE 5 - CAPITAL ASSETS (Continued)

	2012			
	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not being depreciated:				
Construction in Process	\$ 236,983	\$ 712,043	\$ -	\$ 949,026
Land	1,288,470	-	-	1,288,470
 Total capital assets not being depreciated	<u>\$ 1,525,453</u>	<u>\$ 712,043</u>	<u>\$ -</u>	<u>\$ 2,237,496</u>
 Other capital assets				
Buildings	\$ 31,270,822	\$ -	\$ -	\$ 31,270,822
Equipment	6,853,704	292,921	(1,532,361)	5,614,264
Library holdings	3,864,099	65,584	(51,327)	3,878,356
 Total other capital assets	<u>41,988,625</u>	<u>358,505</u>	<u>(1,583,688)</u>	<u>40,763,442</u>
 Less accumulated depreciation for:				
Buildings	(9,128,577)	(715,800)	-	(9,844,377)
Equipment	(5,227,434)	(384,830)	1,532,361	(4,079,903)
Library holdings	(3,725,439)	(51,652)	51,327	(3,725,764)
 Total accumulated depreciation	<u>(18,081,450)</u>	<u>(1,152,282)</u>	<u>1,583,688</u>	<u>(17,650,044)</u>
 Other capital assets, net	<u>\$ 23,907,175</u>	<u>\$ (793,777)</u>	<u>\$ -</u>	<u>\$ 23,113,398</u>
 Capital asset summary				
Capital assets not being depreciated	\$ 1,525,453	\$ 712,043	\$ -	\$ 2,237,496
Other capital assets	41,988,625	358,505	(1,583,688)	40,763,442
 Total cost of capital assets	43,514,078	1,070,548	(1,583,688)	43,000,938
 Less accumulated depreciation	<u>(18,081,450)</u>	<u>(1,152,282)</u>	<u>1,583,688</u>	<u>(17,650,044)</u>
 Capital assets, net	<u>\$ 25,432,628</u>	<u>\$ (81,734)</u>	<u>\$ -</u>	<u>\$ 25,350,894</u>

The College maintains certain collections of inexhaustible assets to which no value can be practically determined. Accordingly, such collections are not capitalized or recognized for financial statement purposes. Such collections include contributed works of art, historical treasures, and literature that are held for exhibition, education, research, and public service. These collections are neither disposed of for financial gain nor encumbered in any means.

At June 30, 2013, the College had no significant outstanding contractual commitments for property, plant and equipment expenditures.

SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 AND 2012

NOTE 6 - LONG-TERM LIABILITIES

The following is a summary of long-term obligation transactions for the College for the years ended June 30:

	2013					
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion	Noncurrent Portion
Capital leases	\$ 61,930	\$ -	\$ 26,857	\$ 35,073	\$ 27,921	\$ 7,152
Other postemployment benefits liability	3,905,054	13,792	-	3,918,846	-	3,918,846
Compensated absences	<u>451,780</u>	<u>30,414</u>	<u>-</u>	<u>482,194</u>	<u>304,576</u>	<u>177,618</u>
Total noncurrent liabilities	<u>\$ 4,418,764</u>	<u>\$ 44,206</u>	<u>\$ 26,857</u>	<u>\$ 4,436,113</u>	<u>\$ 332,497</u>	<u>\$ 4,103,616</u>

	2012					
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion	Noncurrent Portion
Capital leases	\$ 87,765	\$ -	\$ 25,835	\$ 61,930	\$ 26,857	\$ 35,073
Other postemployment benefits liability	2,732,501	1,172,553	-	3,905,054	-	3,905,054
Compensated absences	<u>453,563</u>	<u>-</u>	<u>1,783</u>	<u>451,780</u>	<u>294,502</u>	<u>157,278</u>
Total noncurrent liabilities	<u>\$ 3,273,829</u>	<u>\$ 1,172,553</u>	<u>\$ 27,618</u>	<u>\$ 4,418,764</u>	<u>\$ 321,359</u>	<u>\$ 4,097,405</u>

On August 22, 2007, the College entered into a capital lease for equipment with SunTrust Leasing Corporation. The lease is payable in monthly installments of \$2,399 over 84 months at an interest rate of 3.89%. The total amount outstanding on the lease at June 30, 2013 was \$35,073.

The cost of equipment under capital leases, net of accumulated depreciation is included in the Statement of Net Position as investment in capital assets and was \$244,197 at June 30, 2013. Depreciation of assets under capital leases is included in depreciation expense.

The future minimum lease payments required under the capital lease and the present value of the net minimum lease payments as of June 30, 2013, are as follows:

Years Ending June 30,

2014	\$ 28,791
2015	<u>7,198</u>
Total minimum lease payments	35,989
Less: Amount representing interest	<u>916</u>
Present value of net minimum lease payments	<u>\$ 35,073</u>

NOTE 7 - OPERATING LEASE OBLIGATIONS

The College leases various equipment, automobiles, and buildings, under operating lease agreements. Aggregate payment for operating leases amounted to \$70,065 and \$111,295 for the years ended June 30, 2013 and 2012, respectively. Future minimum rental commitments are as follows as of June 30, 2013:

<u>Years Ending June 30,</u>		
2014		\$ 40,477
2015		<u>24,614</u>
		<u>\$ 65,091</u>

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS

In accordance with GASB, OPEB costs are accrued based upon invoices received from PEIA based upon actuarial determined amounts. At June 30, 2013, 2012, and 2011 the noncurrent liability related to OPEB costs was \$3,918,846, \$3,905,054, and \$2,732,501, respectively. The total of OPEB expense incurred and the amount of OPEB expense that relates to retirees was \$568,531 and \$115,213 respectively, during 2013, or 20%. The total of OPEB expense incurred and the amount of OPEB expense that relates to retirees was \$1,707,208 and \$122,663, respectively, during 2012, or 7%. The total of OPEB expense incurred and the amount of OPEB expense that relates to retirees was \$1,537,812 and \$416,962, respectively, during 2011, or 27%. As of the years ended June 30, 2013, 2012 and 2011, there were 35, 31 and 33 retirees receiving these benefits, respectively. During the 2012 legislative session, the State took proactive measures to address this unfunded liability, which will take effect in future fiscal years and fully fund the liability by 2037.

NOTE 9 - STATE SYSTEM OF HIGHER EDUCATION INDEBTEDNESS

The College is a State institution of higher education, and the College receives a State appropriations to finance its operations. In addition, it is subject to the legislative and administrative mandates of State government. Those mandates affect all aspects of the College's operations, its tuition and fee structure, its personnel policies and, its administrative practices.

The State has chartered the Commission with the responsibility to construct or renovate, finance and maintain various academic and other facilities of the State's universities and colleges, including certain facilities of the College. Financing for these facilities was provided through revenue bonds issued by the former Board of Regents or the former Boards of the College, College Systems, and the Commission (the Boards). These obligations administered by the Commission are the direct and total responsibility of the Municipal Bond Commission, as successor to the former Boards.

NOTE 9 - STATE SYSTEM OF HIGHER EDUCATION INDEBTEDNESS (Continued)

During December 2009, the Commission, on behalf of the Council, issued \$78,295,000 of Community and Technical Colleges Improvement Revenue Bonds, 2009 Series A (the 2009 Bonds). The proceeds of the 2009 Bonds will be used to finance the acquisition, construction, equipping, or improvement of community and technical college facilities in West Virginia. The bond projects listed in the bond offering for the 2009 Bonds proposes bond funding of \$6,000,000 for the College. State lottery funds will be used to repay the debt. As of June 30, 2013, the College had drawn down \$5,908,803 of these bond funds to pay for capital projects.

NOTE 10 - UNRESTRICTED NET POSITION

The College did not have any designated unrestricted net position as of June 30, 2013 or 2012.

	<u>2013</u>	<u>2012</u>
Total unrestricted net position before OPEB liability	\$ 4,138,254	\$ 3,838,496
Less: OPEB liability	<u>3,918,846</u>	<u>3,905,054</u>
Total unrestricted net position (deficit)	\$ <u>219,408</u>	\$ <u>(66,558)</u>

NOTE 11 - RETIREMENT PLANS

Substantially all full-time employees of the College participate in either the West Virginia Teachers' Retirement System (the STRS) or the Teachers' Insurance and Annuities Association - College Retirement Equities Fund (the TIAA-CREF). Previously, upon full-time employment, all employees were required to make an irrevocable selection between the STRS and TIAA-CREF. Effective July 1, 1991, the STRS was closed to new participants. Current participants in the STRS are permitted to make a one-time election to cease their participation in that plan and commence contributions to the West Virginia Teachers' Defined Contribution Plan. Contributions to and participation in the West Virginia Teachers' Defined Contribution Plan by College employees have not been significant to date.

Effective January 1, 2003, higher education employees enrolled in the basic 401(a) retirement plan with TIAA-CREF have an option to switch to the Educators Money 401(a) basic retirement plan (Educators Money). New hires have the choice of either plan. As of June 30, 2012, there were no employees enrolled in the Educators Money 401(a) basic retirement plan.

NOTE 11 - RETIREMENT PLANS (Continued)

The STRS is a cost sharing, public employee retirement system. Employer and employee contribution rates are established annually by the State Legislature. The contractual maximum contribution rate is 15%. The College accrued and paid its contribution to the STRS at the rate of 15% of each enrolled employee's total annual salary for years ended June 30, 2013, 2012, and 2011. Required employee contributions were at the rate of 6% of total annual salary for years ended June 30, 2013, 2012, and 2011. Participants in the STRS may retire with full benefits upon reaching age 60 with 5 years of service, age 55 with 30 years of service, or any age with 35 years of service. Lump-sum withdrawal of employee contributions is available upon termination of employment. Pension benefits are based upon 2% of final average salary (the highest 5 years' salary out of the last 15 years) multiplied by the number of years of service.

Total contributions to the STRS for the years ended June 30, 2013, 2012, and 2011 were \$198,934, \$192,367, and \$215,215, respectively, which consisted of \$142,096, \$137,405, and \$153,725 from the College in 2013, 2012, and 2011, respectively, and \$56,838, \$54,962, and \$61,490 from the covered employees in 2013, 2012, and 2011, respectively.

The contribution rate is set by the State Legislature on an overall basis and the STRS does not perform a calculation of the contribution requirement for individual employers, such as the College. Historical trend and net pension obligation information is available from the annual financial report of the Consolidated Public Retirement Board. A copy of the report may be obtained by writing to the Consolidated Public Retirement Board, Building 5, Room 1000, Charleston, WV 25305.

The TIAA-CREF is a defined contribution benefit plan in which benefits are based solely upon amounts contributed plus investment earnings. Employees who elect to participate in this plan are required to make a contribution equal to 6% of total annual compensation. The College matches the employees' 6% contribution. Contributions are immediately and fully vested. In addition, employees may elect to make additional contributions to TIAA-CREF which are not matched by the College.

Total contributions to the TIAA-CREF for the years ended June 30, 2013, 2012 and 2011 were \$895,158, \$839,118, and \$822,510 respectively, which consisted of equal contributions from the College and covered employees in 2013, 2012, and 2011 of \$447,579, \$419,559, and \$411,255, respectively.

The College's total payroll for the years ended June 30, 2013, 2012, and 2011 was \$9,096,215, \$8,870,231, and \$8,998,151, respectively; total covered employees' salaries in the STRS and TIAA-CREF were \$947,307 and \$7,459,642 in 2013; \$916,034 and \$6,992,645 in 2012, and \$1,024,835 and \$6,793,206 in 2011, respectively.

NOTE 12 - FOUNDATION

The Foundation is a separate nonprofit organization incorporated in the State of West Virginia and has as its purpose “to support, encourage and assist in the development and growth of the College, to render service and assistance to the College, and through it to the citizens of the State of West Virginia...” Oversight of the Foundation is the responsibility of a separate and independently elected Board of Directors, not otherwise affiliated with the College. In carrying out its responsibilities, the Board of Directors of the Foundation employs management, forms policy and maintains fiscal accountability over funds administered by the Foundation. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, that the Foundation holds and invests are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College and is therefore discretely presented with the College’s financial statements in accordance with GASB.

The Foundation’s net assets totaled \$3,310,271 and \$3,334,595 at December 31, 2012 and 2011, respectively. The net assets include amounts which are restricted by donors to use for specific projects or departments of the College. During the years ended June 30, 2012 and 2011, the Foundation made \$539,914 and \$230,622, respectively, in contributions to the College. As of June 30, 2013 and 2012, the College had accounts receivable of \$316,304 and \$126,776 due from the Foundation. Complete financial statements for the Foundation can be obtained from the Southern West Virginia Community College Foundation, Inc.

NOTE 13 - AFFILIATED ORGANIZATION

The College has a separately incorporated affiliated organization, the Southern Alumni Association. Oversight responsibility for this entity rests with an independent board and management not otherwise affiliated with the College. Accordingly, the financial statements of such organizations are not included in the accompanying financial statements under the blended component unit requirements. They are not included in the College’s accompanying financial statements under discretely presented component unit requirements as, they (1) are not material or (2) have dual purposes (i.e., not entirely or almost entirely for the benefit of the College).

NOTE 14 - CONTINGENCIES

The nature of the educational industry is such that, from time-to-time, claims will be presented against the College on account of alleged negligence, acts of discrimination, breach of contract or disagreements arising from the interpretation of laws or regulations. While some of these claims may be for substantial amounts, they are not unusual in the ordinary course of providing educational services in a higher education system. In the opinion of management, all known claims are covered by insurance or are such that an award against the College would not impact seriously on the financial status of the institution.

NOTE 14 - CONTINGENCIES (Continued)

Under the terms of federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. The College's management believes disallowances, if any, will not have a significant financial impact on the College's financial position.

The College owns various buildings which are known to contain asbestos. The College is not required by federal, state or local law to remove the asbestos from its buildings. The College is required under Federal Environmental Health and Safety Regulations to manage the presence of asbestos in its buildings in a safe condition. The College addresses its responsibility to manage the presence of asbestos in its buildings on a case-by-case basis. Significant problems of dangerous asbestos conditions are abated as the condition becomes known. The College also addresses the presence of asbestos as building renovation or demolition projects are undertaken and through asbestos operation and maintenance programs directed at containing, managing or operating with the asbestos in a safe condition.

NOTE 15 COMPONENT UNIT DISCLOSURES

The following are the notes taken directly from the Foundation's financial statements starting on the following page:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - Southern West Virginia Community College Foundation, Inc. (the Foundation) was incorporated in September 1971 as a tax-exempt, not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code for the purpose of collecting donations from individuals, corporations, and foundations to be distributed as scholarships to persons attending what is now known as Southern West Virginia Community and Technical College (the College), and to be used for other purposes benefiting the College. The Foundation is classified as other than a private foundation by the Internal Revenue Service and is exempt from income taxes. The Foundation is considered to be a component unit of the College. Administrative services are provided by the College.

Basis of Accounting and Financial Statement Presentation - The financial statements of the Foundation are prepared on the accrual basis of accounting in accordance with U. S. generally accepted accounting principles ("U. S. GAAP"). The accompanying financial statements of the Foundation present information regarding its net assets and activities in the following three categories:

Unrestricted - Net assets are under the discretionary control of the Board of Directors (the "Board") and include amounts designated by the Board for specified purposes.

Temporarily Restricted - Net assets are restricted by the donor for a specific purpose (generally scholarships or educational development programs) or use in a future time period. The income on these net assets is either temporarily restricted or unrestricted based on the intentions of the donor.

Permanently Restricted - Net assets are subject to the donor's restriction that the principal remain invested in perpetuity. The income on these net assets generally is used for scholarships or educational development programs.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Use of Estimates - The preparation of financial statements in conformity with U. S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents - Cash and cash equivalents include cash in checking accounts and short-term investments with an original maturity of 3 months or less.

Investments - Investments are carried at fair value in accordance with FASB guidance. Realized and unrealized gains and losses are reported in the statement of activities. Fair value is determined by market quotations. Donated investments are recorded at fair value at the time received.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Unconditional Promises to Give - Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or require specialized skills that are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Unconditional promises to give that are expected to be collected within one year are recorded at estimated net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk free interest rates for United States Government securities. Accretion of the discounts is included in contribution revenue. Conditional promises to give are not recorded as support until the conditions are substantially met. The majority of the promises to give are received from local individual and business contributors as a result of the VISION 2020 campaign.

An allowance for uncollectible promises is provided based on management's evaluation of potential uncollectible promises receivable at year end. At December 31, 2012, management determined that all outstanding promises to give are fully collectible.

Program Services Expenses - All scholarships and other program services distributions are approved by the Board. Unconditional grants to the College are recognized when approved. Grants approved by the Board that are payable upon performance of specified conditions by the grantee (if any) are recognized in the statement of activities and change in net assets when the specified conditions are satisfied.

Fixed Assets - The Foundation's fixed assets are carried at cost. Depreciation is computed using the straight-line method with estimated useful lives of three and five years for software and equipment, respectively. All fixed assets were fully depreciated as of December 31, 2011. No fixed assets were acquired in 2012. Depreciation expense for the years ended December 31, 2012 and 2011 was \$0 and \$301.

Income Taxes - The Foundation has qualified for a tax exemption under Section 501(c)(3) of the Internal Revenue Code and, accordingly, no provision has been recorded for income taxes in the accompanying financial statements.

The Foundation has analyzed tax positions taken for filing with the Internal Revenue Service and all state and local jurisdictions where it operates. Management believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Foundation's statement of financial position. Accordingly, the Foundation has not recorded any reserves, or related accruals, for interest and penalties for uncertain tax positions at December 31, 2012.

NOTE 2 - INVESTMENTS

The cost and estimated fair values of investments at December 31, 2012, are as follows:

	Estimated Fair Value	Cost
Publicly traded equity securities	\$ 2,481,697	\$ 2,238,313

The cost and estimated fair values of investments at December 31, 2011, are as follows:

	Estimated Fair Value	Cost
Publicly traded equity securities	\$ 2,343,271	\$ 1,658,234

NOTE 3 - PROMISES TO GIVE

Unconditional promises to give at December 31, 2012 and 2011, are as follows:

	2012	2011
Receivable in less than one year	\$ 147,010	\$ 175,646
Receivable in one to five years	382,481	428,161
Receivable in more than five years	50,900	38,000
Total unconditional promises	580,391	641,807
Discounts to net present value	(37,689)	(41,607)
Net unconditional promises	\$ 542,702	\$ 600,200

The discount rate used on long-term promises to give was 3.25 percent in 2012 and 2011.

NOTE 4 - RELATED-PARTY TRANSACTIONS

The Foundation scholarships are awarded by the College. The Foundation recognized expenses in the amount of \$367,046 and \$ 224,830 in 2012 and 2011, respectively, for student scholarships and other support payments to the College.

At December 31, 2012 and 2011, the Foundation's total related-party payable to the College for scholarships and faculty educational awards was \$218,186 and \$119,326.

Contributed services received from the College and from unrelated volunteers have not been recorded, as the value of the services cannot be reasonably determined.

NOTE 5 - NET ASSETS

Temporary and permanent restrictions on net assets at December 31, 2012, are for scholarships and educational development.

Net assets were released from restriction for the following purposes during the year ended December 31, 2012 and 2011:

Scholarships	\$	367,046	\$	224,830
Education development		40,012		148,029
Fundraising		31,136		30,000
Other		<u>203,152</u>		<u>92,837</u>
Total	\$	<u>641,346</u>	\$	<u>495,696</u>

NOTE 6 - FAIR VALUE MEASUREMENTS

Accounting standards require that the Foundation adopt fair value measurement for financial assets and financial liabilities. This enhanced guidance for using fair value to measure assets and liabilities applies whenever other standards require or permit assets or liabilities to be measured at fair value. This guidance does not expand the use of fair value in any new circumstances.

Accounting standards establish a hierarchal disclosure framework associated with the level of pricing observability utilized in measuring assets and liabilities at fair value. The three broad levels defined by these standards are as follows:

Level I: Quoted prices are available in active markets for identical assets or liabilities as of the reported date.

Level II: Pricing inputs other than quoted prices available in active markets, which are either directly or indirectly observable as of the reported date. The nature of these assets and liabilities include items for which quoted prices are available, but traded less frequently, and items that are fair valued using other financial instruments, the parameters of which can be directly observed.

Level III: Assets or liabilities that have little or no pricing observability as of the reported date. These items do not have two-way markets and are measured using management's best estimate of fair value, where the inputs into the determination of fair value require significant management judgment or estimation.

NOTE 6 - FAIR VALUE MEASUREMENTS (CONTINUED)

The following table presents assets reported on the financial statements at their fair value as of December 31, 2012 and 2011, by level within the fair value hierarchy. Equity securities are classified as Level I securities and are valued using observable market prices. As required by accounting standards, financial assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

2012	Level I	Level II	Level III	Total
<u>Valued on a recurring basis:</u>				
Assets:				
Equity securities	<u>\$ 2,481,697</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,481,697</u>
2011	Level I	Level II	Level III	Total
<u>Valued on a recurring basis:</u>				
Assets:				
Equity securities	<u>\$ 2,343,271</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,343,271</u>

NOTE 7 - SUBSEQUENT EVENTS

The Foundation assessed events occurring subsequent to December 31, 2012, through September 18, 2013, for potential recognition and disclosure in the financial statements. No events have occurred that would require adjustment to, or disclosure in, the financial statements which were available to be issued on September 18, 2013.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 AND 2012**

NOTE 16 - NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATIONS

These tables represent operating expenses within both natural and functional classifications for the years ended June 30:
2013

	2013				Fees Assessed by the Commission		Total
	Salaries and Wages	Benefits	Supplies and Other Services	Utilities	Scholarships and Fellowships	Depreciation	
Instruction	\$ 4,889,828	\$ 1,301,443	\$ 785,108	\$ 18,863	\$ -	\$ -	\$ 6,995,242
Public service	96,229	26,011	68,991	-	-	-	191,231
Academic support	703,391	195,765	195,620	-	-	-	1,094,776
Student services	1,088,898	335,615	190,233	-	-	-	1,614,746
General institutional support	2,175,330	604,130	2,286,751	4,910	-	-	5,071,121
Operations and maintenance of plant	51,673	15,751	1,114,326	689,752	-	-	1,871,502
Student financial aid	-	-	-	-	2,505,616	-	2,505,616
Auxiliary enterprises	156,289	35,954	970,608	-	-	-	1,162,851
Depreciation	-	-	-	-	-	1,225,659	1,225,659
Other	-	-	-	-	-	-	58,425
Total	\$ 9,161,638	\$ 2,514,669	\$ 5,611,637	\$ 713,525	\$ 2,505,616	\$ 1,225,659	\$ 21,791,169

2012

	2012				Fees Assessed by the Commission		Total
	Salaries and Wages	Benefits	Supplies and Other Services	Utilities	Scholarships and Fellowships	Depreciation	
Instruction	\$ 4,891,635	\$ 1,232,488	\$ 872,669	\$ 19,667	\$ -	\$ -	\$ 7,016,459
Public service	80,104	17,761	66,734	-	-	-	164,599
Academic support	593,361	168,795	210,841	-	-	-	972,997
Student services	894,790	291,750	351,219	-	-	-	1,537,759
General institutional support	2,172,335	1,805,570	1,766,439	9,502	-	-	5,753,846
Operations and maintenance of plant	60,803	19,752	886,704	677,506	-	-	1,644,765
Student financial aid	-	-	-	-	2,896,923	-	2,896,923
Auxiliary enterprises	170,612	32,331	738,657	-	-	-	941,600
Depreciation	-	-	-	-	-	1,152,282	1,152,282
Other	-	-	-	-	-	-	56,255
Total	\$ 8,863,640	\$ 3,568,447	\$ 4,893,263	\$ 706,675	\$ 2,896,923	\$ 1,152,282	\$ 22,137,485

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Board of Governors
Southern West Virginia Community and Technical College
Mt. Gay, West Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business type activities and discretely presented component unit of Southern West Virginia Community and Technical College (the College) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated October 30, 2013, which states reliance on other auditors for the discretely presented component unit. Our report includes a reference to other auditors who audited the financial statements of The Southern West Virginia Community and Technical College Foundation, Inc., as described in our report on the College's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Charleston, West Virginia
October 30, 2013

Southern West Virginia Community and Technical College Board of Governors
Board of Governors Meeting of October 10, 2013
Embassy Suites Hotel, Salon B, 300 Court Street, Charleston, WV

Board Members Present: Tom Heywood, Wilma Zigmond, Glenn Yost, Linda Akers, George Kostas, Jada Hunter, Debbie Dingess, Mary Nemeth-Pyles, Terry Sammons, Eileen Aranas

Board Members Absent: Shelley Huffman

Administrative Staff: President/First Lady Joanne Jaeger Tomblin, Samuel Litteral, Allyn Sue Barker, Ron Lemon, Merle Dempsey, Pam Alderman, Darrell Taylor, Gary Holeman, Bill Cooke, David Lord, Rita Roberson, Randy Skeens, Emma Baisden, Howard Seufer (General Counsel)

1. Call to Order:

Board of Governors Chair, Tom Heywood, declared a quorum present and convened the meeting at 6:15 p.m.

2. Association of Community College Trustees (ACCT) Congress Highlights

Chair Heywood informed the group that several members of Southern's Board of Governors joined nearly 2,000 community college trustees, presidents, professional board staff, and national and state leaders at the 44th Annual Association of Community College Trustees (ACCT) Leadership Congress held October 2-5 at the Washington State Convention Center in Seattle, Washington. The Congress featured more than 80 educational sessions on best practices for community colleges, fundamental and advanced trustee training, and lively town hall meetings dedicated to determining priorities in the governance of community college student success initiatives. Bill Gates, co-chair of the Bill and Melinda Gates Foundation and former Microsoft CEO, and Jamie Merisotis, Lumina Foundation President and CEO, were keynote speakers for the Leadership Congress. Southern's delegation included Mr. Heywood, President/First Lady Tomblin, Mary Nemeth-Pyles, Debbie Dingess, and Emma Baisden. Chair Heywood stated the group learned a lot during the conference and he believes participation enhanced the group's ability to better serve Southern, the students, and communities we are here to serve. Following are a few items discussed.

1. Southern is on the right track and is well positioned for the challenges and opportunities it faces. Peers across the nation face the same challenges and issues, and we are well down the path of implementing and executing many of the programs, ideas, and suggestions we heard during the conference.
2. Southern is in the process of improving its real-time collection and dissemination of data. We need to stay focused on these efforts and make them a priority,

- along with student progress tracking in real time. Student success must be and remain our most explicit focus.
3. Mr. Heywood recommended the Board consider adding a standing agenda item to its meeting agenda called Student Success where the Board considers and discusses student success at each meeting. We need to remain focused on how technology and blended learning can help us improve student success. We may also need to consider a development program for faculty to help them understand their critical role as coaches for each student's success.
 4. *Career Coach* is a tool designed to help students find a good career by providing the most current local data on wages, employment, job postings, and associated education and training. Powered by ZIP code-level labor-market data and real-time job postings from Indeed.com, *Career Coach* was designed to be a self-guided resource for job seekers that requires zero assistance to navigate. The *Career Coach* program should be seriously considered for purchase.
3. **Board of Governors and Administration Self-Assessment Report**
- Mr. Howard Seufer, Board Counsel, led the Board of Governors and administrators through the results of the 12th annual self-evaluation conducted on an aggregated and anonymous basis. Mr. Seufer first led Board members through the results of the Board self-evaluation. Most category results remained at an exemplary level. Overall, the self-assessment results were excellent, the Board is well informed, decisions of the Board are supported by its members, and Board operations are rated high. Board members agree that there is a climate of mutual trust and respect among its members, and the Board has a positive relationship with the College President. All Board members agreed that there are good procedures in place for orientation and training of new Board members. Results showed that Board members agreed they are prepared for meetings which are effective and efficient, and the Board adheres to and understands its responsibilities and are knowledgeable about key College issues. The overall administration self-evaluation results remained the same or improved slightly over last year. All administrators responded positively that as a group they are meeting established Compact goals, and as individual administrators they are meeting established individual goals. The majority of administrators responded that meetings of administrators could be improved and listed several suggestions for improvement. All respondents answered they work cooperatively and effectively with the College President and work well together as a team. Several Board members were concerned about staff "don't knows" and suggested spaces are provided on the 2014 survey to provide an opportunity for those completing the form to express themselves. Mr. Seufer believed the overall rating of the self-evaluation was excellent.

4. President's Report:

1. In preparation for the Fall 2013 term, a Faculty Convocation was held August 8, 2013 at the Logan Campus for all full-time faculty.
2. Southern's first *Governance Day* for the 2013-2014 academic year was held on September 13th at the Logan Campus. Afternoon activities included two professional development sessions for employees pertaining to an "Active Shooter" on campus. During the first session Dr. Brian Hemphill, President of West Virginia State University, spoke about his personal experience with an active shooter on campus and lessons learned from the ordeal. The second session was a best practice's presentation by Sargent Keith Vititoe of the Kanawha County Sheriff's Department. He instructed the audience on correct procedures to employ during such occurrences. Campus directors will follow-up with a live mock drill at each campus for employees.
3. Following-up on a recommendation from the Higher Learning Commission Evaluation Team, President Tomblin will issue a letter to Southern's Governance Committees requesting they review their committee's purpose and membership, as well as the overall governance process. Committees will be asked to provide recommendations they believe helpful in improving Southern's institutional governance and strategic planning process. A time line will be developed for the review process to be completed and a new governance structure implemented by July 1, 2014.
4. The Search Committee for the Vice President for Academic Affairs and Student Services has completed its work and selected Dr. Debra Teachman for the position. Dr. Teachman joins Southern from New Mexico State University Alamogordo where she serves as Vice President for Academic Affairs. She will begin her tenure at Southern on November 9, 2013.
5. President/First Lady Tomblin and Vice President for Finance and Administration, Sam Litteral, have held budget discussion meetings with the Student Government Associations at the Logan and Williamson Campuses to provide insight to the students on how the college operates and discuss the student's roles and responsibilities as SGA members. Similar meetings will be held at the Boone and Wyoming Campuses.
6. Southern hosted its annual Community Appreciation Day at the Williamson Campus on September 22, 2013 in conjunction with the 41st annual King Coal Festival. Visitors were entertained by a variety of local musicians and enjoyed a traditional dinner of pinto beans and cornbread.

7. President/First Lady Tomblin encouraged Board members to participate in the 2014 ACCT Leadership Congress which will be held in Chicago, IL.
 8. President/First Lady Tomblin informed Board members that she, Sam Litteral, and Merle Dempsey had dedicated a lot of time in preparing the 2014-2015 budget presentation which will be shown to the Board this evening.
 9. The National Accrediting Agency for Clinical Laboratory Studies (NAACLS) conducted a two-day site visit for re-accreditation of Southern's Medical Laboratory Technology (MLT) A.A.S. degree program October 7-8, 2013 at the Logan Campus. The outcome was positive as no violations of the NAACLS standards were noted and no recommendations were given by the Review Team.
 10. The Surgical Technology program is scheduled for a one-day random site visit on November 12, 2013.
 11. Programs are being reviewed and selected for the new Applied Technology Center at Williamson. New programs will be implemented in Fall 2014.
 12. President/First Lady Tomblin, Carl Baisden, and Brittany Howerton will travel with the West Virginia Development Office for a second tour to Beijing and Shanghai, China, October 19-30, 2013, to participate in the China Coal and Mining Expo, tour a Chinese Mine, and meet with officials of China University of Mining Technology. Dr. Qingyun Sun with the US-China Energy Center at West Virginia University will also accompany the group and assist with preparing the agreement for Southern to provide training for another group of Chinese miners in mid November 2013.
- 5. Community and Workforce Development Office Report**
- Ms. Allyn Sue Barker, Vice President for Community and Workforce Development, presented a PowerPoint presentation to Board members highlighting the Unit. The Community and Workforce Development Unit consists of three departments – Academy for Mine Training and Energy Technologies; Community and Leadership Development; and Workforce and Continuing Education. The Unit is committed to supporting the needs of employees and employers. It serves as a mechanism for economic development in the region by offering continuing education, non-academic credit courses, customized training programs to expand and upgrade workplace skills, and to provide community interest programs and activities which promote personal growth and cultural enrichment.

6. Financial Report

Vice President for Finance and Administration, Samuel Litteral, provided the financial report dated September 30, 2013 to Board members. The report was on a cash basis with no accrual accounting. He reviewed restricted, unrestricted, and auxiliary revenues and expenditures for the period. He noted the institution received less in state appropriations in the first quarter. The annual financial audit was conducted the week of September 12 and results will be presented to the Board at its December 2013 meeting.

7. Action Items:

7.1 Approval of August 20, 2013, Board Meeting Minutes

MOTION: Glenn Yost moved to accept the meeting minutes as presented.

ACTION: George Kostas seconded the motion. The motion carried unanimously. Chair Heywood declared the minutes adopted.

7.2 Request for Approval to Release Proposed Institutional Policies for 30-day Comment

7.2.1 SCP-1153, Consumer Complaint Procedures

MOTION: Jada Hunter moved the adoption of the following resolution:

RESOLVED, That the Southern West Virginia Community and Technical College Board of Governors grant approval for the distribution of SCP-1153 to Southern's constituencies and the Chancellor for Community and Technical College Education for a 30-day public comment period.

ACTION: Wilma Zigmond seconded the motion. Chair Heywood declared the motion adopted for 30-day public comment.

7.2.2 SCP-5051, Reduced Tuition and Fee Program for State Residents 65 and Older

MOTION: Glenn Yost moved the adoption of the following resolution:

RESOLVED, That the Southern West Virginia Community and Technical College Board of Governors grant approval for the distribution of the aforementioned policy to Southern's constituencies and Chancellor for Community and Technical College Education for

a 30-day comment period.

ACTION: Wilma Zigmond seconded the motion. Chair Heywood declared the motion adopted for 30-day public comment.

8. Informational Item:

8.1 Council's Approval of Institutional Policies

Chancellor Skidmore granted final approval of SCP-4192, Administrative Withdrawal and Administrative Drop of Students, and rescission of SCP-2125, College-wide Employee/Personnel Policy, pursuant to Series 4 of the Council for Community and Technical College Education's rules.

9. Adjournment:

There being no further business, Chair Heywood declared the meeting adjourned at 7:55 p.m. The next Board meeting is scheduled for December 10, 2013 and will be held at the West Virginia Governor's Mansion in Charleston.

Thomas A. Heywood, Chair

Emma L. Baisden
Executive Assistant to the President
and Board of Governors

DRAFT

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
BOARD OF GOVERNORS
MEETING OF DECEMBER 10, 2013**

ITEM: Request for Code Change Regarding Per Credit Hour Tuition Fee Option

RECOMMENDED RESOLUTION: *Resolved*, that the Southern West Virginia Community and Technical College Board of Governors will join other West Virginia Community College Boards to officially request legislative amendment of W. Va. Code §18B-10-1, ***Enrollment, tuition and other fees at education institutions; refund of fees***, as reflected on page 2 of the attached copy of West Virginia Code to allow for the governing board of each community college to enact the tuition model most appropriate for their community of students.

STAFF MEMBER: Joanne Jaeger Tomblin, President
Thomas A. Heywood, Chair

BACKGROUND:

West Virginia State Code currently prohibits charging students for credit hours beyond twelve. For many community colleges, this prohibition prevents implementation of flexible and/or accelerated programming, severely burdens limited faculty and student service resources, and results in higher overall tuition rates.

The West Virginia Board of Governors Community College Chair Association in fall 2013 unanimously agreed to advocate for a change in the code language that would provide an option to charge tuition for every credit a student receives. Each local board will review their unique student demographics, funding sources and circumstances, and tuition rates to determine the model best suited for their institution and its students.

This change would thereby allow for the governing board of each community college to enact the tuition model most appropriate for their community of students.

Attachment A provides a copy of the existing statute and the proposed amendment under §18B-101(f).

ATTACHMENT A
Proposed Code change highlighted in yellow.

West Virginia Code, Chapter 18B. Higher Education

Article 10. Fees and Other Money Collected at State Institutions of Higher Education

§18B-10-1. Enrollment, tuition and other fees at education institutions; refund of fees.

(a) Each governing board shall fix tuition and other fees for each academic term for the different classes or categories of students enrolling at the state institution of higher education under its jurisdiction and may include among the tuition and fees any one or more of the following as defined in section one-b of this article:

- (1) Tuition and required educational and general fees;
- (2) Auxiliary and auxiliary capital fees; and
- (3) Required educational and general capital fees.

(b) A governing board may establish a single special revenue account for each of the following classifications of fees:

- (1) All tuition and required educational and general fees collected;
- (2) All auxiliary and auxiliary capital fees collected; and
- (3) All required educational and general capital fees collected to support existing systemwide and institutional debt service and future systemwide and institutional debt service, capital projects and campus renewal for educational and general facilities.
- (4) Subject to any covenants or restrictions imposed with respect to revenue bonds payable from the accounts, a governing board may expend funds from each special revenue account for any purpose for which funds were collected within that account regardless of the original purpose for which the funds were collected.

(c) The purposes for which tuition and fees may be expended include, but are not limited to, health services, student activities, recreational, athletic and extracurricular activities. Additionally, tuition and fees may be used to finance a students' attorney to perform legal services for students in civil matters at the institutions. The legal services are limited to those types of cases, programs or services approved by the president of the institution where the legal services are to be performed.

(d) By October 1, 2011, the commission and council each shall propose a rule for legislative approval in accordance with article three-a, chapter twenty-nine-a of this code to govern the fixing, collection and expenditure of tuition and other fees by the governing boards under their respective jurisdictions.

(e) The schedule of all tuition and fees, and any changes in the schedule, shall be entered in the minutes of the meeting of the appropriate governing board and the board shall file with the commission or council, or both, as appropriate, and the Legislative Auditor a certified copy of the schedule and changes.

(f) The governing boards shall establish the rates to be charged full-time students, as defined in section one-bc of this article, who are enrolled during a regular academic term.

(1) Undergraduate students taking fewer than twelve credit hours in a regular term shall have their fees reduced pro rata based upon one twelfth of the full-time rate per credit hour and graduate students taking fewer than nine credit hours in a regular term shall have their fees reduced pro rata based upon one ninth of the full-time rate per credit hour.

(2) Fees for students enrolled in summer terms or other nontraditional time periods shall be prorated based upon the number of credit hours for which the student enrolls in accordance with this subsection.

(3) Community College students taking more than twelve credit hours in a regular term may be assessed an additional credit hour based upon the one twelfth calculation set out above.

(g) All fees are due and payable by the student upon enrollment and registration for classes except as provided in this subsection:

(1) The governing boards shall permit fee payments to be made in installments over the course of the academic term. All fees shall be paid prior to awarding course credit at the end of the academic term.

(2) The governing boards also shall authorize the acceptance of credit cards or other payment methods which may be generally available to students for the payment of fees. The governing boards may charge the students for the reasonable and customary charges incurred in accepting credit cards and other methods of payment.

(3) If a governing board determines that a student's finances are affected adversely by a legal work stoppage, it may allow the student an additional six months to pay the fees for any academic term. The governing board shall determine on a case-by-case basis whether the finances of a student are affected adversely.

(4) The commission and council jointly shall propose a rule in accordance with article three-a, chapter twenty-nine-a of this code defining conditions under which a governing board may offer tuition and fee deferred payment plans itself or through third parties.

(5) A governing board may charge interest or fees for any deferred or installment payment plans.

(h) In addition to the other fees provided in this section, each governing board may impose, collect and distribute a fee to be used to finance a nonprofit, student-controlled public interest research group if the students at the institution demonstrate support for the increased fee in a manner and method established by that institution's elected student government. The fee may not be used to finance litigation against the institution.

(i) Governing boards shall retain tuition and fee revenues not pledged for bonded indebtedness or other purposes in accordance with the tuition rules proposed by the commission and council pursuant to this section. The tuition rules shall address the following areas:

- (1) Providing a basis for establishing nonresident tuition and fees;
- (2) Allowing governing boards to charge different tuition and fees for different programs;
- (3) Authorizing a governing board to propose to the commission, council or both, as appropriate, a mandatory auxiliary fee under the following conditions:
 - (A) The fee shall be approved by the commission, council or both, as appropriate, and either the students below the senior level at the institution or the Legislature before becoming effective;
 - (B) Increases may not exceed previous state subsidies by more than ten percent;
 - (C) The fee may be used only to replace existing state funds subsidizing auxiliary services such as athletics or bookstores;
 - (D) If the fee is approved, the amount of the state subsidy shall be reduced annually by the amount of money generated for the institution by the fees. All state subsidies for the auxiliary services shall cease five years from the date the mandatory auxiliary fee is implemented;
 - (E) The commission or council or both, as appropriate, shall certify to the Legislature annually by October 1 the amount of fees collected for each of the five years;
- (4) Establishing methodology, where applicable, to ensure that, within the appropriate time period under the compact, community and technical college tuition rates for students in all community and technical colleges will be commensurate with the tuition and fees charged by their peer institutions.

(j) A penalty may not be imposed by the commission or council upon any governing board based upon the number of nonresidents who attend the institution unless the commission or council determines that admission of nonresidents to any institution or program of study within the institution is impeding unreasonably the ability of resident students to attend the institution or participate in the programs of the institution. The governing boards shall report annually to the commission or council on the numbers of nonresidents and any other enrollment information the commission or council may request.

(k) Tuition and fee increases of the governing boards, including the governing boards of Marshall University and West Virginia University, are subject to rules adopted by the commission and council pursuant to this section and in accordance with article three-a, chapter twenty-nine-a of this code. The commission or council, as appropriate, shall examine individually each request from a governing board for an increase and make its determinations as follows:

- (1) A tuition and fee increase greater than five percent for resident students proposed by a governing board requires the approval of the commission or council, as appropriate.
- (2) A fee used solely for the purpose of complying with the athletic provisions of 20 U.S.C. 1681, *et seq.*, known as Title IX of the Education Amendment of 1972, is exempt from the limitations on fee increases set forth in this subsection for three

years from the effective date of the section.

(3) In determining whether to approve or deny a governing board's request for a tuition and/or fee increase for resident students greater than the increases granted pursuant to subdivision (1) of this subsection, the commission or council shall determine the progress the governing board has made toward meeting the conditions outlined in this subsection and shall make this determination the predominate factor in its decision. The commission or council shall consider the degree to which each governing board has met the following conditions:

(A) Maximizes resources available through nonresident tuition and fee charges to the satisfaction of the commission or council;

(B) Consistently achieves the benchmarks established in the compact pursuant to article one-d of this chapter;

(C) Continuously pursues the statewide goals for post-secondary education and the statewide compact established in this chapter;

(D) Demonstrates to the satisfaction of the commission or council that an increase will be used to maintain high-quality programs at the institution;

(E) Demonstrates to the satisfaction of the commission or council that the governing board is making adequate progress toward achieving the goals for education established by the southern regional education board;

(F) Demonstrates to the satisfaction of the commission or council that the governing board has considered the average per capita income of West Virginia families and their ability to pay for any increases; and

(G) Demonstrates to the satisfaction of the commission or council that base appropriation increases have not kept pace with recognized nation-wide inflationary benchmarks;

(4) This section does not require equal increases among governing boards nor does it require any level of increase by a governing board.

(5) The commission and council shall report to the Legislative Oversight Commission on Education Accountability regarding the basis for approving or denying each request as determined using the criteria established in this subsection.

BOARD OF GOVERNORS CHAIR MEETING MINUTES

**OCTOBER 23, 2013
BRIDGEPORT CONFERENCE CENTER**

During the WVCCA/WVADE meeting at the Bridgeport, WV Conference Center, the annual meeting of the WV CTC Board of Governors Association met with the following individuals in attendance: Jason Moses-Mountwest; Rob Tissue-Eastern; Dave Nalker-New River; Earl McConnell-Pierpont; Gerald El Chaar-WVUP; Jim Griffith-Pierpont; Wilma Zigmond-Southern (by phone); Darrell Cummings, WVNCC (by phone); Teresa McCabe-Blue Ridge (by phone).

The first order of business was the election of officers: Upon proper motion, second and vote, the following officers were elected:

Jason Moses, Chair
Earl McConnell, Vice Chair
David Nalker, Secretary-Treasurer

Narcissa Polonio, of ACCT in Washington, DC, joined the meeting from Houston, TX via video-conference. She will review the organization's bylaws and will make recommendations of any changes needed. She clarified that all members of all CTC in WV are members of the organization; however each CTC has only one vote, which is cast by the chair, or the chair's designee. All BOG members have a voice, and the hope is for better attendance by many members to discuss issues of interest to the organization. There was a suggestion that meetings may be held via telephone or video conference, which the group thought would result in better attendance at the meetings.

A discussion was held about the term limits of Board of Governors members. A clarification of board terms is needed. In some cases a great deal of knowledge and talent is lost by the attrition of BOG members required by WV Code. In other cases, board positions remain unfilled for too long, resulting in difficulty in grooming board members for officer position.

The discussion continues regarding Tuition Cap Removal, which was a major "push" last year by the BOG Chair organization. Our group felt if the boards of governors were allowed to either cap or not cap their tuition at 12 credit hours, considering that all credit hours above that number are at no charge to the students. With regard to the Tuition Cap Removal discussion, it was suggested that each board could present a resolution for adoption by their board to ask the WVCTC System Council to allow for flexibility in establishing a policy addressing Tuition Cap Removal. Attached is the resolution, some information on why the Tuition Cap should be removed and the actual code and the changes that would be necessary.

We will ask Presidents of each CTC to encourage BOG members to attend State and National meetings to improve skills and understanding of BOG responsibilities. Earl McConnell discussed the value of his participation in the ACCT Annual Meeting held recently in Seattle. The issue of cost was explored, and Earl said the expense was well-justified considering the value of the experience to him as a BOG member.

The upcoming ACCT Legislative Summit in Washington, DC is an event that is relatively close to WV, and is an excellent conference to attend. Those attending our meeting today should encourage their President to promote attendance at the D.C. meeting in February. It is an opportunity to have personal contact with our congress members, plus excellent opportunities to talk with nearly 2,000 trustees and Presidents from across the country.

The group felt that we should plan to schedule a meeting with Governor Tomblin, Senator Plymale, and Delegate Mary Poling during an interim legislative session to discuss the concerns, needs, and goals of the community colleges throughout West Virginia. Rob Tissue suggested that Tom Heywood could guide us in how to pursue such a meeting.

Other discussions included: Local board decisions regarding flexibility in tuition rates for dual enrollment; Providing local communities with specific dollars of economic impact the community college has on those specific communities; Removal of BOG term limits; Having a Board of Governors Resource Manual available for BOG members to help each member understand WV Code and college policies; Have an Orientation Guide for new BOG members to explain the duties, protocol, responsibilities, and value of BOG members to the college.

NEXT MEETING: No specific meeting date was set, however the chair will coordinate such a meeting.

Respectfully submitted,

David L. Nalker, Secretary - Treasurer

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
BOARD OF GOVERNORS
MEETING OF DECEMBER 10, 2013**

ITEM: Request to Amend Board of Governors Strategic Goals
2012-2015

RECOMMENDED RESOLUTION: *RESOLVED*, That the Southern West Virginia
Community and Technical College Board of Governors
approve the amendment of the Board's 2012-2015
Strategic Goals as presented.

STAFF MEMBER: Thomas A. Heywood

BACKGROUND:

During the Board of Governors October 2013 Planning Retreat, Mr. Richard Novak, Senior Fellow, of the Association of Governing Boards of Colleges and Universities, assisted the Board with the development of a statement on Conflict of Interest in response to a recommendation made by the Higher Learning Commission Evaluation Team during Southern's recent comprehensive re-accreditation visit.

An additional goal (# 14) has been added to the Board's Strategic Goals 2012-2015 as reflected in Attachment B for the Board's consideration for approval.

ATTACHMENT B

Southern West Virginia Community and Technical College Board of Governors Strategic Goals 2012 - 2015

Responsibility / Authority

The affairs of Southern West Virginia Community and Technical College will be managed by its Board of Governors, which shall have full authority to take such actions as it deems necessary or appropriate to accomplish the purpose for which the Board has been formed.

Expectations of All Board Members:

1. To attend at least five (5) Board meetings each year.
2. To attend at least 75% of the meetings of assigned committees.
3. To develop and ensure fulfillment of the mission of Southern West Virginia Community and Technical College.
4. To establish policy and plans for Southern West Virginia Community and Technical College.
5. To ensure compliance with federal, state, and local laws.
6. To establish and ensure compliance with a code of ethics and standards of conduct governing the actions of the Board and staff.
7. To protect against conflict of interest in the business affairs of Southern West Virginia Community and Technical College.
8. To review and approve annual budgets, monitor performance, and dictate changes required to operate within the approved budget.
9. To accept responsibility for providing financial resources required to meet the operating and capital needs of the Southern West Virginia Community and Technical College, including but not limited to personal financial support of the *Vision 2020* Major Gifts Campaign.
10. To serve as an advocate, champion and representative of Southern West Virginia Community and Technical College in the community.
11. To provide feedback and input to the Southern West Virginia Community and Technical College as to community attitudes, comments, questions, and suggestions.
12. [for Board members that reside within the College service district] To attend at least one Southern event or activity each year.
13. [for Board members who reside outside of the College service district] To identify or establish at least one opportunity each year for staff and representatives of the College to make presentations to or otherwise interact with members of the community where the board member resides, thereby promoting the mission of the College.
14. As overseers of a public trust, each board member has an obligation to remain open to input from external stakeholders to help ensure that Southern West Virginia Community and Technical College is responsive to state and community needs. At all times, each board member shall exercise his or her best independent judgement and seek to be fully informed and impartial in decision making, and shall resist and rise above any and all external pressures that may be brought to bear on the Board or its members.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
BOARD OF GOVERNORS
MEETING OF DECEMBER 10, 2013**

ITEM: Request to Amend President's Goals for 2013-2014

RECOMMENDED RESOLUTION: *RESOLVED*, That the Southern West Virginia Community and Technical College Board of Governors approve the amendment of the President's Goals for 2013-2014 as presented.

STAFF MEMBER: Joanne Jaeger Tomblin

BACKGROUND:

Due to this year's 7.5% budget reduction in state funding and the anticipated similar reduction for fiscal year 2014-2015, the development and implementation of professional development centers and programs for Southern employees must be delayed. Therefore, it is recommended that Goal 2 be removed from the President's 2013-2014 Goals as reflected in Attachment C.

ATTACHMENT C

Joanne Jaeger Tomblin Southern West Virginia Community and Technical College Goals for 2013-2014

1. Implement New Pathways Accreditation as determined by the Higher Learning Commission.
 - 1.1 Designate and establish duties for an Accreditation Liaison Officer.
 - 1.2 Respond to the 2013 Comprehensive Evaluation Report.
 - 1.3 Attend Higher Learning Commission Annual Conference.
 - 1.4 Establish processes and procedures for an ongoing accreditation process and evidence file.
- ~~2. Research and review current professional development policies and types of professional programs currently available to college employees.~~
 - ~~1.1 Survey employees, supervisors, managers, and unit heads to determine the types of short-term and long-term professional development programs and activities that employees need.~~
 - ~~1.2 Determine a new system and structure for professional development delivery to college employees.~~
 - ~~1.3 Determine the budget and delivery methods necessary to implement needed training and development.~~
3. Complete a college-wide review of the current Governance System.
 - 1.1 Review committee structure and eliminate or add committees that are more relevant and up-to-date.
 - 1.2 Review committee memberships and purpose to determine changes that may be needed.
 - 1.3 Create a system that ties governance with decision making and budgeting.
4. Continue to promote strong partnerships with community and employers through speaking engagements, participation on boards, and hosting college events throughout the district.
5. Schedule at least six "president's" high school visits in the district with low college-going rates and low enrollment at Southern.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
BOARD OF GOVERNORS
MEETING OF DECEMBER 10, 2013**

ITEM: SCP-1153, Consumer Complaint Procedures

RECOMMENDED RESOLUTION: *RESOLVED*, That the Southern West Virginia Community and Technical College Board of Governors grant final approval to rescind the existing policy SCP-1153, *Consumer Complaint Procedures*, and convert it to a procedure following the 30-day public comment period.

STAFF MEMBER: Darrell Taylor

BACKGROUND:

The Student Services and Enrollment Management Unit reviewed SCP-1153, *Consumer Complaint Procedures*, and recommended the policy be at its September 4, 2013 meeting, the policy was reviewed and the recommendation was approved by the Executive Council and forwarded to the President's Cabinet for final action. The policy was reviewed and the recommendation was approved to rescind the existing policy and convert it to a procedure by the President's Cabinet at its September 24, 2013 meeting.

At its October 10, 2013 meeting, the Southern West Virginia Community and Technical College Board of Governors approved advancement of SCP-1153, *Consumer Complaint Procedures*, for a 30-day public comment period that expired November 13, 2013. No comments were received at the end of the comment period. Therefore, the staff recommends the policy be presented to the Board of Governors for consideration for final approval.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
BOARD OF GOVERNORS
SCP-1153**

SUBJECT: Consumer Complaint Procedures

REFERENCE: West Virginia State Postsecondary Review Procedures
Title IV, Part H, Subpart 1, Section 494C (j) of the Higher Education Act of 1965 as amended
by the Higher Education Amendment of 1992

ORIGINATION: April 3, 1995

EFFECTIVE: April 3, 1995

REVIEWED: August 5, 2008

SECTION 1. PURPOSE

- 1.1 This policy is developed in compliance with the above stated federal and state guidelines to maintain eligibility for participation in Federal Title IV funding. Its purpose is to describe institutional procedures for receiving and responding to complaints regarding the college's management of federal student financial assistance programs and/or the institution's advertising and promotion of its programs.

SECTION 2. SCOPE AND APPLICABILITY

- 2.1 These procedures apply only to complaints concerning the college's management of federal student financial assistance programs and the way the institution advertises and promotes its programs. All other forms of complaint are to be referred to the appropriate institutional offices(s) responsible for the particular program or service.

SECTION 3. DEFINITIONS

- 3.1 None.

SECTION 4. POLICY

- 4.1 None.

SECTION 5. BACKGROUND OR EXCLUSIONS

- 5.1 None.

SECTION 6. GENERAL PROVISIONS

- 6.1 None.

SECTION 7. RESPONSIBILITIES AND PROCEDURES

7.1 Complaints Concerning Federal Financial Assistance Programs:

- 7.1.1 All complaints or concerns related to student financial assistance programs must be discussed with the Financial Assistance Staff at the campus-level for resolution first. As a second step any complaints must be presented to the Director of Student Financial Assistance. If satisfactory resolution is not achieved at this level, the following procedures are to be used.
- 7.1.2 Complaints concerning the college's management of federal student financial assistance programs must be submitted in writing to the Vice President for Enrollment Management and Student Development or designee on the institutions's Consumer Complaint Form (SCP 1153.A) within 30 calendar days of the alleged violation or incident. Consumer Complaint Forms are available in the Student Services Offices, the Office of Student Financial Assistance, or on the institution's website at <http://southernwv.edu/files/SCP-1153.A%20Complaint%20Form.PDF>.
- 7.1.3 An acknowledgment letter will be forwarded to the complainant within 15 calendar days after receipt of the completed complaint form. The acknowledgment letter will provide information as to the procedures to be followed in handling the complaint and/or any other action taken or planned in response to the complaint.
- 7.1.4 If the complainant is dissatisfied with the actions taken and/or the response of the Vice President for Enrollment Management and Student Development or designee, a written appeal may be filed with the College President within 10 calendar days after receiving the Vice President's response.
- 7.1.5 The College President or his/her designee must respond in writing within 10 calendar days of receiving the written appeal from the complainant as to institutional action regarding the complaint.
- 7.1.6 If the complainant is not satisfied with the response and disposition of the complaint by the institution, he/she may file the complaint with the State Postsecondary Review Entity within six (6) months of the date of the alleged violation or incident or within 60 days of the date the institution reports final action whichever is earlier.
- 7.1.7 A file will be maintained in the Vice President's office concerning each complaint filed in regard to the institution's management of federal student financial assistance programs and/or the way the institution advertises and promotes its programs. This information will be reviewed on an annual basis to assist the college in revising its financial assistance, marketing and recruitment programs.

7.2 Complaints Concerning Program Advertisement or Promotion:

- 7.2.1 All complaints concerning the way the institution advertises and promotes its programs must first be discussed with the Vice President for Academic Affairs, the Dean of Career and Technical Programs, or the Dean of University Transfer Programs. If the complaint cannot be resolved at this level, the following procedures are to be used.
- 7.2.2 All complaints concerning the institution's advertisement and promotional information/practices must be submitted in writing on the institution's Consumer Complaint Form to the Vice President for Academic Affairs within 30 calendar days of the alleged violation or incident. Consumer Complaint Forms are available in the Student Services Offices, the Office of the Academic Division Deans, or on the institution's website at <http://southernwv.edu/files/SCP-1153.A%20Complaint%20Form.PDF>.

- 7.2.3 An acknowledgment letter will be forwarded to the complainant within 15 calendar days after receipt of the completed complaint form. The acknowledgment letter will provide information as to the procedures to be followed in handling the complaint and/or any other action taken or planned in response to the complaint.
- 7.2.4 If the complainant is dissatisfied with the action and/or the response of the Vice President, a written appeal may be filed with the College President within 10 calendar days after receiving the Vice President's response.
- 7.2.5 The President or his/her designee must respond in writing within 10 calendar days of receiving the written appeal from the complainant as to institutional action regarding the complaint.
- 7.2.6 If the complainant is still dissatisfied with the response and disposition of the complaint by the institution, he/she may file the complaint with the State Postsecondary Review Entity within 6 months of the date the alleged violation or incident or within 60 days of the date the institution reports final action whichever is earlier.
- 7.2.7 A file will be maintained in the Vice President's office concerning each complaint filed in regard to the institution's management of federal student financial assistance programs and/or the way the institution advertises and promotes its programs. This information will be reviewed on an annual basis to assist the college in reviewing its financial assistance, marketing and recruitment programs.

SECTION 8. CANCELLATION

8.1 None

SECTION 9. REVIEW STATEMENT

9.1 This policy shall be reviewed on a regular basis with a time frame for review to be determined by the President or the President's designee. Upon such review, the President or President's designee may recommend to the Board that the policy be amended or repealed.

SECTION 10. SIGNATURES

Board of Governors Chair **Date**

President **Date**

Attachments: SCP-1153.A, Consumer Complaint Form

Distribution: Board of Governors (12 members)
 www.southernwv.edu

Revision Notes: August 2008 — Revisions reflect no substantial changes in procedure or reporting requirements. The policy has been updated to reflect the institution's current organizational structure and the policy was reformatted using the latest policy template.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
BOARD OF GOVERNORS
MEETING OF DECEMBER 10, 2013**

ITEM: Request for Final Approval of SCP-5051,
*Reduced Tuition and Fee Program for State
Residents 65 and Older*

RECOMMENDED RESOLUTION: *RESOLVED*, That the Southern West Virginia
Community and Technical College Board of
Governors grant final approval of the
aforementioned policy following the
required 30-day public comment period.

STAFF MEMBER: Samuel Litteral

BACKGROUND:

President Joanne Jaeger Tomblin charged the Vice President of the Finance and Administration Unit with the review of SCP-5051, Reduced Tuition and Fee Program for State Residents 65 and Older. This policy establishes a reduced tuition and fee program for residents of West Virginia who are 65 of age or older to attend college courses on a space-available basis at Southern West Virginia Community and Technical College.

The policy was reviewed by Executive Council on September 4, 2013. Following the review, minor grammatical revisions were made, but no substantial changes in procedure or documentation requirements.

At its October 10th, 2013 meeting, the Southern West Virginia Community and Technical College Board of Governors approved advancement of this policy to Southern's constituents and the Chancellor for Community and Technical College Education for the required 30-day public comment period which ended November 13, 2013. No comments were received at the end of the comment period. Therefore, the staff recommends the policy as presented to the Board of Governors for consideration for final approval.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
BOARD OF GOVERNORS
SCP-5051**

SUBJECT: Reduced Tuition and Fee Program for State Residents Age 65 and Older.

REFERENCE: WV Code §18B-10-7a

ORIGINATION: December 2, 2004

EFFECTIVE: December 10, 2013

REVIEWED: September 4, 2013

SECTION 1. PURPOSE

1.1 The purpose of this policy is to establish a reduced tuition and fee program for residents of West Virginia who are 65 years of age or older to attend college courses on a space-available basis at Southern West Virginia Community and Technical College. The policy includes an option for those who attend undergraduate courses on a 'no credit' basis and an option for individuals who wish to attend undergraduate courses for academic credit.

SECTION 2. SCOPE AND APPLICABILITY

2.1 This issuance applies to all residents of the State of West Virginia age 65 and older.

SECTION 3. DEFINITIONS

3.1 None.

SECTION 4. POLICY

4.1 A resident of the State of West Virginia who is age 65 or older will be permitted to register for courses under either of the two options available through this program provided that classroom space [a seat or workstation] is available and with the consent of the specific course instructor.

4.2 The college shall develop guidelines for West Virginia residents who are 65 years of age and older to take courses that are consistent with the provisions of State Code and shall be published in the College catalog and other appropriate publications.

SECTION 5. BACKGROUND OR EXCLUSIONS

5.1 The West Virginia Code, as cited above, provides that all institutions of higher education establish a policy for citizens age 65 and older to attend courses at a reduced tuition and fee level. The Code further states that the policy include options for attending on a non-credit basis; that each participant under this program be

5.1.1 a resident of West Virginia,

5.1.2 65 years of age or older, and

5.1.3 classroom space is available.

5.2 Further, the West Virginia Code limits the total tuition and fees charged for participation in each non-credit course or class, excluding laboratory and parking fees, to not exceed \$50 and participation in academic credit courses may not exceed 50% of the normal rates charged to state residents: provided that after July 1, 2004 the governing boards may change the maximum fee.

SECTION 6. GENERAL PROVISIONS

6.1 A participant registered for a course under either of the two options of this program will be subject to the College's programmatic and financial guidelines applicable to this program.

6.2 A participant will also be subject to the rules, regulations, procedures, and requirements of the College, including course prerequisites, applicable to each course.

6.3 The following standards apply to the specific options available through this program:

6.3.1 No Credit Option – The total tuition and fees charged for each course under the no credit option, excluding laboratory fees, may not exceed \$50. The maximum tuition and fees to be charged under this option are subject to change upon approval of the Board of Governors.

6.3.2 Credit Option: – The total tuition and fees charged for each course under the credit option shall not exceed 50% of the normal rates charged to state residents.

SECTION 7. RESPONSIBILITIES AND PROCEDURES

7.1 The authority for developing a method of establishing priority for allowing a participant to register for and attend specific courses under the terms of this policy are delegated to the President or his/her designee.

7.2 The President or his/her designee will determine any special fees, such as laboratory fees, that all participants must pay.

7.3 The College, through appropriate channels, shall report on participation in this program to the Council for Community and Technical College Education or other state-level agencies.

SECTION 8. CANCELLATION

8.1 Replaced SCP-4385, Reduced Tuition and Fee Program for State Residents Age 65 and Older. On December 9, 2005, responsibility of SCP-4385 was transferred from the Student Services Unit to the Finance Unit and assigned a new classification number, SCP-5051.

SECTION 9. REVIEW STATEMENT

9.1 This policy shall be reviewed on a regular basis with a time frame for review to be determined by the President or the President's designee. Upon such review, the President or President's designee may recommend to the Board that the policy be amended or repealed.

SECTION 10. SIGNATURES

Board of Governors Chair **Date**

President **Date**

Attachments: None.

Distribution: Board of Governors (12 members)
 www.southernwv.edu

Revision Notes: December 9, 2005 – responsibility of SCP-4385 was transferred from the Student Services Unit to the Finance Unit and assigned a new classification number, SCP-5051.

 August 5, 2008 – SCP-5051 was reviewed by the Executive Council and recommended its continuation without revision.

 September 4, 2013 – SCP-5051 was reviewed by the Executive Council and recommended its continuation without revision.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
BOARD OF GOVERNORS
MEETING OF DECEMBER 10, 2013**

ITEM: Request for Approval to Distribute SCP-1435.B,
Essential Employee Guidelines

RECOMMENDED RESOLUTION: *RESOLVED*, That the Southern West Virginia Community and Technical College Board of Governors grant approval for the distribution of SCP-1435.B, *Essential Employee Guidelines*, to Southern's constituents and the Chancellor for Community and Technical College Education for the required 30-day public comment period.

STAFF MEMBER: Joanne Jaeger Tomblin

BACKGROUND:

The Committee on Essential Employee Designation developed guidelines to identify essential employees and provide employee guidance for reporting to work in the event of a declared state of emergency by authorized non-college officials (i.e., the Governor or county emergency services officials, etc.).

These guidelines were reviewed and approved by Executive Council and the President's Cabinet. Based on the deliberations and recommendations of these groups, the staff requests that SCP-1435.B, *Essential Employee Guidelines*, be advanced to Southern's constituents and the Chancellor for Community and Technical College Education for the required 30-day public comment period.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
BOARD OF GOVERNORS
SCP-1435.B**

SUBJECT: Essential Employee Guidelines

REFERENCE: SCP-1435, Inclement Weather and Emergency Situations; 1435.A, Media Notification List

ORIGINATION:

EFFECTIVE: New - Upon Passage

REVIEWED:

1. This guideline is not intended to replace the written emergency response plan outlined in Southern West Virginia Community and Technical College's "Emergency Plan and Procedures Guide." This guideline is intended to identify essential employees and provide employee guidance for reporting to work in the event of a declared state of emergency by authorized non-college officials (i.e., the Governor or county emergency services officials, etc.).
2. **Essential Employee Definition**
 - 2.1 Essential employees are defined as the Director of Campus Operations at each location and the Chief Information Officer.
 - 2.2 Directors of Campus Operations are required to report to work during an inclement weather/emergency closure of a campus facility or facilities. The Chief Information Officer may be able to verify information systems operation from a remote location. However, if necessary, he or she is required to report or have support staff report to ensure information systems and/or communication systems are appropriately operational.
3. **Inclement Weather/Emergency Compensation**
 - 3.1 Exempt essential employees *required* to work during an inclement weather/emergency closure will be compensated with substitute time off on an hour for hour basis, in addition to regular pay. Non-exempt employees *required* to work during an inclement weather/emergency closure will be compensated for work performed through substitute time off or pay at the rate of one and one-half (1½) times the actual hours worked, in addition to regular pay. In order for substitute time off to be used in lieu of pay, there must be a mutual written agreement between the non-exempt employee and the supervisor. Otherwise, the non-exempt employee must be compensated with pay. If substitute time off is granted for work performed during an inclement weather/emergency closure, the accrued time must be used within six (6) months from the date it is earned.
4. **Treatment of Overtime and Inclement Weather Compensation**
 - 4.1 Inclement weather/emergency compensation is separate from overtime compensation. Both must be applied separately and appropriately. To be eligible for overtime compensation a non-exempt employee must actually work in excess of forty (40) hours during the work week. Non-exempt employees must be compensated for this time at one and one-half times their regular hourly rate. This compensation may be in the form of pay or compensatory time.
 - 4.2 Exempt employees with actual hours worked in excess of forty (40) hours within the work week are not entitled to overtime compensation for these hours.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
BOARD OF GOVERNORS
MEETING OF DECEMBER 10, 2013**

ITEM: SCP-2562, Faculty Outside Employment or Non-College Related Activities

RECOMMENDED RESOLUTION: *RESOLVED*, That the Southern West Virginia Community and Technical College Board of Governors grant approval for the distribution of the aforementioned policy to Southern's constituencies and the Chancellor for Community and Technical College Education for a thirty-day comment period.

STAFF MEMBER: Samuel Litteral

BACKGROUND:

President Joanne Jaeger Tomblin charged the Vice President of the Finance and Administration Unit with the review of SCP-2562, Faculty Outside Employment or Non-College Related Activities. This policy provides guidance regarding faculty and professional employee outside employment activities and a mechanism for reporting the same.

The policy was reviewed by Executive Council on November 6, 2013. After the review, minor grammatical revisions were made, but no substantial changes in procedure or documentation requirements. Following this review, it is recommended that the Board of Governors advance this policy to Southern's constituents and the Chancellor for Community and Technical College Education for the required 30-day public comment period.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
BOARD OF GOVERNORS
SCP-2562**

SUBJECT: External Professional Activities of Faculty and Other Professional Staff

REFERENCE: Title 133 Procedural Rule West Virginia ~~Higher Education Policy Commission~~ Council for Community and Technical College Education Series 9, Academic Freedom, Professional Responsibility, Promotion, and Tenure

ORIGINATION: November 1, 1984

EFFECTIVE: November 1, 1984

REVIEWED: ~~November 11, 2008~~ November 6, 2013

SECTION 1. PURPOSE

- 1.1 To provide guidance regarding faculty and professional employee outside employment activities and a mechanism for reporting the same.

SECTION 2. SCOPE AND APPLICABILITY

- 2.1 This policy applies to all full time faculty and professional employees of Southern West Virginia Community and Technical College.

SECTION 3. DEFINITIONS

- 3.1 “External professional activities for pay” means any activity that 1) is not included within one’s college employment responsibilities; 2) is performed for any entity, public or private, other than the college; 3) is undertaken for compensation; and 4) is based upon the professional knowledge, experience and abilities of the faculty or other professional staff member. Activities for pay not involving such professional knowledge, experience and abilities are not subject to the advance disclosure and approval requirements of this policy, although they are subject to the basic requirement that outside activities of any type not result in neglect of primary College duties, conflicts of interest, inappropriate uses of the College name, or claims of College responsibility for the activity.
- 3.2 “College employment responsibilities” include both “primary duties” and “secondary duties.” Primary duties consist of assigned teaching, scholarship, and all other institutional service requirements. Secondary duties consist of professional affiliations and activities traditionally undertaken by faculty and other professional staff members outside of the immediate College employment context that redound to the benefit of the profession and to higher education in general. Such endeavors, which may or may not entail the receipt of honoraria or the reimbursement of expenses, include membership in and service to professional associations and learned societies; membership on professional review or advisory panels; presentation of lectures, papers, concerts or exhibits; participation in seminars and conferences; reviewing or editing scholarly publications and books; and service to accreditation bodies. Such integral manifestations of one’s membership in a profession are encouraged, as extensions of College employment, so long as they do not conflict or interfere with the timely and effective performance of the individual’s primary College duties.

- 3.3 “Faculty or other professional staff members” means any person who is employed full time by Southern West Virginia Community and Technical College who is exempt from overtime requirements of the Fair Labor Standards Act.
- 3.4 “Inappropriate use or exploitation of College resources” means using any services, facilities, equipment, supplies or personnel which members of the general public may not freely use. A person engaged in external professional activities for pay may use, in that connection, publicly accessible facilities such as College libraries; however, an office shall not be used as the site for compensated appointments with clients, e.g., for counseling or instruction. Under no circumstances may a supervisory employee use the services of a supervised employee during College employment time to advance the supervisor’s external professional activities for pay.
- 3.5 “Conflict of interest” relates to situations in which financial or other personal consideration may compromise, may have the potential for compromising, or may have the appearance of compromising an employee’s objectivity in meeting College duties or responsibilities, including grant activities.

SECTION 4. POLICY

- 4.1 Southern West Virginia Community and Technical College seeks to appoint and to retain, as faculty and other professional staff members, individuals of exceptional competence in their respective fields of professional endeavor. Because of their specialized knowledge and experience, such persons have opportunities to apply their professional expertise to activities outside of their College employment, including secondary employment consisting of paid consultation with or other service to various public and private entities. Through such practical, compensated applications of their professional qualifications, College employees enhance their own capabilities in teaching and professional development. Thus, participation of faculty and other professional staff members in external professional activities for pay, typically in the form of consulting, is an important characteristic of academic employment that often leads to significant societal benefits, including economic development through knowledge and technology transfer. However such external professional activities for pay are to be undertaken only if they do not:
- 4.1.1 Create a conflict of commitment by interfering with the obligation of the individuals to carry out all primary College duties in a timely and effective manner; or
 - 4.1.2 Create a conflict of interest vis-a-vis the individual’s status as an employee of the College; or
 - 4.1.3 Involve any inappropriate use or exploitation of College resources; or
 - 4.1.4 Make any use of the name of Southern West Virginia Community and Technical College for any purpose other than professional identification; or
 - 4.1.5 Claim, explicitly or implicitly, any College or institutional responsibility for the conduct or outcome of such activities.
- 4.2 The institution expects its employees to give full professional effort to assignments of teaching and/or institutional service. It is, therefore, considered inappropriate to engage in gainful employment outside the institution that is incompatible with the employee’s commitment to the institution. Moreover, it is considered inappropriate to transact personal business from one’s institutional office, or using College equipment for the same.

- 4.3 No employee may conduct personal for-profit business or enterprises on college premises. This restriction includes telephone calls, developing or answering correspondence, or receiving personal business guests on college property or time.
- 4.4 Solicitation by employees for purposes other than direct college related business during regularly scheduled work hours is prohibited. Solicitation during non-work hours (lunch or other break times) by employees is subject to other applicable policies of this institution.

SECTION 5. BACKGROUND OR EXCLUSIONS

- 5.1 This policy is written in compliance with joint policies of the Higher Education Policy Commission and the West Virginia Council for Community and Technical College Education.

SECTION 6. GENERAL PROVISIONS

- 6.1 The American Association of University Professors (AAUP) states that the broad term “conflicts of interest” is generally used to subsume two different concepts: Conflicts of interest, which tend to involve private financial arrangements, and conflicts of commitment, which generally refer to time and energy. While conflicts of commitment is a distinct concept from conflicts of interest, the two often overlap and, at times, may be difficult to separate. This policy is intended to bring attention to the outside employment activities of employees of the institution and allow a reporting mechanism to ensure these activities will not interfere with the full time service commitment to the institution.

SECTION 7. RESPONSIBILITIES AND PROCEDURES

- 7.1 The appointment of a person to a full time position at Southern West Virginia Community and Technical College is made subject to the following conditions:
 - 7.1.1. The employee shall render full time service to the institution. Outside activities shall not be restricted unless such activities or employment interfere with the adequate performance of college employment responsibilities.
 - 7.1.2. If outside employment or service interferes with regular college employment responsibilities of the employee, the institution has a right to take appropriate corrective action as warranted by the situation and rules and policies of the institution, up to and including disciplinary action.
- 7.2. Annual Review
 - 7.2.1. All faculty and professional staff shall verify their status annually by completing the appropriate form. If a faculty or professional staff member undertakes external professional activities for pay after the annual reporting date, he/she should complete an External Professional Activities form not less than ten (10) calendar days before the date of the proposed external professional activity for pay is to begin.
 - 7.2.2. The supervisor will review and discuss the completed form and policy with the employee to ensure no conflict of commitment or interest exists, sign the form, and forward to Human Resources.
 - 7.2.3. The signed form shall be placed in the employee’s personnel file.

7.3 Personal Professional Activity

7.3.1 The administration may permit and encourage a reasonable amount of personal professional activity (such as consulting, service on boards and committees, and community service activities) outside the employee’s duties and responsibilities, provided such activity further develops the employee professionally, or provides a community service, or promotes the college in a positive manner, and does not interfere with duties and responsibilities to the institution.

SECTION 8. CANCELLATION

8.1 None

SECTION 9. REVIEW STATEMENT

9.1 This policy shall be reviewed on a regular basis with a time frame for review to be determined by the President or the President’s designee. Upon such review, the President or President’s designee may recommend to the Board that the policy be amended or repealed.

SECTION 10. SIGNATURES

Board of Governors Chair **Date**

President **Date**

Attachments: SCP-2562.A, External Professional Activities for Pay Report Form

Distribution: Board of Governors (12 members)
www.southernwv.edu

Revision Notes: ~~September 2008 - Revisions reflect no substantial changes in procedure or documentation requirements. However, coverage was expanded from only full-time faculty to all full-time exempt professional employees of the institution. Definitions were added and more clarity was provided to provide explanation of the meaning of conflict of interest. The form for reporting was modified to indicate the specific outside employment activity.~~

November 2013 - Revisions reflect correction to Procedural Rule institutional reference, but no substantial changes in procedure or documentation requirements.

SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE

External Professional Activities for Pay Report Form

SCP-2562.A

Instructions: In accord with SCP-2562, this form must be completed each year by all full time faculty and professional staff employees. Complete all parts of the form. If you did not engage in external professional activities for pay for the fiscal year specified, write "NONE" across the grid below. Please report all paid activity/employment, including planned activity/employment for the fiscal year. The report for each fiscal year is due in Human Resources by August 31. If you intend to engage in paid professional activity, this form is to be completed no less than ten days before the proposed external professional activity for pay is to begin.

Name: _____ Title: _____

Department/Unit: _____ Fiscal Year: _____

Dates From/To	Description of Activity	Explanation: Nature of Activity and General Description of Business/ Agency/ Organization/ Group/Person

Employee Signature and Printed Name: _____ Date: _____

I have reviewed the above activities for compliance with SCP- 2562, External Professional Activities of Faculty and Other Professional Staff

Supervisor Signature: _____ Date: _____

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
BOARD OF GOVERNORS
MEETING OF DECEMBER 10, 2013**

ITEM: SCP-2686.A, Promotion-in-Rank and/or Tenure
Criteria Forms

RECOMMENDED RESOLUTION: *RESOLVED*, That the Southern West Virginia Community and Technical College Board of Governors grant approval for the distribution of SCP-2686.A, Promotion-in-Rank and/or Tenure Criteria Forms, to Southern's constituencies and the Chancellor for Community and Technical College Education for a thirty-day comment period.

STAFF MEMBER: Samuel Litteral

BACKGROUND:

President Joanne Jaeger Tomblin charged the Vice President of the Finance and Administration Unit with the review of SCP-2686, Promotion-in-Rank and Tenure. This policy establishes procedures for making recommendations and/or decisions regarding promotions-in-rank and tenure for full time faculty members of Southern West Virginia Community and Technical College.

The policy was reviewed by Executive Council on November 6, 2013. After the review, revisions were made to the attachment SCP 2686 A Promotion-in-Rank and/or Tenure Criteria Forms. The revisions provide clarity and reflect changes in Administrations titles. Following this review, it is recommended that the Board of Governors advance this policy to Southern's constituents and the Chancellor for Community and Technical College Education for the required 30-day public comment period.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
BOARD OF GOVERNORS
SCP-2686**

SUBJECT: Promotion-in-Rank and Tenure Policy

REFERENCE: Title 135, Procedural Rule, West Virginia Council for Community and Technical Colleges Education, Series 9, *Academic Freedom, Professional Responsibility, Promotion, and Tenure*; Applicable policies and procedures of the Southern West Virginia Community and Technical College Board of Governors

ORIGINATION: August 17, 1984

EFFECTIVE: November 27, 2001.

REVIEWED: ~~February 6, 2009~~ November 06, 2013

SECTION 1. PURPOSE

1.1 To establish policy and procedures for making recommendations and/or decisions regarding promotions-in-rank and tenure for full time faculty members of Southern West Virginia Community and Technical College (Southern).

SECTION 2. SCOPE AND APPLICABILITY

2.1 This issuance applies to all full-time faculty members of Southern who hold faculty rank of instructor or above. Certain sections of the issuance apply to all full-time faculty while others may be specific to only tenure-track, tenured or term faculty individually.

SECTION 3. DEFINITIONS

- 3.1 Terminal Degree - The approved terminal degree is an earned doctorate in a field appropriate to the subject matter taught. It is recognized, however, that certain master's degrees will be accepted as the terminal degree in fields which traditionally do not require or do not offer a doctoral degree. Acceptable degrees include, but are not limited to, the Masters of Fine Arts for studio and performing arts.
- 3.2 Tenured Faculty - A tenured faculty member is one who has attained tenure status as determined by Southern.
- 3.3 Tenure-track Faculty - A tenure-track faculty member is one who has been appointed on a full-time basis and designated by Southern as being in a tenure-track position.
- 3.4 Term Faculty - Those faculty members who have been appointed for a specific term as defined by the institution. The appointment may be full time (1.00 FTE or the equivalent, as determined by the institution) or part-time. While a full-time term faculty member is eligible to receive reappointment to additional terms, no single term may exceed three years. No number of term appointments shall create any presumption of a right to appointment as tenured track or tenured faculty.
- 3.5 Instructional Specialist - Those faculty members who have been appointed minimally on a nine-month basis and an hourly workload. The appointment is for a specified term not to exceed three years. The instructional

specialist is eligible to receive reappointment to additional terms. No number of term appointments shall create any presumption of a right to appointment as a tenure-track or tenured faculty. In addition to teaching, instructional specialists will have responsibilities for various academic support activities.

SECTION 4. POLICY

- 4.1 Policies, procedures and rules of the Board will be adhered to in making any recommendations for promotion-in-rank and/or tenure.
- 4.2 All recommendations for promotion-in-rank and/or tenure will be the result of the process contained in this issuance and within the funds allocated for promotion by the institution.
- 4.3 Promotions-in-rank and/or tenure approved during one academic year will become effective the beginning of the fall semester of the following academic year.
- 4.4 This tenure policy shall not affect persons having tenure under any previous policy of this administration or its governing board.
- 4.5 Tenured faculty shall retain their status until they retire, resign, are terminated for cause, as a result of financial exigency, or as a result of program reduction or discontinuance.
- 4.6 Failure to be recommended for promotion-in-rank and/or tenure at any step does not preclude an individual's opportunity to be evaluated at the remaining phases. If the final decision by the President is to deny promotion and/or tenure, written appeals may be made to the President within ten working days of such decision.
- 4.7 Persons assigned to full-time or part time administrative or staff duties may be appointed to, or may retain, faculty rank and/or tenure in addition to any administrative or staff title. Administrators shall earn rank and/or tenure as members of an academic discipline at the discretion of the President.
- 4.8 Department Chairs or the Chief Academic Officer, may nominate faculty members for promotion and/or tenure.
- 4.9 Faculty appointed as term faculty are appointed for a specified term, as defined by the institution, and are not eligible for tenure. No number of term appointments shall create any presumption to a right to appointment as tenure-track or tenured faculty.
- 4.10 Tenure and/or promotion will not be granted routinely, automatically or solely for length of service, but shall result from action by the institution; nor shall tenure and/or promotion be denied capriciously.
- 4.11 Full-time, tenure-track faculty who fail to obtain tenure status, within the time frame permitted under the promotion-in-rank and tenure criteria of the institution's policy and receive a terminal contract of employment (letter), shall be ineligible to apply for promotion-in-rank or tenure during the terminal year of employment.
- 4.12 Any appeal of action taken regarding promotion-in-rank and/or tenure will follow approved grievance procedures as outlined in WV Code §6C-2.

SECTION 5. BACKGROUND OR EXCLUSIONS

- 5.1 All previous policies, procedures, rules or regulations of any previous governing or advisory board of Southern West Virginia Community and Technical College regarding promotion and/or tenure are superseded by this policy.
- 5.2 This policy sets forth major elements of the institution's policy and criteria regarding promotion-in-rank and tenure. Nothing in this policy may be contrary to the guidelines and principles established by the Council for Community and Technical College Education or the West Virginia State Code.
- 5.3 Faculty having received tenure prior to the implementation of this policy are not affected by its terms or conditions regarding tenure but are subject to its terms regarding future promotion.

SECTION 6. GENERAL PROVISIONS

- 6.1 Each spring semester, at a date and time determined by the President or his/her designee, the Faculty Assembly shall elect a Promotion and a Tenure Committee. The committees shall consist of four members each, with two members representing each academic division. Committee members must be members of the Faculty Assembly, have no supervisory roles over full-time faculty, and must not be applying for tenure or promotion during the year in which they serve. Each committee member serving on the tenure committee shall have tenure. Those serving on the promotion committee must hold the rank of assistant professor or higher. The Chief Academic Officer or his/her designee will call the first meeting of each committee at which time a chairperson will be elected from and by the respective committee membership.

SECTION 7. RESPONSIBILITIES AND PROCEDURES

7.1 THE APPLICANTS WILL

- 7.1.1 Complete the necessary application forms and provide the required documentation.
- 7.1.2 Submit one copy of the application and documentation to the Department Chair and one copy of the application and documentation to the Chair of the Promotion or the Tenure Committee.
- 7.1.3 Submit any additional documentation as requested by the Department Chair, the Chair of the Promotion or Tenure Committee, Chief Academic Officer or President during the review process.
- 7.1.4 Request a conference at any step to discuss recommendations, if desired.

7.2 THE DEPARTMENT CHAIRS WILL

- 7.2.1 At their discretion, nominate qualified faculty members for promotion and/or tenure.
- 7.2.2 Provide access to the appropriate forms and provide other appropriate assistance to faculty member applying for promotion-in-rank and/or tenure.
- 7.2.3 Accept and review faculty packets to determine that the required materials are included.
- 7.2.4 Verify that the minimum criteria for promotion-in-rank and/or tenure are met.
- 7.2.5 Inform the applicant within 10 working days of receiving the packet of any missing material, request additional material, and include the material in the packet prior to forwarding a written recommendation to the Chief Academic Officer.
- 7.2.6 In the event of a recommendation for denial, the Department Chair shall offer the faculty member an opportunity for a conference to discuss the promotion and/or tenure packet information and the recommendation prior to forwarding recommendations.
- 7.2.7 Submit to the Chief Academic Officer all applications and supporting documentation.
- 7.2.8 Notify the applicant and the Chief Academic Officer, in writing with justification, of the Department Chair's recommendations.

7.3 THE INSTITUTIONAL PROMOTION OR TENURE COMMITTEE WILL:

- 7.3.1 Evaluate all applications and documentation submitted by the applicants.
- 7.3.2 Request clarification of any material presented when deemed appropriate by a vote of the respective Committee.
- 7.3.3 In the event of a recommendation for denial, the Committee shall offer the applicant an opportunity for conference to discuss the promotion and/or tenure packet information and the recommendation prior to forwarding recommendations.
- 7.3.4 Submit to the Chief Academic Officer, the promotion packets with a written recommendation to grant or deny promotion and/or tenure with justification.
- 7.3.5 Notify the applicant in writing, with accompanying justification, of the Committee's recommendation.

7.4 THE CHIEF ACADEMIC OFFICER WILL:

- 7.4.1 At his/her discretion, nominate qualified faculty members for promotion and/or tenure.
- 7.4.2 Review all applications, documentation and written recommendations forwarded by the Department Chairs and the Chair of the Promotion or Tenure Committee.
- 7.4.3 In the event of a recommendation for denial, the Chief Academic Officer shall offer the faculty member an opportunity for a conference to discuss the promotion and/or tenure packet information and the recommendation prior to forwarding recommendations to the President.
- 7.4.4 Submit to the President, all promotion and/or tenure applications, supporting documentation and written recommendations to grant or deny promotion-in-rank and/or tenure with justification.
- 7.4.5 Notify the applicant in writing, with accompanying justification, of the Chief Academic Officer's recommendation.

7.5 THE PRESIDENT WILL

- 7.5.1 At his/her discretion, nominate qualified faculty members for promotion and/or tenure.
- 7.5.2 Make the final decision.
- 7.5.3 In the event of a recommendation for denial, the President shall offer the faculty member an opportunity for a conference to discuss the promotion and/or tenure packet information and the recommendation prior to making the final decision.
- 7.5.4 Inform those listed in writing of the decision: Applicant, Department Chair, Chief Academic Officer, Chief Financial Officer, Human Resources Administrator, and the Southern West Virginia Community and Technical College Board of Governors.
- 7.5.5 Receive and act on any appeal made by applicants regarding promotion and/or tenure decisions.

7.6 THE CHIEF FINANCIAL OFFICER WILL:

- 7.6.1 Include approved promotion-in-rank increases in the operation budget for the next academic year.

SECTION 8. CANCELLATION

8.1 SCI 2321.

SECTION 9. REVIEW STATEMENT

9.1 This policy shall be reviewed on a regular basis with a time frame for review to be determined by the President or the President’s designee. Upon such review, the President or President’s designee may recommend to the Board that the policy be amended or repealed.

SECTION 10. SIGNATURES

Board of Governors Chair Date

President Date

Attachments: SCP-2686.A, Promotion-in-Rank and/or Tenure Criteria and Forms

Distribution: Board of Governors (12 members)
www.southernwv.edu

Revision Notes: February 6, 2009 - Revisions reflect change in committee structure to create separate promotion and tenure committees. There is no change in documentation requirements. This policy was revised using the latest policy format.

November 06, 2013 — Revisions reflect no substantial changes in procedure or documentation requirements.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
BOARD OF GOVERNORS
SCP-2686.A**

SUBJECT: Promotion-in-Rank and/or Tenure Criteria and Forms

REFERENCE: Title 135, Procedural Rule, West Virginia Council for Community and Technical Colleges Education, Series 9, *Academic Freedom, Professional Responsibility, Promotion, and Tenure*; Applicable policies and procedures of the Southern West Virginia Community and Technical College Board of Governors

ORIGINATION: August 17, 1984

EFFECTIVE: November 27, 2001

REVIEWED: ~~February 6, 2009~~ November 05, 2013

1. Tenure Criteria

Within the institution, tenure shall be earned by full-time academic tenure-track personnel with respect to academic rank only. When a full-time faculty member is appointed on other than a term, non-tenure track or tenured basis, the appointment shall be tenure-track.

Tenure criteria shall include excellence in teaching; professional and scholarly activity recognition; accessibility to students; adherence to professional standards of conduct; effective service to the institution, division, department and discipline; significant service to the community; experiences in higher education particularly at ~~this institution~~ Southern; evidence of continuous professional growth; possession of appropriate degrees, special competence and/or certification/licenses appropriate to the teaching field.

When applying for tenure, the limitation of submitting materials since last promotion does not apply. The application for tenure should include documentation for all work completed since initial appointment at Southern.

At the instructor level, tenure-track faculty members shall be appointed on a year-to-year basis and shall not be eligible for tenure.

During the tenure-track period, contracts shall be issued on a year-to-year basis, and appointments may be terminated at the end of the contract year. During said tenure-track period, notices of non-reappointment may be issued for any reason that is not arbitrary, capricious or without factual basis.

An Instructor shall be eligible to apply for both tenure and promotion in the same year. However, in addition to meeting other criteria such as that stated above, tenure shall be contingent upon the promotion to the rank of Assistant Professor.

Tenure shall not be granted automatically, or solely on the basis of promotion or length of service, but it shall result from action by the institution as represented by its President.

The maximum period of tenure-track status shall not exceed seven years. Prior to completing the sixth year of a tenure-track appointment, any non-tenured faculty member shall be given written notice of tenure or shall be offered a one-year written terminal contract of employment. All faculty hired on a tenure-track must either be awarded tenure or given a terminal contract no later than the end of the sixth year of full-time service.

Faculty receiving a one-year written terminal contract of employment shall not be eligible to apply for promotion or tenure during the terminal year of employment.

Faculty members initially appointed at the rank of Assistant Professor or higher, may be granted tenure upon appointment or, at the discretion of the institution, may be required to serve a probationary period not to exceed the maximum seven years. A faculty member may be granted tenure before his/her sixth year of service, however, the faculty member must meet all other eligibility criteria as set forth in this policy.

2. Promotion-in-Rank Criteria

Promotion-in-rank should recognize exemplary performance for a faculty member and provide the opportunity to assess a faculty member's growth and performance since the initial hire or since the last promotion. Faculty members are expected to contribute to the mission of Southern West Virginia Community and Technical College. Inasmuch, faculty members are hired with varying backgrounds and standards based on specific intended roles and should not be judged for promotion-in-rank accordingly.

The criteria listed below are minimum standards for submission of applications for promotion-in-rank. Meeting minimum standards does not guarantee promotion. There shall be evidence presented by the applicant that addresses each of the criterion and demonstrates a continuous and consistent commitment to the teaching profession, to students, to the mission and goals of the of the institution, to the community at large and to his/her own professional growth. All degrees required for promotion-in-rank must be from accredited colleges or universities. All college credit must be in-field or in a related/approved field. All criteria must be completed prior to the submission of an application, with the exception of length of time in rank. Since promotions are effective beginning the fall semester of the following academic year, application for promotion may be made during the year in which the candidate will complete time requirements.

2.1 Years of Service:

A minimum of four years of continuous service at the current rank at Southern West Virginia Community and Technical College must be completed prior to the effective date of promotion. Since promotions are effective at the beginning of the fall semester following their approval, application for promotion to the next rank may be made in the fourth year of service. Faculty hired mid-year will be eligible for promotion in the fifth year of service, such that four full years of service will be completed prior to the promotion taking effect.

2.2 Professional Preparation:

Faculty members are expected to undertake a continuing program of professional preparation and growth germane to their assignments. Professional growth and development activities include graduate studies, formal training programs, and participation in workshops, seminars, and/or conferences that are education and/or training in nature and specifically related to their field. Workshops, seminars and conferences must be pre-approved by the Chief Academic Officer prior to usage toward promotion. Promotion to the next rank requires one of the following professional preparation options.

2.2.1 A minimum of six graduate hours in field or an alternate pre-approved field should be completed for promotion to the rank of assistant professor. Twelve graduate hours in field or in an alternate pre-approved field should be completed for promotion to the rank of associate professor. In order to receive the full rank of ~~full~~ professor, one should complete a total of 18 additional graduate hours in field or in a pre-approved documented alternate field above their Masters Degree.

- 2.2.2** A minimum of two professional certification and/or licensure training courses or self study leading to certification linked to field of study as pre-approved and documented by the Chief Academic Officer since the last promotion or initial hire.
- 2.2.3** Sixty hours (60) of Continuing Education specific to the field of study (or teaching methodologies/technologies) must be approved by the Chief Academic Officer and documented. Documentation of contact hours must be included in the applicant's promotion packet or evaluation by the Chief Academic Officer.
- 2.2.4** Promotion to the rank of professor requires the minimum of a Master's Degree + 18 additional graduate hours, or a Master's Degree + in addition to documented field-appropriate certifications or licensures, as pre-approved by the Chief Academic Officer. Approvals must be documented.

2.3 Classroom Performance:

The applicant ~~must~~ will demonstrate ~~a commitment to~~ excellence in teaching as reflected in the supervisor's annual evaluations, classroom evaluations by department chairs or deans, peer reviews, student evaluations and/or letters from former students.

2.4 Service:

The applicant must demonstrate outstanding achievement in at least three of the categories of service described in Section 3.

3. Service Categories

3.1 Instructional and Curriculum Development

This category includes, but is not limited to, development of new courses and/or programs, implementation of innovative teaching techniques including effective use of technology for delivery and/or enhancement of courses or programs and significant changes to existing courses.

3.2 Professional Growth

This category includes, but is not limited to, attendance at pre-approved courses and/or workshops relevant to the discipline taught, acquiring an advanced degree in a discipline that meets institutional needs, membership and active participation in professional organizations, attendance and presentation at professional meetings, professional certifications, pre-approved independent study for advancement of academic understanding, professional awards, honors and other notable recognition, and other scholarly activity. Documentation of such activities should be included in the applicant's packet for verification.

3.3 Service to the College

This category includes, but is not limited to, active membership on college committees; development of policies and procedures, contributions to institutional self-studies; Compact and Master Plan development and implementation; participation in special projects that meet institutional priorities such as student recruitment and or retention; service on screening committees, grievance hearing committees; student-teacher interaction outside the classroom including sponsoring student organizations, active participation in student activities and other ad-hoc committees. Active

participation, memberships, and contributions must be documented e.g. letters from committee chairs, the President, Chief Academic Officer, Dean, peers and is to be included in the application packet for verification.

3.4 Service to the Profession

This category includes, but it not limited to, service on accreditation teams, editing and/or reviewing manuscripts, and service on academic committees outside Southern West Virginia Community and Technical College. Active participation must be documented, e.g. letters from chairs of accreditation teams, publishers, and/or the Chancellor and should be included in the application packet for verification.

3.5 Service to the Community

This category includes, but is not limited to, activity in civic organizations, membership on boards of community organizations, sponsorship of activity within the faculty member's expertise for community benefit, serving as resource person for community groups, and participation in special performances, exhibits or presentations open to or for the benefit of the community. Active participation and contributions must be documented by appropriate community representatives and included in the application packet for verification.

3.6 Research and Publication

This category includes, but is not limited to, publication of original research, reviews of literature, artistic presentations, and any other articles in books and/or periodicals. Scholarly research, publications, presentations, and/or other such evidence must be included in the application packet for verification.

4. Contents of Promotion and/or Tenure Packet

4.1 Promotion and/or Tenure Application

A completed application for Promotion and/or Tenure will provide identifying data regarding the applicant applying for promotion and/or tenure.

4.2 Statement of Rationale

The statement of rationale shall be a narrative summary of the applicant's accomplishments which are being used to justify tenure or promotion.

4.3 Additional Documentation

~~For cases in which additional~~ Documentation for years of service, professional preparation, classroom performance, and service is required, and it should be included here in this section. Examples would include supervisor evaluations completed by those other than the applicant's current department chair, transcripts of course work completed since the applicant's initial appointment, and other items sufficient to document that each criterion has been met and to adequately demonstrate a continuous and consistent commitment to the profession as stated in the introductory paragraph of the promotion-in-rank criteria section.

5. Timetable for Processing Promotions-in-Rank/Tenure

- January 15 Chief Academic Officer calls the first meeting of the Promotion or Tenure Committee.
- January 30 Applicant submits one copy of the application and supporting documentation packet to the Department Chair and one copy to the Chair of the Promotion or Tenure Committee
- February 28 Department Chair and Chair of Promotion or Tenure Committee submit applications along with a written recommendation with justification to the Chief Academic Officer.
- March 30 Chief Academic Officer submits packets and recommendations to the President.
- April 30 President makes final decision regarding faculty application for promotion-in-rank and/or tenure and informs the following in writing:
1. Applicant
 2. Chief Academic Officer
 3. Department Chair
 4. Chair, Promotion or Tenure Committee
 5. Chief Financial Officer
 6. Human Resources Administrator
 7. Board of Governors Chair

**Southern West Virginia Community and Technical College
Application for Promotion and/or Tenure**

Section 1.

Name of Candidate: _____

Applying For: Promotion Tenure
(check all that apply)

Date of Initial Appointment: _____

Rank at time of Initial Appointment: _____

Present Rank: _____

Date of last Promotion: _____
(if applicable)

Rank Applying for: _____

Total years completed as a full-time faculty member at Southern West Virginia Community and Technical College: _____

Current highest degree held: _____ Date conferred: _____

Graduate semester hours completed since receipt of current highest degree: _____

Department: _____ Campus: _____

This is to certify I am a candidate for promotion-in-rank and/or tenure at Southern West Virginia Community and Technical College. The enclosed data and data in my personal file may be used for purposes of professional evaluation by reviewing bodies.

Signature

Date

Section 2. (For Department Chair Use)

2.1 Instructions:

- 2.1.1 The individual completing each procedural phase places an “X” on the appropriate lines.
- 2.1.2 The same individual signs and dates the form.
- 2.1.3 The same individual delivers this form and appropriate materials to the next phase.

2.2 Department Chair	Yes	No
2.2.1 Minimum qualifications are met	_____	_____
2.2.2 Additional documentation requested	_____	_____
2.2.3 Conference held	_____	_____
2.2.4 Recommended for tenure	_____	_____
2.2.5 Recommended for promotion	_____	_____

Signature	Date
-----------	------

2.3 Chief Academic Officer	Yes	No
2.3.1 Minimum qualifications are met	_____	_____
2.3.2 Additional documentation requested	_____	_____
2.3.3 Conference held	_____	_____
2.3.4 Recommended for tenure	_____	_____
2.3.5 Recommended for promotion	_____	_____

Signature	Date
-----------	------

2.4 College President	Yes	No
2.4.1 Minimum qualifications are met	_____	_____
2.4.2 Recommended for tenure	_____	_____
2.4.3 Recommended for promotion	_____	_____

Signature	Date
-----------	------

- cc: Applicant
Chief Academic Officer
Department Chair
Chair, Promotion or Tenure Committee
Chief Financial Officer
Human Resources Administrator
Board of Governors Chair

Section 2. (For Promotion or Tenure Committee Use)

2.1 Instructions:

- 2.1.1 The individual completing each procedural phase places an “X” on the appropriate lines.
- 2.1.2 The same individual signs and dates the form.
- 2.1.3 The same individual delivers this form and appropriate materials to the next phase.

2.2 Chair, Promotion or Tenure Committee	Yes	No	
2.2.1 Minimum qualifications are met	_____	_____	
2.2.2 Additional documentation requested	_____	_____	
2.2.3 Conference held	_____	_____	
2.2.4 Recommended for tenure	_____	_____	
2.2.5 Recommended for promotion	_____	_____	

_____ Signature	_____ Date
--------------------	---------------

2.3 Chief Academic Officer	Yes	No	
2.3.1 Minimum qualifications are met	_____	_____	
2.3.2 Additional documentation requested	_____	_____	
2.3.3 Conference held	_____	_____	
2.3.4 Recommended for tenure	_____	_____	
2.3.5 Recommended for promotion	_____	_____	

_____ Signature	_____ Date
--------------------	---------------

2.4 College President	Yes	No	
2.4.1 Minimum qualifications are met	_____	_____	
2.4.2 Recommended for tenure	_____	_____	
2.4.3 Recommended for promotion	_____	_____	

_____ Signature	_____ Date
--------------------	---------------

- cc: Applicant
 Chief Academic Officer
 Department Chair
 Chair, Promotion or Tenure Committee
 Chief Financial Officer
 Human Resources Administrator
 Board of Governors Chair

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
BOARD OF GOVERNORS
MEETING OF DECEMBER 10, 2013**

ITEM: Request for Approval for Revisions to SCP-3214,
College Board Advanced Placement Credit

RECOMMENDED RESOLUTION: *RESOLVED*, That the Southern West Virginia Community and Technical College Board of Governors grant approval for the distribution of the aforementioned revised policy to Southern's constituents and the Chancellor for Community and Technical College Education for the required 30-day public comment period.

STAFF MEMBER: Debra Teachman

BACKGROUND:

In October 2013 the above-mentioned policy was reviewed by the Academic Affairs Management Council (AAMC).

Their recommendation is to remove the list of Advanced Placement courses from the policy. Southern's Advanced Placement course list is reviewed on an annual basis at the request of the Community and Technical College System of West Virginia (CTCS). The most up-to-date course list for all the community and technical colleges in the system is maintained by the CTCS and published on their website.

Removing the course list from Southern's policy eliminates the possibility of there being two potentially contradictory Advanced Placement course lists in circulation. The policy now references the Advanced Placement course list on the CTCS website.

Based on the deliberations and recommendations of AAMC, the staff member requests that SCP-3214, *College Board Advanced Placement Credit*, be advanced to Southern's constituencies and the Chancellor for Community and Technical College Education for the required 30-day public comment period. This request was reviewed and approved by Executive Council at their November 2013 meeting.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
BOARD OF GOVERNORS
SCP-3214**

SUBJECT: College Board Advanced Placement Credit

REFERENCE: Title 133, Legislative Rule, West Virginia Council for Community and Technical College Education, Series 15, *Acceptance of Advanced Placement Credit*.

ORIGINATION: September 13, 1993

EFFECTIVE: September 13, 1993

REVIEWED: ~~July 1, 2009~~ October 2013

SECTION 1. PURPOSE

1.1 To establish college policy for granting of credit through the College Board Advanced Placement Program.

SECTION 2. SCOPE AND APPLICABILITY

2.1 This issuance applies to the granting of all credit through the College Board Advanced Placement Program for all college locations.

SECTION 3. DEFINITIONS

3.1 Advanced Placement is a program of college level courses and exams through which students can acquire college credit while still in high school.

SECTION 4. POLICY

4.1 Southern West Virginia Community and Technical College recognizes the examinations of the College Board Advanced Placement Program. A high school student who participates in the Advanced Placement Program and wishes to have his/her examination scores evaluated for credit should have his/her official examination results sent to the Office of Admissions and Records.

4.2 Advanced Placement exams are prepared by the College Board and are graded by readers of the Educational Testing Service.

SECTION 5. BACKGROUND OR EXCLUSIONS

5.1 None.

SECTION 6. GENERAL PROVISIONS

6.1 The college requires a minimum score of three (3) for granting of credit through the Advanced Placement Program. The Advanced Placement tests, required score, course equivalent and credit hours granted are listed below. No credit is granted for scores below 3. Southern grants credit for Advanced Placement examinations as follows:

<u>AP Test</u>	<u>Score Required</u>	<u>Southern Course</u>	<u>Credit</u>
Art (Studio) Drawing Portfolio	3	Art 101	3
General Portfolio	3	Art 102	3
Art History	3	Art 275	3
Biology	3	Biology 101 & 102	8
Chemistry	3	Chemistry 101 & 102	8
Classics			
Latin: Virgil	3	Humanities Elective	3
Latin: Catullus/Horace	3	Humanities Elective	3
Computer Science			
Computer Science A	3	Computer Science Elective	3
Computer Science AB	3	Computer Science Elective	6
(6 unit maximum for both tests)			
Economics			
Microeconomics	3	Economics 242	3
Macroeconomics	3	Economics 241	3
English			
English Composition and Literature	3	English 101	3
English Language and Composition	3	English Elective	3
Foreign Language			
French Language	3	French 101 & 102	6
French Literature	3	French 275	6
German Language	3	German 101 & 102	6
Spanish Language	3	Spanish 101 & 102	6
Spanish Literature	3	Spanish 275	6
Government and Politics			
United States	3	Political Science 201	3
Comparative	3	Political Science 275	3
History			
United States	3	History 230 & 231	6
European	3	History 275	6
Mathematics			

Calculus AB	3	Math 229	5
Calculus BC	3	Math 230	4
Music			
Theory	3	Music 275	3
Physics			
Physics B	3	Physics 200	4
Physics C Mechanics	3	Physics 275	4
Physics C Elec and Mag	3	Physics 275	4
Psychology			
Introduction to Psychology	3	Psychology 201	3

SECTION 7. RESPONSIBILITIES AND PROCEDURES

- 7.1 The College’s list of Advanced Placement tests, required scores, course equivalents, and credit hours granted are reviewed on an annual basis and are maintained by the Central Office of the Council for Community and Technical College Education. The College’s list of Advanced Placement courses can be found at <http://www.wvctcs.org/>
- 7.2 Courses for which credit is granted shall be listed on the official transcript with (AP) following the official course title. Grades for these courses shall be listed as “CR” and shall not be calculated when determining grade point average. There is no fee for recording Advanced Placement Credit.

SECTION 8. CANCELLATION

- 8.1 None.

SECTION 9. REVIEW STATEMENT

- 9.1 This policy shall be reviewed on a regular basis with a time frame for review to be determined by the President or the President’s designee. Upon such review, the President or President’s designee may recommend to the Board that the policy be amended or repealed.

SECTION 10. SIGNATURES

Board of Governors Chair	Date
President	Date

Attachments: None

Distribution: Board of Governors (12 members)
www.southernwv.edu

Revision Notes: October 2013 — The list of Advanced Placement (AP) courses is reviewed annually. Maintaining the up-to-date list of courses in this policy is not practical as courses are subject to change on an annual basis. Therefore, the list of courses is removed from this policy and the policy now references the website where the course list can be found. This action eliminates the possibility of two potentially contradictory AP course lists.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
BOARD OF GOVERNORS
MEETING OF DECEMBER 10, 2013**

ITEM: Request for approval for revisions to SCP-4398, *Student Grades and Grade Point Average Requirements for Graduation*

RECOMMENDED RESOLUTION: *RESOLVED*, That the Southern West Virginia Community and Technical College Board of Governors grant approval for the distribution of the aforementioned revised policy to Southern's constituents and the Chancellor for Community and Technical College Education for the required 30-day public comment period.

STAFF MEMBER: Debra Teachman

BACKGROUND:

In October 2013 the above-mentioned policy was reviewed by the Curriculum and Instruction Committee (C&I).

The recommended revisions reflect no substantial change in procedure or documentation requirements; however, the revisions provide clarity especially to Section 6.1.2 which details the process for granting an Incomplete grade.

Based on the deliberations and recommendations of the C&I Committee, the staff member requests that SCP-4398, *Student Grades and Grade Point Average Requirements for Graduation*, be advanced to Southern's constituencies and the Chancellor for Community and Technical College Education for the required 30-day public comment period. This request was reviewed and approved by Executive Council at their November 2013 meeting.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
BOARD OF GOVERNORS
SCP-4398**

SUBJECT: Student Grades and Grade Point Average Requirements for Graduation

REFERENCE: Title 135, Procedural Rule, Series 22, West Virginia Council for Community and Technical College Education , Grade Point Average for Associate and Certificate Degrees

ORIGINATION: November 20, 2002

EFFECTIVE: January 21, 2003

REVIEWED: ~~September 17, 2008~~ October 7, 2013

SECTION 1. PURPOSE

1.1 The purpose of this policy is to establish and communicate the grading system used by Southern West Virginia Community and Technical College, as well as the grade point average required for graduation with an associate degree or certificate.

SECTION 2. SCOPE AND APPLICABILITY

2.1 This policy is applicable to all students and employees of the college.

SECTION 3. DEFINITIONS

3.1 None.

SECTION 4. POLICY

4.1 All faculty will assign and submit grades in accordance with this policy. All students must meet the minimum grade point average requirements as stated in section 6.3.5 in order to earn a certificate and /or an associate degree.

SECTION 5. BACKGROUND OR EXCLUSIONS

5.1 Further information pertaining to grades, degrees and graduation is provided in the college catalog. To the extent that information in the catalog may conflict with this policy, this policy supersedes that information.

SECTION 6. GENERAL PROVISIONS

6.1 The following grades are used by the College:

<u>Letter Grade</u>	<u>Description</u>	<u>Quality Points Per Credit Hour</u>
A	Superior	4.0
B	Good	3.0
C	Average	2.0
D	Below Average	1.0

F	Failing	0.0
W	Withdrawal	None
I	Incomplete	None
CR	Credit	None
NC	No Credit	None
AU	Audit	None

6.1.1 **Withdrawal:** A student withdrawing from a course by the established deadline for withdrawal will receive a grade of “W.” After the last day to withdraw, a student will not be permitted to drop the course and will receive the final grade the student earned.

6.1.2 **Incomplete:** ~~An incomplete is given when a student is absent from several sessions of, or the final exam of, a course because of illness or other reasons considered beyond the student’s control. Approval by the Department Chair must be secured by the instructor before a grade of “I” may be given. When the work missed is satisfactorily completed, the final grade must be approved by the Department Chair and subsequently forwarded to the Registrar. A Student must complete the requirements for the course in which the “I” grade was received within the next full semester or the “I” grade will automatically be changed to a grade of “F.”~~

Incomplete Grade: A student may receive an Incomplete “I” grade for a course if that student has successfully completed the majority of the academic requirements and is unable to complete the course due to unforeseen or uncontrollable circumstances. The instructor for the course must submit Incomplete Grade Forms to the Department Chair for approval before an “I” grade may be recorded. The student does not re-register for the course in which the “I” grade was received but must complete the requirements for the course within the next full trimester or the “I” grade will automatically be changed to a grade of “F”. The final grade for the course will be assigned by the instructor and the grade change must be approved by the Department Chair and forwarded to the Registrar. The instructor must file the specific forms for a final grade change with the Records Office to complete the process.

6.2 The grades earned by a student are determined by the instructor of the course and can be changed only upon the latter’s recommendation with final approval by the Chief Academic Officer, except as follows:

6.2.1 As set forth above, the Department Chair must approve a grade of “I” and must approve the final grade once the work missed is satisfactorily completed.

6.2.2 The Chief Academic Officer may, only upon recommendation of the Grievance Committee, change a grade determined to have been awarded in an unfair manner.

6.3 At the close of each semester, the instructor shall evaluate each student enrolled in his or her assigned class.

6.3.1 The Registrar shall provide notice to each faculty member regarding deadlines when final grades must be submitted. Deadlines must be met to facilitate decisions with regard to registration, probation, sequence of classes, prerequisites and graduation requirements.

6.3.2 Grades shall be submitted as follows:

6.3.2.1 Full-time faculty shall submit grades through entry in the BANNER System; and

6.3.2.2 Adjunct faculty will submit a signed grade report on, or prior to, the deadline to the appropriate Campus Records Office with a copy sent concurrently to the Department

Chair; and

- 6.3.2.3 Both full-time and adjunct faculty must make available, if requested by the Department Chair, Dean, or Chief Academic Officer, documented evidence of class attendance and performance records. This is necessary and valuable in the event of student grade appeals. All examinations or other graded assignments not returned to students must be maintained by the faculty member for one succeeding semester.
- 6.3.3 If a grade of “I” has been given, the instructor must file the specific forms for a final grade signed by the Department Chair with the Campus Records Office once the missed work is satisfactorily completed.
- 6.3.4 In calculating a student’s grade point average, all assigned letter grades “A” through “F” will be used. The grade point average is calculated on all work for which the student has registered with the exception of courses with grades of “W,” “I,” “CR,” “NC,” and “AU” and courses repeated (see “D” and “F” Repeat Provisions and Academic Forgiveness Provision). The grade point average is the ratio of the number of quality points gained to the number of credit hours attempted.
- 6.3.5 Those students who successfully complete the requirements for a degree or certificate with a grade point average of 2.00 or better are eligible to graduate. Some programs require that students earn a minimum grade of a “C” in certain courses taken in order to graduate with a degree or certificate in that program area.
- 6.3.6 The grade point average to be computed for graduation purposes (not necessarily each semester) shall be based upon all work for which the student has registered with the following exceptions:
 - 6.3.6.1 Courses from which the student has withdrawn.
 - 6.3.6.2 Courses in remedial/developmental (transitional studies) education.
 - 6.3.6.3 Courses taken on a credit/no credit basis where credit is earned.
 - 6.3.6.4 Courses taken on an audit basis.
 - 6.3.6.5 Courses which have been repeated under the “D/Ð F Repeat Provision” of this policy.
 - 6.3.6.6 Courses which are covered under the “Academic Forgiveness Provision” of this policy.
- 6.3.7 “D” and “F” Repeat Provision: If a student earns a grade of “D” or “F” on any course taken no later than the semester or summer term during which the student attempts the sixtieth (60th) semester hour, and if that student repeats this course prior to the receipt of a degree or certificate, the original grade shall be disregarded and the grade or grades earned when the course is repeated shall be used in determining the student’s grade point average. The original grade shall not be deleted from the student’s permanent record.

- 6.3.8 Discretionary Academic Forgiveness Provision: This provision is designed to assist students who previously left college with low grades and may be implemented, provided certain conditions are satisfied, where the “D” and “F” repeat provision is not applicable. The conditions for academic forgiveness are as follows:
- 6.3.8.1 The student seeking academic forgiveness must not have been enrolled on a full or part-time basis for more than twelve (12) hours during any semester or term at any higher education institution for a period of four consecutive calendar years prior to the request for academic forgiveness. Only “D” and “F” grades received prior to the four-year, non-enrollment period may be disregarded for grade point average calculation.
 - 6.3.8.2 In order to receive a degree or certificate the student must complete at least fifteen (15) additional credit hours through actual course work at Southern after the non-enrollment period, earn at least a 2.00 grade point average after the non-enrollment period and satisfy all degree or certificate requirements. Grades disregarded for grade point average computation will remain on the student’s transcript.
 - 6.3.8.3 This policy pertains only to the grade point average required for graduation and does not pertain to the grade point average calculated for special academic recognition, graduation with honors, admission requirements for particular programs or any other academic related standards.
 - 6.3.8.4 To implement this policy, the student must submit a written request to the Chief Academic Officer. The request must identify the non-enrollment period and the specific courses and grades the student wishes to be exempted from grade point average calculation. The Chief Academic Officer may accept, modify or reject the student’s request.
 - 6.3.8.5 In instances where a student requests and gains academic forgiveness from another higher education institution and then transfers to Southern, Southern is not bound by the prior institution’s decision to disregard grades for grade point average calculation.
- 6.3.9 The academic forgiveness policy for the Board of Governors Associate in Applied Science Adult Completion Program differs from that specified above. Per the West Virginia Council for Community and Technical College Education Administrative Guidelines for this program, all F’s earned in College courses earned four or more years before admissions to program are disregarded from the computation of the graduation grade point average. The “F” grades will not be deleted from the transcript. The “D” and “F” Repeat Provision shall also apply if applicable.

SECTION 7. RESPONSIBILITIES AND PROCEDURES

- 7.1 The Chief Academic Officer shall cause the terms of this policy to be observed.

SECTION 8. CANCELLATION

- 8.1 SCP-4397, Student Grades and Related Concerns, September 1, 2000; SCP-4520, Submitting Student Grades by the Faculty to the College’s Student Records Office and Authority for Changing Student Grades, September 1, 2000; and SCP-4520.A, Final Grade Report Form, September 1, 2000

SECTION 9. REVIEW STATEMENT

9.1 This policy shall be reviewed on a regular basis with a time frame for review to be determined by the President or the President’s designee. Upon such review, the President or President’s designee may recommend to the Board that the policy be amended or repealed.

SECTION 10. SIGNATURES

Board of Governors Chair **Date**

President **Date**

Attachments: None.

Distribution: Board of Governors (12 members)
 www.southernwv.edu

Revision Notes: October 2013 — Revisions reflect no substantial changes in procedure or documentation requirements. Revisions provide clarity.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
BOARD OF GOVERNORS
MEETING OF DECEMBER 10, 2013**

ITEM: SCP-5780, Travel Regulations

RECOMMENDED RESOLUTION: *RESOLVED*, That the Southern West Virginia Community and Technical College Board of Governors grant approval for the distribution of the aforementioned policy to Southern's constituencies and the Chancellor for Community and Technical College Education for a thirty-day comment period.

STAFF MEMBER: Samuel Litteral

BACKGROUND:

President Joanne Jaeger Tomblin charged the Vice President of the Finance and Administration Unit with the review of SCP-5780, Travel Regulations. This policy provides guidelines and procedures concerning the governing of in-state, out-of-state and international travel, hereinafter referred to as "travel," and for reimbursement of expenses to employees, Board of Governor, and non-employees traveling on behalf of Southern West Virginia Community and Technical College.

The policy was reviewed by Executive Council on November 6, 2013. After the review, revisions were made to SCP 5780 Travel Regulations. Revisions were made that reflect minor changes. Following this review, it is recommended that the Board of Governors advance this policy to Southern's constituents and the Chancellor for Community and Technical College Education for the required 30-day public comment period.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
BOARD OF GOVERNORS
SCP-5780**

SUBJECT: Travel Regulations

REFERENCE: West Virginia Code § 12-3-11; Title 135, Procedural Rule, West Virginia Council for Community and Technical College Education, Series 29, Travel

ORIGINATION: September 2002

EFFECTIVE: October 15, 2002

REVIEWED: November 06, 2013

SECTION 1. PURPOSE

1.1 This regulation implements the guidelines and procedures concerning the governing of in-state, out-of-state and international travel, hereinafter referred to as “travel,” and for reimbursement of expenses to employees, Board of Governors, and non-employees traveling on behalf of Southern West Virginia Community and Technical College.

SECTION 2. SCOPE AND APPLICABILITY

2.1 Travel regulations applicable to all employees, Board of Governors, and non-employees.

2.1.1 Approval to travel shall be secured in advance by the employee according to this regulation. Under no circumstances should an employee travel on an overnight stay without proper approval of the ~~spending officer~~ Vice President of Finance and Administration .

2.1.2 Employees are responsible for submitting a travel expense account settlement form, with all required attachments, within sixty days after the last day of approved travel in order to receive reimbursement of expenses.

2.1.3 This regulation shall govern reimbursement of travel expenses to members of the Governing Board when a Board member requests reimbursement for travel expenses.

2.1.4 When non-employees are eligible to receive reimbursement of travel expenses, reimbursement shall be made in accordance with this regulation and the policies and procedures of the institution.

2.1.5 Reimbursement of travel expenses paid from federal, state and private grants shall be governed by the terms and conditions of the grant if they differ from those contained in this regulation; otherwise, this regulation shall govern such reimbursement.

SECTION 3. DEFINITIONS

3.1 ~~None.~~ Commute Mileage -Mileage from home to assigned headquarters. Assigned headquarters for Southern West Virginia Community and Technical College are Mount Gay, Saulsville, Williamson, Rock Creek and Hamlin.

SECTION 4. POLICY

4.1 Transportation

4.1.1 Commercial Airlines

- 4.1.1.1 Allowable reimbursement for commercial airline travel shall include the actual expense or cost for the least expensive logical fare via the most direct route, or a reasonable alternative route if it results in lower fare.
- 4.1.1.2 Travelers are expected to make advance bookings through a contracted travel service vendor or as otherwise approved by the institution to secure the least expensive airfare possible. Reimbursement may be made to the traveler in advance for airfare purchased from 45 to 180 days before the trip begins . If airfare is reimbursed prior to travel, it must be referenced on the traveler's expense account.
- 4.1.1.3 In order to receive reimbursement, the traveler must submit the Passenger Itinerary or certified copy of the commercial airline ticket attached to the travel form. Refundable or unused airline tickets shall be returned immediately.
- 4.1.1.4 Commercial airline tickets for guests of Southern may be direct billed to the institution.

4.1.2 Ground Transportation

- 4.1.2.1 State Owned Vehicles: The availability and use of Southern's vehicles will be determined by the designated person located at each campus. Southern's vehicles should be considered first, when available.
- 4.1.2.2 Privately Owned Vehicles: Personally owned vehicles may be used when traveling on college business. Reimbursement will be made and shall not exceed the prevailing rate per mile established by the State of West Virginia . The current applicable rate can be obtained from the Finance web page. This rate is intended to cover all operating costs of the vehicle including fuel, maintenance, depreciation, insurance, etc., and no additional reimbursement will be made. Any traveler traveling during normal works days must subtract their commute mileage from total miles traveled, unless the traveler leaves from headquarters and back.
- 4.1.2.3 Commercial Rental Vehicles: Commercial rental vehicles may be used when traveling on college business. Travelers will utilize State approved rental car vendors when traveling by air or when departing from College locations. Reimbursement will be made at actual cost for the daily rental fee for a mid-size or smaller vehicle. It is recommended that travelers use their State Corporate card to secure their rental. State Corporate card provides collision damage coverage at no cost for rentals up to 60 days.
- 4.1.2.4 Rail Service: May be used for ground transportation in accordance with the institution's guidelines and procedures. Travelers are expected to make advanced bookings and use the least expensive logical fare via the most direct route, or other reasonable route that results in a lower fare. Receipts/documentation is required for reimbursement.
- 4.1.2.5 Miscellaneous Ground Transportation: Miscellaneous ground transportation may be reimbursed in accordance with the institutions's guidelines and procedures.

- 4.1.2.6 The operator (traveler) of a Southern vehicle must be an employee of Southern and possess a valid operator's license. The operator is personally responsible for any fines and/or penalties resulting from citations, charges, or warrants attributable to operator negligence. Such fines and/or penalties shall be a reimbursable expense.
- 4.1.2.7 In cases where a traveler chooses to drive rather than fly while on business, reimbursement will be based on actual in-transit expenses (mileage, hotel, meals, etc.) not to exceed the lowest available commercial airfare plus local transportation to and from the airport. Traveler must secure itinerary from National Travels website with fare prior to departure to be attached to travel for reimbursement.
- 4.1.2.8 Roadside assistance services for fleet or rental vehicles, if needed may be reimbursed at actual reasonable cost. A receipt must be provided and attached to a vendor's invoice within 15 days.
- 4.1.3 Lodging
 - 4.1.3.1 Reimbursement for lodging shall include actual expenses or overnight accommodations, use of a room during daytime, and all applicable taxes and surcharges. Original lodging receipts or certified copies are required for reimbursement.
 - 4.1.3.2 Lodging or a meeting may be direct billed for group travel only. The traveler must reference that lodging was direct billed and provide proof of lodging with final expense account settlement.
 - 4.1.3.3 All group travel must be submitted together to the State Auditor's office for payment. Therefore, each traveler in the group should submit settlement form as soon as possible in order not to hold up other group member's travel reimbursement. Also, If you plan not to claim any expense, you must also inform Southern's accounts payable section.
 - 4.1.3.4 Reimbursement for multiple occupancy, when only one of the travelers is on college business, shall be at the least expensive single room rate. In the event that a single room rate cannot be determined state, "single room rate same as double," on settlement form.
- 4.1.4 Meals
 - 4.1.4.1 ~~Meal expense reimbursement shall be made in accordance with the Institution's policies and procedures and is limited to actual expenses for food, service, and gratuities up to the applicable maximum daily rate authorized by the Governing Board. Specifically excluded are alcoholic beverages and entertainment expenses.~~
 - 4.1.4.1 Instate: Maximum daily rate is \$50.00 without receipts. Maximum daily rate based on Federal Regulation § 301-11.17. On the first and last travel day, Southern employees are only eligible for 75 percent of the total M & IE rate for their temporary duty travel location (not the official duty station location). Alcohol and entertainment expenses are specifically excluded. Meals and incidental rates differ by travel location. Examples of incidental expenses are fees and tips given to porters, baggage carriers, bellhops, hotel maids, stewards, or stewardesses and other on ships, and hotel servants; transportation between places of lodging or business and places where meals are taken, if suitable meals cannot be obtained at the temporary duty site; and mailing cost associated with filing travel vouchers and payment of government charge card billings.

4.1.4.2 Out-of-State: Maximum daily rate based on Federal Regulation §_301-11.17. On the first and last travel day, Southern employees are only eligible for 75 percent of the total M & IE rate for their temporary duty travel location (not the official duty station location). Alcohol and entertainment expenses are specifically excluded. Meals and incidental rates differ by travel location. Examples of incidental expenses are fees and tips given to porters, baggage carriers, bellhops, hotel maids, stewards, or stewardesses and other on ships, and hotel servants; transportation between places of lodging or business and places where meals are taken, if suitable meals cannot be obtained at the temporary duty site; and mailing cost associated with filing travel vouchers and payment of government charge card billings.

4.1.4.3 Reimbursement for meals during same day travel, travel without an overnight stay, is not reimbursable.

4.1.5 Other Expenses

4.1.5.1 Reimbursable Expenses

4.1.5.1.1 Travelers may incur other business related expenses for which reimbursement may be made if appropriate. Such expenses and reimbursement may include, but are not limited to:

4.1.5.1.1.1 Baggage handling and gratuities when using public transportation.

4.1.5.1.1.2 Baggage storage between appointments.

4.1.5.1.1.3 Tolls, garage and parking fees.

4.1.5.1.1.4 Communication expenses such as: Long distance calls to the office, facsimiles, access to e-mail.

4.1.5.1.1.5 Trips involving multiple days of travel or for single day travel where the traveler is unexpectedly delayed for business reasons, the traveler may make one personal telephone call home per day. Reimbursement shall be made at actual cost not to exceed a reasonable amount, if the call was not made on Southern's cell phone or calling card. The full amount will be reimbursed for all work related calls, if the call was not made on Southern's cell phone or calling card.

4.1.5.2. Non-reimbursable Expenses

4.1.5.2.1 Travelers may incur other expenses for which reimbursement is non-reimbursable. Such expenses may include, but are not limited to:

4.1.5.2.1.1 Interest or late charges on credit cards.

4.1.5.2.1.2 Laundry fees.

4.1.5.2.1.3 Personal flight or baggage insurance.

4.1.6 Form of Payment for Business Travel

4.1.6.1 Corporate Travel Card: Traveler should use the corporate charge card issued by the State

of West Virginia and Southern West Virginia Community and technical College for business related travel expenses when applicable.

- 4.1.6.2 Cash Advance: Employees may secure a cash advance for business travel only by using the corporate credit card at an ATM. Receipt from the ATM machine is required for reimbursement of the ATM transaction fee and the credit card fee.
- 4.1.6.3 Direct Billing: A requisition may be used when accepted by event sponsor. The traveler is responsible for attaching to the expense account settlement receipts, invoices, documentation, etc., for any direct billed fees.
- 4.1.6.4 Cash Advance for the West Virginia State Auditor's Office: The cash advance must be settled on the day of return. If the settlement does not take place the cash advanced will be recovered by deducting that amount from the next payroll. The traveler must follow the State of West Virginia's regulations addressing the Cash advance.
- 4.1.6.5 Purchase Card Payments: The purchase will cover the cost of the hotel room, internet services, and taxes. **THIS DOES NOT INCLUDE FOOD, IN ROOM DINNING SERVICE, IN ROOM MOVIES OR LAUNDRY.**
- 4.1.7 Other Provisions
 - 4.1.7.1 Reimbursement Forms: The form(s) used for reimbursement of travel expenses shall be those promulgated by the Chancellor.
 - 4.1.7.2 Travel Incentives: In accordance with West Virginia Code § 6B-2-5(2), employees may use bonus points acquired through frequent traveler programs while traveling on official government business, as long as the employee's participation in the program does not result in an additional cost to the state.

SECTION 5. BACKGROUND OR EXCLUSIONS

- 5.1 Any exceptions to this regulation must be explained in writing and approved by the President of Southern West Virginia Community and Technical College.

SECTION 6. GENERAL PROVISIONS

- 6.1 None.

SECTION 7. RESPONSIBILITIES AND PROCEDURES

- 7.1 Authority and Responsibilities
 - 7.1.1 Authority to manage, approve or disapprove travel and travel related expense is delegated exclusively to the Governing Board of Southern West Virginia Community and Technical College.
 - 7.1.2 The Governing Board may also delegate authority to the president to act as designee for authorizing and approving travel and travel related expenses as may be required. All such authorizations and approvals shall be made according to the provisions of this regulation.
 - 7.1.3 The President may also delegate authority to others within her or his respective institution to act as her/his designee for authorizing and approving travel and travel related expenses. All such

authorization and approvals shall be made in accordance with the provisions of this rule.

7.1.4 Travel may be authorized only for official business and only if the college has the financial resources to reimburse the traveler for travel expenses.

7.1.5 The responsibility to audit a traveler's expense account settlement lies with this institution. Approval of a traveler's expense account settlement by the institution means that the expense settlement meets all criteria established for reimbursement. The institution shall audit and submit an accurate expense account settlement for reimbursement to the State Auditor's Office within a reasonable amount of time after receiving such settlement from the traveler.

7.1.6 The responsibility of the traveler is to file a travel settlement form with the Finance Department. The traveler must have the Folio from the hotel, badge, from the conference, receipts for transportation if applicable, parking receipts and toll receipts for reimbursement.

SECTION 8. CANCELLATION

8.1 None

SECTION 9. REVIEW STATEMENT

9.1 This policy shall be reviewed on a regular basis with a time frame for review to be determined by the President or the President's designee. Upon such review, the President or President's designee may recommend to the Board that the policy be amended or repealed.

SECTION 10. SIGNATURES

Board of Governors Chair **Date**

President **Date**

Attachments: State of West Virginia Travel Authorization Form

Distribution: Board of Governors (12 members)
 www.southernwv.edu

Revision Notes: November 2013 — Minor revisions were made to provide clarity. Revisions reflect no substantial changes in procedure or documentation requirements.

**Southern West Virginia Community and Technical College
Board of Governors
Meeting of December 10, 2013**

ITEM: Request to Amend SCP-8600.A, *Board of Governors Operational Guidelines*

RECOMMENDED RESOLUTION: *RESOLVED*, That the Southern West Virginia Community and Technical College Board of Governors approve the amendment of SCP-8600.A, *Board of Governors Operational Guidelines*, as presented and grant approval for its distribution to Southern's constituents and the Chancellor for Community and Technical College Education for the required 30-day public comment period.

STAFF MEMBER: Thomas A. Heywood

BACKGROUND:

During the Board of Governors October 2013 Planning Retreat, Mr. Richard Novak, Senior Fellow, of the Association of Governing Boards of Colleges and Universities, assisted the Board with the development of a statement on Conflict of Interest in response to a recommendation made by the Higher Learning Commission Evaluation Team during Southern's recent comprehensive re-accreditation visit.

The Board's Operational Guidelines have been revised to include language to ensure that no detriment or appearance of detriment to the College's interests results from a conflict between the best interests of the College and any personal, financial, or other interest of a Board member or College officer. Therefore, it is recommended the Board grant approval for its distribution to Southern's constituents and the Chancellor for Community and Technical College Education for the required 30-day public comment period.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
BOARD OF GOVERNORS
SCP-8600.A**

SUBJECT: Board of Governors Operational Guidelines

REFERENCE: SCP-8600, Board of Governors Operational Guidelines Policy;
West Virginia Code §18B-2A-4

ORIGINATION: August 2001

EFFECTIVE: February 19, 2013

REVIEWED: ~~September 28, 2012~~ October 10, 2013

SECTION 1. GENERAL POLICIES

- 1.1 Purpose – The Board of Governors of Southern West Virginia Community and Technical College is appointed by the Governor of the State of West Virginia and serves as a representative body of its constituents to set forth policies to govern the college in the best interests of the community as a whole and in accordance with the statutes of West Virginia and Federal legislation.
- 1.2 Role of the Board of Governors – The role of the Board of Governors is to:
- 1.2.1 Establish the Mission, Vision, and Master Plan of the College and set clear written policy direction that is focused on community needs.
 - 1.2.2 Represent the community by knowing and understanding its needs and seeking a variety of perspectives when setting college policy.
 - 1.2.3 Define standards for College operations which set forth high quality programs, ensure wise and prudent expenditure of funds, and fair and equitable treatment of students and employees.
 - 1.2.4 Monitor the performance of the College to insure progress towards defined goals and adherence to policies.
 - 1.2.5 Select, hire and retain the President and to define and monitor the President’s performance through periodic evaluations.
 - 1.2.6 Promote the College in the community and advocate for its interests with government officials and in its fund-raising efforts.
 - 1.2.7 Create a positive leadership environment which fosters learning and focuses on outcomes.
 - 1.2.8 Act with integrity, promoting ethical behavior in all college dealings.
 - 1.2.9 Function as a unit, speaking with one voice which recognizes that the power of Board rests with the whole Board, not individual members.

1.2.10 Seek to preserve the independence and autonomy of the College, while ensuring responsiveness and accountability to the state, its citizens, and the local community.

1.2.11 Govern fully and effectively as established in West Virginia Code, exercising the authority, capacity, and transparency to make decisions independent of internal and external claimants within the confines of all applicable laws.

1.3 Role of Individual Board Members – The role of the individual board member is to:

1.3.1 Know the community and represent its best interests.

1.3.2 Support the College in its mission.

1.3.3 Understand the College and represent it in a positive manner to all constituent groups.

1.3.4 Adhere to Board of Governors policies and Code of Ethics.

1.3.5 Work as a member of the Board.

1.3.6 Adhere to the Board's policy making role and recognize the President's role as Chief Executive Officer.

1.3.7 Avoid conflicts of interest.

1.3.8 Maintain confidentiality.

1.3.9 Speak for the Board only when delegated to do so by the Board.

1.3.10 Refer complaints and problems regarding the College to the President.

1.3.11 Attend and actively participate in Board meetings and work sessions.

1.3.12 Refuse to participate in any action which is not in accordance with Board policy.

1.3.13 Defend the autonomy and the independence of the College.

1.3.14 Represent all the people of West Virginia and no particular interest, community, political group, or constituency, while keeping the welfare of the College at all times paramount.

1.3.15 Follow established board protocols when interacting with state legislators, the governor's office, and other state and local elected officials as well as government agencies or individuals.

1.4 Duties and Responsibilities of the Board of Governors (Extracted and summarized from WV Code §18B-2A-4) – The duties and responsibilities of the Board of Governors are as follows:

1.4.1 Determine, control, supervise and manage the financial, business and education policies and affairs of Southern West Virginia Community and Technical College.

1.4.2 Establish and amend campus Master Plan for the College including an Institutional Compact.

1.4.3 Develop a ten-year campus development plan in accordance with article West Virginia Code §18B-

19-4.

- 1.4.4 Prescribe specific functions for the College to meet the higher education needs of the service area without unnecessary duplication.
- 1.4.5 Develop and submit a budget for the College to the West Virginia Council for Community and Technical College Education (Council).
- 1.4.6 Review all academic programs at least every five years offered at Southern West Virginia Community and Technical College.
- 1.4.7 Ensure the sequencing of academic programs to ensure program completion in a reasonable time frame and to assure that the needs of non-traditional students are met.
- 1.4.8 Utilize faculty, students and classified staff in institutional-level planning.
- 1.4.9 Administer a system for the management of personnel matters.
- 1.4.10 Administer a system for the hearing of employee grievances.
- 1.4.11 Solicit, utilize or expend voluntary support including financial contributions.
- 1.4.12 Appoint a President or other administrative head of the College.
- 1.4.13 Conduct a written performance appraisal of the President.
- 1.4.14 Submit an annual report to the Council on the performance of the College.
- 1.4.15 Enter into contracts or agreements with other educational institutions and/or share resources.
- 1.4.16 Delegate power and control to the college President.
- 1.4.17 Abide by the existing rules for acceptance of advance placement credit.
- 1.4.18 Establish an efficient system for the financial management and expenditure of special revenue and appropriated state funds.
- 1.4.19 Establish a plan to administer a consistent method of conducting personnel transactions. Not later than July 1, 2012, the Department of Administration shall make available to each governing board the option of using a standardized electronic system for these personnel transactions.
- 1.4.20 Transfer funds for any account appropriated for the College's use.
- 1.4.21 Acquire legal services that are necessary.

SECTION 2. BOARD ORGANIZATION

- 2.1 Organization and Authority – Effective the first day of July 2001, the Board of Governors of Southern West Virginia Community and Technical College are officially appointed by the Governor of the State of West Virginia to serve as a representative body of its constituents to set forth policies to govern the best interests of the college in accordance with the statues of West Virginia.

- 2.2 Membership of the Board of Governors – The membership of the Board of Governors will consist of twelve persons including the following:
- 2.2.1 A full time member of the faculty, with the rank of instructor or above, duly elected by the faculty;
 - 2.2.2 A member of the student body in good academic standing, enrolled for college credit and duly elected by the student body;
 - 2.2.3 A member from the institutional classified employees duly elected by the classified employees; and
 - 2.2.4 Nine lay members appointed by the Governor of the State of West Virginia with the advice and consent of the Senate, with no more than five (5) members from the same political party.
- 2.3 Terms of Office
- 2.3.1 Faculty Member – The faculty member will serve for a term of two (2) years beginning in July and may succeed themselves for three terms, not to exceed a total of eight (8) consecutive years.
 - 2.3.2 Student Member – The student member will serve a term of one (1) year beginning in July and ending on the thirtieth day of June of each year.
 - 2.3.3 Classified Employee – The classified employee member will serve for a term of two (2) years beginning in July and may succeed themselves for three terms, not to exceed a total of eight (8) consecutive years.
 - 2.3.4 Lay Members – The lay members of the Board will serve a term of four years each and are eligible to succeed themselves for no more than one additional four-year term. The initial terms of office for lay members of the Board, appointed by the Governor, will be staggered.
- 2.4 Oath of Office – Prior to becoming a member of the Board of Governors, the member is required to take the Oath of Office prescribed by Article IV, Section 5 of the constitution of West Virginia and have the certificate filed with the Secretary of State.
- 2.5 Board Vacancies – The vacancy of an unexpired term of a member of the Board will be filled for the unexpired term within thirty (30) days of the occurrence of the vacancy in the same manner as the original appointment or election.
- 2.6 Disqualification from Board Membership (Extracted and summarized from WV Code §18B-2A-1)
- 2.6.1 A person is ineligible for appointment who is an officer, employee or member of any other board of governors; a member of a board of visitors of any public institution of higher education; an employee of any institution of higher education; an officer or member of any political party executive committee; the holder of any other public office, other than an elected county office, or public employment, other than employment by the county board of education, under the government of this state or any of its political subdivisions; an employee of any affiliated research corporation created pursuant to article twelve of this chapter; an employee of any affiliated foundation organized and operated in support of one or more state institutions of higher education; or a member of the council or commission. This subsection does not prevent the representative from the faculty, classified employees or students from being members of the governing boards.

- 2.6.2 A member of the Board of Governors, appointed by the Governor, may only be removed from membership on the Board in the manner prescribed by law for reasons of official misconduct, incompetence, neglect of duty, or gross immorality.

SECTION 3. BOARD OPERATIONS

3.1 Board Principles

- 3.1.1 The Board's governance style is intended to encourage diversity of viewpoints and collective rather than individual decision making. Prior to setting policy, the Board will insure that input has been received from a variety of sources to insure representation of constituents and staff and sound decision making principles. Foremost among these principles, are the duties of the Board to reserve final policy decisions unto itself as it deems in the best interests of the College, and to do so in a transparent manner. This includes the decision making authority expressly delegated to the President or others in the administration.
- 3.1.2 The Board's focus will be on providing strategic leadership and representing the community it serves rather than administrative detail.

3.2 Code of Ethics – The Southern West Virginia Community and Technical College Board of Governors Code of Ethics are as follows:

- 3.2.1 To demonstrate that the primary function of the Board is to establish policy by which the college is administered.
- 3.2.2 To devote time, thought and study to the duties of the members of the Board of Governors to insure effective service.
- 3.2.3 To work cooperatively with fellow Board members in spite of differences of opinion.
- 3.2.4 To base decision-making on all available facts and to vote honestly, unswayed by personal bias of any kind, and to uphold the majority decision of the Board.
- 3.2.5 To act in all college-related contacts including staff, media and citizens, reflecting the fact that there is no individual authority outside of the meetings of the Board.
- 3.2.6 To refrain from using the Board position to benefit personally or for any other individual.
- 3.2.7 To comply with the West Virginia Ethics Act in the areas of Confidentiality, Private Gain, Prohibitive Representation, Gifts, Subordinates, Contracts, Purchases and Sales.

3.3 Committee Principles

- 3.3.1 The Board will normally function as a committee of the whole without standing committees.
- 3.3.2 If an Ad Hoc Committee is formed, it will be for the purpose of assisting the Board to do its job, not to advise staff nor help staff do its job.
- 3.3.3 Board Ad Hoc Committees will normally be established for a specified purpose and a defined time period.

- 3.3.4 Board committees have no authority over staff nor may they speak on behalf of the Board of Governors unless specifically authorized to do so.
- 3.3.5 If necessary, Board members may call upon the services of the Chancellor for the West Virginia Council for Community and Technical College Education.
- 3.4 Officers of the Board – The Chairperson, Vice Chairperson, and Secretary will be elected from the lay Board membership in June of each year at the Board’s annual organizational meeting. A member may not serve as Chairperson for more than four consecutive years.
 - 3.4.1 Duties of the Chairperson – The duties of the Chairperson are as follows:
 - 3.4.1.1 To preside at all Board meetings in an efficient and effective manner and set the general tone for the meeting through effective leadership.
 - 3.4.1.2 To insure the Board and individual Board members follow the Board’s own rules and policies and those established by legislation.
 - 3.4.1.3 To promote deliberation at Board sessions that is open and thorough, but also efficient, timely, orderly and to the point.
 - 3.4.1.4 To insure that all Board members are properly informed of current and pending Board and College issues.
 - 3.4.1.5 To perform the same duty of voting on matters as other Board members.
 - 3.4.1.6 To speak on behalf of the Board of Governors as their designated representative.
 - 3.4.1.7 To appoint or arrange for the election of committees established by the Board.
 - 3.4.1.8 To call emergency meetings as necessary.
 - 3.4.1.9 To call for the evaluation of the President on an annual basis.
 - 3.4.1.10 To call for the self-evaluation of the Board of Governors on an annual basis.
 - 3.4.1.11 To sign all official Board minutes.
 - 3.4.1.12 To perform other duties as may be required by action of the Board.
 - 3.4.1.13 The Chairperson has no authority to direct or supervise the President.
 - 3.4.2 Duties of the Vice Chairperson – The duties of the Vice Chairperson are to preside at Board meetings in the absence of the Chairperson or to fulfill the duties of the Chairperson as needed.
- 3.5 New Board Member Orientation – The Board will assist each new Board member to understand the Board of Governors role and responsibilities. The Board will develop and periodically review selected materials to be provided to new Board members to facilitate this process. The new Board member will be invited to meet with the Board Chairperson and the College President to acclimate him/herself to their new responsibilities.

- 3.6 Board of Governors Compensation and Expense Reimbursement – Members of the Board of Governors serve without compensation, but are reimbursed for reasonable and necessary expenses actually incurred in the performance of their official duties. Expenses are reimbursed through College funds allocated for this purpose upon presentation of an itemized statement.
- 3.7 Board of Governors Self Evaluation – The Board of Governors will develop a self evaluation tool to regularly monitor and discuss Board process and performance. The self evaluation tool will include a comparison of Board activities to Board policy as defined in this document.

SECTION 4. MEETING PROTOCOL

- 4.1 General – The purpose of this protocol is to establish rules by which the date, time, place and agenda of all regularly scheduled meetings and the date, time, place and purpose of all special meetings of the Board of Governors are to be made available in advance to the public and news media. It is also the purpose of this protocol to establish rules for attendance and presentation at any meeting where there is not room enough for all members of the public who wish to attend. This protocol also establishes procedures related to the conduct of all meetings.
- 4.2 Scope – This protocol shall apply to all regular and special meetings of the Board of Governors. This protocol shall also establish procedures to be observed in relation to emergency meetings requiring immediate official action.
- 4.3 Definitions
 - 4.3.1 Regular Meeting – The Board of Governors shall establish a regular meeting schedule for the next ensuing fiscal year at its final regular meeting of each fiscal year. The agenda for all regular meetings shall be established by an Agenda Committee consisting of the Chairperson, Vice Chairperson, Secretary of the Board of Governors, Past Chairperson, one lay Board member elected in June of each year at the Board’s annual organizational meeting, and the College President. The Agenda Committee shall meet in person or by telephone conference at an established time prior to the commencement of each regular Board meeting for the purpose of establishing an agenda. However, any member of the Board of Governors may direct that an item be placed upon the agenda of an upcoming regular meeting by communicating such direction to the Chairperson in advance of the publication of the particular agenda, preferably prior to the meeting of the Agenda Committee.
 - 4.3.2 Special Meeting – A special meeting of the Board of Governors may be called by the Chairperson or seven (7) members of the Board of Governors. All special meetings must be attended with a state of purpose. Emergency meetings, requiring immediate official action, shall be considered special meetings. However, the notice requirements for special meetings need not be fully observed in convening emergency meetings.
- 4.4 Pre-Meeting Procedures
 - 4.4.1 Notice of Regular Meetings – Notices of all Regular Meetings shall be posted and maintained on a bulletin board that is accessible to the public located in the administrative office of the College on each campus. All such notices shall be posted at least three (3) working days in advance of a scheduled regular meeting. Each such notice shall state the date, time, place and include an agenda of the meeting. If a regular meeting is cancelled or postponed, a notice of such cancellation or postponement shall be posted in the same location as soon as feasible after the cancellation or postponement has been determined. Notice of Regular Meetings may, at the discretion of the President, be published on the Internet.

- 4.4.2 Notice of Special Meetings – Notices of all special meetings shall be posted and maintained on a bulletin board that is accessible to the public located in the administrative office of the College on each campus. All such notices shall be posted at least three (3) working days in advance of a scheduled special meeting. Each such notice shall state the date, time, place and purpose of the meeting. If a special meeting is cancelled or postponed, a notice of such cancellation or postponement shall be posted in the same location as soon as feasible after the cancellation or postponement has been determined. Notice of Special Meetings may, at the discretion of the President, be published on the Internet.
- 4.4.3 *State Register* – In compliance with West Virginia Code §6-9A, the President shall cause notice of all meetings of the Board of Governors to be filed with the Secretary of State for publication in the *State Register*. Each notice shall state the date, time, place and purpose of the meeting. Each notice shall be filed in a manner to allow each notice to appear in the *State Register* at least five days prior to the date of the regular or special meeting. In the event of an emergency requiring immediate official action, the President shall cause an emergency meeting notice to be filed prior to the meeting. The emergency meeting notice shall state the date, time, place and purpose of the meeting and the facts and circumstances of the emergency. Emergency meeting notices are exempt from the *State Register* publication deadlines, provided there is an "emergency."
- 4.4.4 Notice to Media – The President shall cause advance notice of all regular and special meetings to be provided to the press that regularly cover matters relating to the College. The President shall cause advance notice to be provided to other members of the press upon request. Such notice shall not be required in advance of emergency meetings requiring immediate official action.

4.5 Meeting Procedures

- 4.5.1 Compliance With Open Governmental Proceedings Act – The Chairperson of the Board and each member of the Board shall be familiar with the provision of the Open Governmental Proceeding Act and shall undertake to observe the requirements of the Act in relation to all motions to convene in an executive session. Executive sessions shall not be recorded by mechanical means, however, Board minutes shall identify the statutory authorization for each executive session and shall record the persons in attendance.
- 4.5.2 Presentations – All persons desiring to address the Board regarding an agenda item at a regular meeting or a matter identified within the stated purpose of a special meeting must register prior to the meeting. Persons will not be required to register more than fifteen (15) minutes prior to the time a meeting is scheduled to commence.
- 4.5.3 Reconvening Meeting When Space is Limited – In the event the place where a meeting is initially convened has inadequate space to accommodate members of the public who desire to attend or make presentations to the Board, the Chairperson of the Board may adjourn the meeting and reconvene the meeting at an alternate location on a date and at a time announced at the time of adjournment.
- 4.5.4 Telephone/Electronic Attendance – Members of the Board of Governors may attend and participate at any meeting by means of telephone or video-conference. Telephone or electronic equipment that is used to allow such attendance and participation shall be configured to allow those present, including members of the public, to observe and/or hear the members who are attending and participating by telephone or electronic means.
- 4.5.5 Consideration of Materials by Reference – All documents or materials that are referenced in an

agenda or statement of purpose of a special meeting shall be available for public inspection at the meeting where such documents or materials are considered.

- 4.5.6 Parliamentary Procedure – The Board of Governors shall observe *Robert's Rules of Order, New Revised*, as a guide for conducting its business.
- 4.5.7 Voting – Voting may be verbal or by a show of hands. The outcome of all votes shall be announced by the presiding officer, and the recording secretary will record the vote accordingly. Any member may request a roll-call vote immediately following the presiding officer's announcement of the outcome of a vote.
- 4.5.8 Quorum – Seven (7) of the twelve (12) members of the Governing Board shall constitute a quorum. A majority of those members present and eligible to vote shall be required for the passage of all motions.
- 4.5.9 Minutes – Official Board of Governors meeting minutes will be maintained by the College and kept in a permanent and safe condition. The Board Chairperson will sign all official minutes. Copies of Board minutes will be provided to all Board members, and upon written request to interested parties in compliance with West Virginia statute.

SECTION 5. PRESIDENTIAL RELATIONS

- 5.1 General – The President is the Chief Executive Officer of the College and the Board's single link with operating the institution. The role of the Board is to provide clear policy direction to the President with respect to the College's Master Plan and Institutional Compact. The role of the President is to carry out the Board's direction and administer the day-to-day operations of the College.
- 5.2 Board Delegation of Administrative Authority – The Board delegates to the President the function of formulating, implementing, directing and evaluating administrative policies and regulations under which the College will operate. These policies and regulations will govern the College and be consistent with Board policy.
- 5.3 Presidential Evaluation – The Board of Governors will conduct an annual written evaluation of the President using the following criteria:
 - 5.3.1 The President's job description.
 - 5.3.2 The President's goals and objectives, established each year in consultation with the Board.
 - 5.3.3 Progress toward the College's Master Plan.
 - 5.3.4 Adherence to Board policies.
 - 5.3.5 West Virginia Code §18B-1B-6
- 5.4 Presidential Search Process – The Board of Governors is responsible to hire and appoint a President or other administrative head of Southern West Virginia Community and Technical College in compliance with West Virginia Code §18B-1B-6.

SECTION 6. REFERENCES

- 6.1 West Virginia Code §6-9-A; West Virginia Code §18B-2A-1; West Virginia Code §18B-2A-4; West Virginia Code §18B-1B-6.
- 6.2 Carver, John and Miriam Mayhew. *A New Vision of Board Leadership: Governing the Community College*.

Washington, DC. Association of Community College Trustees, 1994.

- 6.3 Smith, Cindra, J. *Trusteeship in Community Colleges. A Guide for Effective Governance*. Washington, DC. Association of Community College Trustees, 2000.
- 6.4 The Ethics Act. *A Code of Conduct for Public Servants*. West Virginia Ethics Commission.
- 6.5 Treasure Valley Community College. *Board of Education Policies*. Ontario, Oregon:1998.

Revised 02/19/2008; Approved Revisions 04/15/2008

Revised 09/28/2012 with legislation passed through the 2012 1st Special Session.



October 18, 2013

RECEIVED

OCT 28 2013

PRESIDENT'S OFFICE

Ms. Joanne Jaeger Tomblin
President
Southern West Virginia Community and Technical College
Post Office Box 2900
Mt. Gay, WV 25637

Dear President Tomblin:

At its meeting on October 17, 2013, the West Virginia Council for Community and Technical College Education received post-audit reports for the following programs offered at Southern West Virginia Community and Technical College. The following programs were recommended for continuation with a follow-up report as noted.

- AAS - Homeland Security and Emergency Service - a follow-up report addressing 1) the success of the efforts for increased marketing and enhanced faculty training for online program delivery and 2) provide evidence that assessment results are being used for program improvement is due by August 15, 2014.
AAS - Paramedic Science - accepted with no follow-up per Mark Stotler. FRB 10/28/2013

The CAS/AAS - Addiction Counseling program was deferred with a follow-up report addressing program viability and necessity due by August 15, 2014.

The Council accepted follow-up reports for the CAS-Central Sterile Supply Technician and AAS Mine Management programs. The Council recommended continuation of CAS/AAS Forensic Psychology and Investigation program but requests an additional follow-up report addressing the college's efforts to enhance program viability. The follow-up report should be submitted to my office by August 15, 2015.

Please contact Mark Stotler at 558-0262 if you have any questions.

- cc: Dr. Debra Teachman, VP for Academic Affairs and Student Services
Dr. Pamela Alderman, Dean for Career and Technical Programs
Dr. Gail Hall, Chair, Business Department
Ms. Alyce Patterson-Diaz, Chair, Allied Health Department
Ms. Kathy Deskins, Coordinator, Emergency Medical Services
Ms. Judy Curry, Coordinator, Surgical Technology
Mr. Bill Alderman, Coordinator, Mine Management
Mr. George Morrison, Interim Chair, Social Sciences Department
Ms. Nancy Fala, Administrative Assistant, VP AA & SS

Sincerely,

James L. Skidmore (handwritten signature)

James L. Skidmore
Chancellor

cc: Merle Dempsey, Consultant, Academic Affairs and Student Services
Mark Stotler, Director of Academic Programming

School of Pharmacy

November 11, 2013


Joanne Jaeger Tomblin
1716 Kanawha Boulevard East
Charleston, WV 25305

Dear Mrs. Tomblin:

Thank you for the opportunity to attend the 2013 Perinatal Summit Reception and Awards Ceremony at the Governor's mansion last Thursday. This was an outstanding event recognizing advancement in healthcare of women and babies in West Virginia.

You have expressed an interest in whether we have any students from Southern West Virginia Community and Technical College. I am pleased to say that we have two; Mr. Justin Simpkins and Mr. Nathan Sansom, and both are in good standing at the school. We are very encouraged by our relationship with Southern WV CTC and with these students. Please continue to direct to us any students who show an interest in Pharmacy.

Regards,



Kevin W. Yingling, R. Ph., M. D.
Dean, School of Pharmacy

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