



*Southern*  
West Virginia  
Community and Technical College

***Board of Governors***

---

**February 16, 2016**  
**MEETING AGENDA PACKET**

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**Members**

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

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Brandon K. Elkins  
Russell F. Saunders  
Virginia L. Stepp

Robert E. Gunter, Ed.D  
President

**Southern West Virginia Community and Technical College  
Board of Governors  
Meeting of February 16, 2016  
6:00 p.m.  
2900 Dempsey Branch Road, Room 428, Building C  
Mount Gay, West Virginia and by Teleconference  
AGENDA**

1. Call to Order . . . . . Mr. Thomas Heywood  
Board Chair
2. Call for Public Comments to the Board of Governors . . . . . Chair Heywood
3. Financial Audit Presentation . . . . . Suttle & Stalnaker, PLLC
4. Board of Governors Committee on Tuition and Fees Proposal . . . . . Chair Heywood
5. President’s Report . . . . . Dr. Robert E. Gunter  
President
6. Financial Report . . . . . Mr. Samuel Litteral  
Vice President for Finance and Administration
7. Advisory Council of Faculty and Faculty Senate Presentations . . . . . Mr. Charles Puckett  
Senate Chair
8. Academic Affairs and Student Services Annual Report . . . . . Dr. Debra Teachman  
Vice President for Academic Affairs and Student Services
9. Action Items
  - 9.1 Request for Approval of Audited Financial Report . . . . . 87
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  - 9.3 Request for Approval of December 8, 2015 Meeting Minutes . . . . . 112
  - 9.4 Request for Approval of Post-Audit Follow-up Report for the  
A.A.S. Medical Assisting Program Required by the Council . . . . . 119
  - 9.5 Request for Final Approval of Institutional Policies
    - 9.5.1 SCP-1375, Reports of Incidents/Accidents and Forms . . . . . 126
    - 9.5.2 SCP-2810, Sabbatical Leave for Full-time Faculty and Forms . . . . . 132
    - 9.5.3 SCP-3670, Public School Service Program . . . . . 141
    - 9.5.4 SCP-4233, The Dean’s List of Students; Graduation with Honors Status . . . 145
  - 9.6 Request for Approval of Institutional Policies for 30-day Public Comment
    - 9.6.1 SCP-2202, Personnel Assessment, Philosophy, and Practice Statement . . . 148
    - 9.6.2 SCP-2593, Payments to Employees for Contracted Services . . . . . 152
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    - 9.6.6 SCP-5050, Assessment, Payment, and Refund of Fees . . . . . 179
    - 9.6.7 SCP-5830, Use of Southern West Virginia Community  
and Technical College Vehicles . . . . . 185
  - 9.7 Appointment of Board of Governors Ceremonial Representative . . . . . Chair Heywood
    - 9.7.1 Commencement – Greetings from the Board, May 14 - 10:00 a.m.
10. Adjournment . . . . . Chair Heywood

**SOUTHERN WEST VIRGINIA  
COMMUNITY AND TECHNICAL COLLEGE**

**REPORT TO THE GOVERNING BOARD**

**JANUARY 14, 2016**

January 14, 2016

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, 2015. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for SWVCTC's financial reporting processes.

This report is intended solely for the information and use of management of 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 SWVCTC.

*Suttle & Stalnaker, PLLC*

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
<b>Auditor's Responsibility Under Professional Standards</b>	We have audited the financial statements of Southern West Virginia Community and Technical College (SWVCTC) for the year ended June 30, 2015 and have issued our report thereon dated January 14, 2016. 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 June 10, 2015.
<b>Qualitative Aspects of Accounting Practices</b>	<p data-bbox="691 1041 1276 1073"><b>Adoption of, or Change in, Accounting Policies</b></p> <p data-bbox="691 1094 1425 1927">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. SWVCTC implemented GASB Statement No. 68 <i>Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27</i>, and GASB statement No. 71, <i>Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB Statement No. 68</i>, during 2015 resulting in more accurate reporting of pension related liabilities, including the net pension obligation, and deferred inflows and outflows relating to pensions. During 2015 SWVCTC also implemented GASB Statement No. 69 <i>Government Combinations and Disposals of Government Operations</i> which did not have a material impact on the financial statements. The application of existing policies was not changed during the year ended June 30, 2015. We noted no transactions entered into by SWVCTC 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
<b>Difficulties Encountered in Performing the Audit</b>	<p data-bbox="691 275 1354 300"><b>Management’s Judgments and Accounting Estimates</b></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 772"><b>Financial Statement Disclosures</b></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>
<b>Corrected and Uncorrected Misstatements</b>	<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>
<b>Disagreements with Management</b>	<p data-bbox="691 1297 1425 1549">For purposes of this letter, a disagreement with management is 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>
<b>Management Representations</b>	<p data-bbox="691 1581 1425 1686">We have requested certain representations from management that are included in the management representation letter dated January 14, 2016.</p>

Area	Comments
<b>Management Consultations with Other Independent Accountants</b>	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 SWVCTC’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.
<b>Other Audit Findings or Issues</b>	We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as SWVCTC’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
<b>Certain Written Communications Between Management and Our Firm</b>	Copies of certain written communications between our firm and the management of SWVCTC are attached as Exhibits.
<b>Other Matters</b>	We applied certain limited procedures to Management’s Discussion and Analysis, the Schedule of Proportionate Share of the Net Pension Liability, and the Schedule of Contributions which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.
<b>Other Information in Documents Containing Audited Financial Statements</b>	This information is intended solely for the information and use of management of 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, 2015**

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, 2015 financial statements:

Area	Accounting Policy	Estimation Process	Comments
<b>Depreciation of capital assets</b>	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 impairment.	We concur with this process.
<b>Valuation of receivables</b>	Net realizable value	Review of net amounts of anticipated collections, established grants, contracts, and loans and historical collection information.	We concur with this process.
<b>Compensated absences</b>	Estimated	Based upon management's calculation of the ultimate liability to be paid.	We concur with this process.
<b>Net pension obligation</b>	Estimated	Based upon third party report of the ultimate liability to be paid.	We concur with this process.
<b>Other post employment benefit liability</b>	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, 2015**

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>
<b>Adjusting Journal Entries JE # 2</b>			
To correct Student AR and Allowance balances to supporting documentation			
120100-0000-1750	Student Accounts Receivable	47,642.00	
120116-0000-1750	Allowance for Student Receivables	44,148.00	
500100-60-1750	Tuition In-State		47,642.00
79H224-60-1750	Bad Debt Expense		44,148.00
<b>Total</b>		<b>91,790.00</b>	<b>91,790.00</b>
 <b>Adjusting Journal Entries JE # 3</b>			
To account for additional payments on behalf and CIP allocated by the CTCS			
190108-0000-9158	Construction in Progress	639,982.00	
580100-60-9158	Paid on Behalf of Southern		639,982.00
<b>Total</b>		<b>639,982.00</b>	<b>639,982.00</b>
 <b>Adjusting Journal Entries JE # 4</b>			
To adjust accounts payable to actual detail			
200100-0000-1750	Accounts Payable	45,343.00	
79H156-60-1750	Miscellaneous		45,343.00
<b>Total</b>		<b>45,343.00</b>	<b>45,343.00</b>

**Southern West Virginia Community and Technical College**  
**Summary of Uncorrected Misstatements**  
**Year Ended June 30, 2015**

During the course of an audit, we accumulate uncorrected misstatements that are 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 Southern West Virginia Community and Technical College (SWVCTC) as of and for the year ended June 30, 2015, 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 that are appropriate in the circumstances for the purpose of expressing an 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 communicated to you about SWVCTC's internal control in our letter dated January 14, 2016. This letter does not affect our report dated January 14, 2016, 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 Capital Assets and Maintenance of Capital 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 also noted items that did not appear to be in a usable condition. 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 SWVCTC to develop procedures whereby the capital asset listing is reconciled to the general ledger, and assets can be assessed for impairment, 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

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 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 SWVCTC continue their efforts to implement the new system.

### ***Conversion to Computerized Asset System***

Currently, both manual and computerized records are maintained for capital assets as a decision about which capital asset product to use is taking place. We strongly recommend 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 SWVCTC has purchased.

We recommend that 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.

### ***Unearned Revenue***

During testing of unearned revenue accounts, it was noted that one account 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 grant or use the funds in a manner consistent with the original purpose of the grant.

### ***Information Systems Controls (IT)***

During a review of SWVCTC's information systems policies and procedures the following areas were noted where controls could be strengthened.

#### **Periodic review of Banner access**

Banner is used for financial reporting and also stores personally identifying information for the students, faculty, and staff. One of the best ways to prevent errors or data leakage is to limit access to specified users. Based on the review of the application controls for Banner, we the noted the following as areas for improving the periodic user access review:

- 1) A review of user access is performed periodically; however, it is not documented.
- 2) The periodic review of user access is performed by the same individual who is responsible for all access changes within Banner. These duties should be segregated.

We recommend that the Banner administrator provide system generated reports to the data owners on a periodic basis. The data owners should perform a review of the existing security classes and assignments, and request changes as needed. This review should be documented, even if no changes are made to the access.

\* \* \* \* \*

This communication is intended solely for the information and use of management of 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.

A handwritten signature in cursive script that reads "Scuttle & Stalaker, PLLC".

Charleston, West Virginia  
January 14, 2016



**ENGAGEMENT LETTER**



CERTIFIED PUBLIC ACCOUNTANTS

June 10, 2015

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, 2015. The services performed by us pursuant to this engagement are subject to the terms and conditions set forth herein, in any accompanying documents, and in the open end contract/purchase order #16-001 and subsequent modifications (the contract) issued by HEPC. We will audit the College's basic financial statements which include the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows, and the related notes to the financial statements, as of and for the year ending June 30, 2015. 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 opinions as to whether your 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 will issue a written report upon completion of our audit of the College's financial statements. Our report will be addressed to the Board of Governors of the College. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are 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 opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

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A Professional Limited Liability Company

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, 2015. We understand that the audit of the Southern West Virginia Community College Foundation, Inc. will be conducted by other auditors whose report will be made available to us by September 30, 2015. 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 report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of 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 on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control 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 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 another auditor.

#### **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, and of any material abuse that comes to our attention. 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.

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 your responsibilities for the

financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

#### **Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the government 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*.

#### **Management Responsibilities**

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; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. 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 government 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 College received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the College complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. 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) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) 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 providing us with, or making arrangements to facilitate (1) unrestricted communication between us and the component auditor to the extent permitted by law or regulation; (2) communications between the component auditor, those charged with governance of the component(s), and component management, including communications of significant deficiencies and material weaknesses in internal control; (3) communications between regulatory authorities and the component related to financial reporting matters; (4) access to component information, those charged with governance of the component, component management, and the component auditor (including relevant audit documentation requested by us); and (5) permission to perform work, or request a component auditor to perform work, on the financial information of the component.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of 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.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

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.

#### **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, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner 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 expect to begin our audit during June 2015 and to issue our reports no later than October 31, 2015. Chris Deweese is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

We generally base our fees on the time required at our regular 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 fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit.

*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 2014 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.

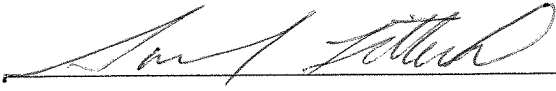
Very truly yours,



Suttle & Stalnaker, PLLC

RESPONSE:

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

By: 

Title: Vice President for Finance and Administration

Date: June 11, 2015

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



## SYSTEM REVIEW REPORT

To the Members of Suttle & Stalnaker, PLLC  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Suttle & Stalnaker, PLLC (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2014. 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. As part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. 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](http://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 applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2014, 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*.

Ashland, Kentucky  
November 14, 2014



## **MANAGEMENT REPRESENTATIONS LETTER**



# Southern

West Virginia  
Community and Technical College

**Robert E. Gunter, Ed. D.**  
PRESIDENT

P. O. Box 2900  
Dempsey Branch Road  
Phone: 304-896-7439  
Fax: 304-792-7046  
Bob.Gunter@southernwv.edu  
www.southernwv.edu

January 14, 2016

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 discretely presented component unit as of June 30, 2015 and 2014, 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 opinions 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 January 14, 2016 the following representations made to you during your audit.

### **Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 10, 2015, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U. S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
2. 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.
3. 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. 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 U.S. GAAP.
7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.
8. We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the accounts.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
10. Guarantees, whether written or oral, under which the College is contingently liable, if any, have been properly recorded or disclosed.
11. 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.
12. 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.
13. We do not plan to make frequent amendments to our pension or other postretirement benefit plans.

**Information Provided**

14. We have provided you with:
  - a. 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.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the College from whom you determined it necessary to obtain audit evidence.
  - d. Minutes of the meetings of the Board of Governors or summaries of actions of recent meetings for which minutes have not yet been prepared.
15. All material transactions have been recorded in the accounting records and are reflected in the financial statements.

16. 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.
17. We have no knowledge of any fraud or suspected fraud that affects the College and involves:
  - a. Management,
  - b. Employees who have significant roles in internal control, or
  - c. Others where the fraud could have a material effect on the financial statements.
18. We have no knowledge of any allegations of fraud or suspected fraud affecting the College's financial statements communicated by employees, former employees, regulators, or others.
19. 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.
20. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
21. We have disclosed to you the identity of the College's related parties and all the related party relationships and transactions of which we are aware.
22. The following, if any, have been properly recorded or disclosed in the financial statements:
  - a. All leases and material amounts of rental obligations under long-term leases.
  - b. 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.
  - c. Authorized but unissued bonds and/or notes.
  - d. Risk financing activities.
  - e. Derivative financial instruments.
  - f. Special and extraordinary items.
  - g. Deposits and investment securities category of custodial credit risk.
23. 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,



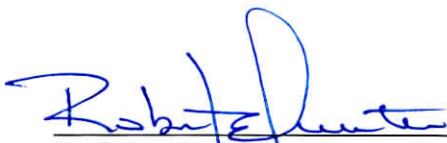
- a. To reduce receivables to their estimated net collectable amounts.
- b. To reduce obsolete, damaged, or excess inventories to their estimated net realizable values.
- c. To reduce investments, intangibles, and other assets which have permanently declined in value to their realizable values.
- d. 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.
- e. For pension obligations, post-retirement benefits other than pensions and deferred compensation agreements attributable to employee services rendered through the date of this letter.
- f. For any material loss to be sustained in the fulfillment of, or from the inability to fulfill, any service commitments.
- g. For any material loss to be sustained as a result of purchase commitments.
- h. For environmental cleanup obligations.

**Government—Specific**

- 24. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 25. We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that you have reported to us, if any.
- 26. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 27. 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.
- 28. 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.
- 29. 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 legal and contractual provisions for reporting specific activities in separate funds.

30. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
31. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
32. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
33. 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.
34. 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.
35. 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, if any.
36. The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34.
37. 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.
38. Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.
39. Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
40. Provisions for uncollectible receivables have been properly identified and recorded.
41. Expenses have been appropriately classified in or allocated to functions and programs in the statement of revenues, expenses, and changes in net position, and allocations have been made on a reasonable basis.
42. Revenues are appropriately classified in the statement of revenues, expenses, and changes in net position within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

43. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
44. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
45. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
46. 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.
47. 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.



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Dr. Robert E. Gunter  
President



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Samuel Litteral  
Vice President for Finance and Facilities

Southern West Virginia  
Community and Technical College  
Financial Statements  
Years Ended June 30, 2015 and 2014

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, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

#### ***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 audits. 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. 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. The financial statements of the Southern West Virginia Community and Technical College Foundation, Inc. were not audited in accordance with *Government Auditing Standards*. 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 reports 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, 2015 and 2014, 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.

### ***Change in Accounting Principle***

As described in Note 3 to the financial statements, in 2015, the College adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* - an amendment of GASB Statement No. 27, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* - an amendment of GASB No. 68. 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, the schedule of proportionate share of the net pension liability and schedule of contributions, and related footnote on pages 51 through 53 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 January 14, 2016, 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  
January 14, 2016

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2015**

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**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, 2015 and June 30, 2014. 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, 2015**

6

**Condensed Schedules of Net Position  
June 30  
(in thousands)**

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Assets and deferred outflows			
Current assets	\$ 8,355	\$ 8,522	\$ 7,438
Other noncurrent assets	247	126	104
Capital assets, net	<u>30,726</u>	<u>30,058</u>	<u>30,388</u>
Total assets	<u>39,328</u>	<u>38,706</u>	<u>37,930</u>
Deferred outflows of resources	<u>98</u>	-	-
Total	<u>\$ 39,426</u>	<u>\$ 38,706</u>	<u>\$ 37,930</u>
Liabilities, deferred inflows and net position			
Current liabilities	\$ 3,777	\$ 4,214	\$ 3,254
Noncurrent liabilities	<u>5,225</u>	<u>4,138</u>	<u>4,104</u>
Total liabilities	<u>9,002</u>	<u>8,352</u>	<u>7,358</u>
Deferred inflows of resources	<u>309</u>	-	-
Net position			
Net investment in capital assets	30,726	30,051	30,353
Unrestricted (deficit) net position	<u>(611)</u>	<u>303</u>	<u>219</u>
Total net position	<u>30,115</u>	<u>30,354</u>	<u>30,572</u>
Total	<u>\$ 39,426</u>	<u>\$ 38,706</u>	<u>\$ 37,930</u>

Total net position of the College decreased by \$239 thousand from June 30, 2014 to June 30, 2015. Total net position decreased by \$218 thousand from June 30, 2013 to June 30, 2014. These changes are related to a number of changes as described below:

- The unrestricted net position decreased by \$914 thousand as of June 30, 2015 primarily due to the recognition of the net pension liability.
- The current ratio for fiscal years 2015 and 2014 is 2.21 and 2.02, 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, 2015**

**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 non-operating, and the expenses paid by the College, operating and non-operating, 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 non-operating revenues. For example state appropriations are non-operating 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>2015</u>	<u>2014</u>	<u>2013</u>
Operating revenues	\$ 7,038	\$ 6,349	\$ 6,741
Operating expenses	<u>19,836</u>	<u>19,854</u>	<u>21,791</u>
Operating loss	(12,798)	(13,505)	(15,050)
Non-operating revenues	12,706	12,893	14,631
Capital payments on behalf	917	394	5,769
Other payments on behalf	<u>117</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	<u>942</u>	<u>(218)</u>	<u>5,350</u>
Net position - beginning of year	30,354	30,572	25,222
Net effect of change in accounting policy	<u>(1,181)</u>	<u>-</u>	<u>-</u>
Net position - beginning of year (restated)	<u>29,173</u>	<u>30,572</u>	<u>25,222</u>
Net position - end of year	<u>\$ 30,115</u>	<u>\$ 30,354</u>	<u>\$ 30,572</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 2015 tuition and fees contributed approximately 11% of the total operating revenues. In fiscal year 2014, tuition and fees accounted for approximately 18% of total operating revenue. The percentage decrease in the tuition and fee percentage is due to increased grant revenue and a decline in enrollment.
- For fiscal year 2015 grant and contract revenues increased by \$1.224 million for a 26% increase. The increase was due to additional funding from Federal and State grant awards and contracts in fiscal year 2015. As a percentage of operating revenue, grant and contract revenue accounted for 84% in fiscal year 2015 and 74% in 2014.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2015**

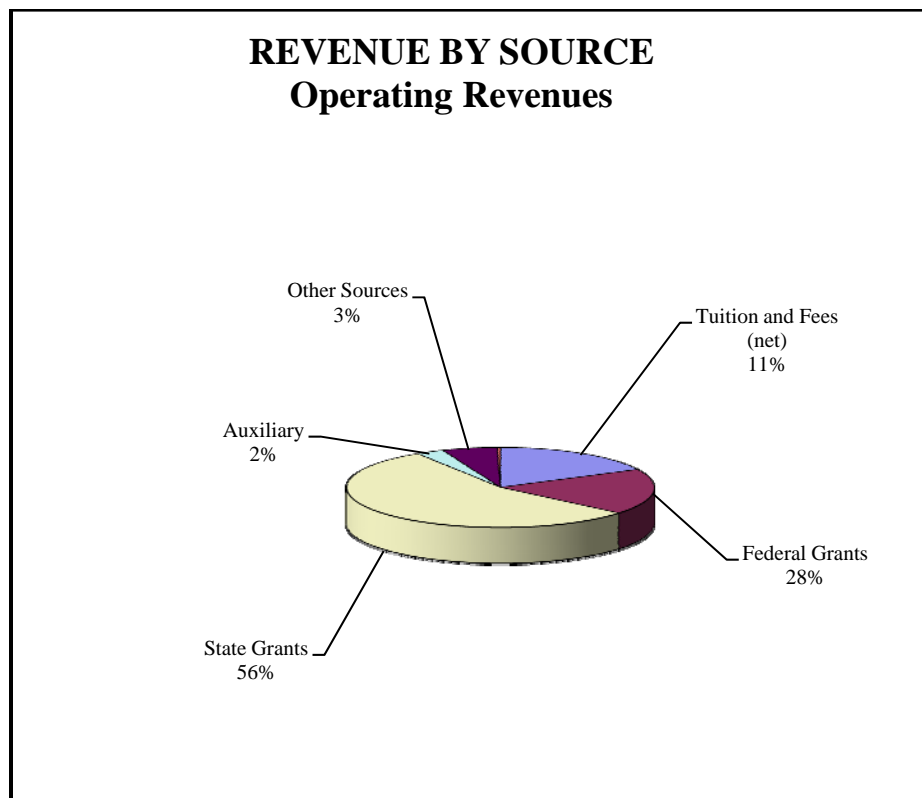
- In fiscal year 2015 other operating revenues decreased by \$164 thousand mainly due to a decrease of auxiliary revenues and a decrease in mining class revenue.

***Operating Expenses***

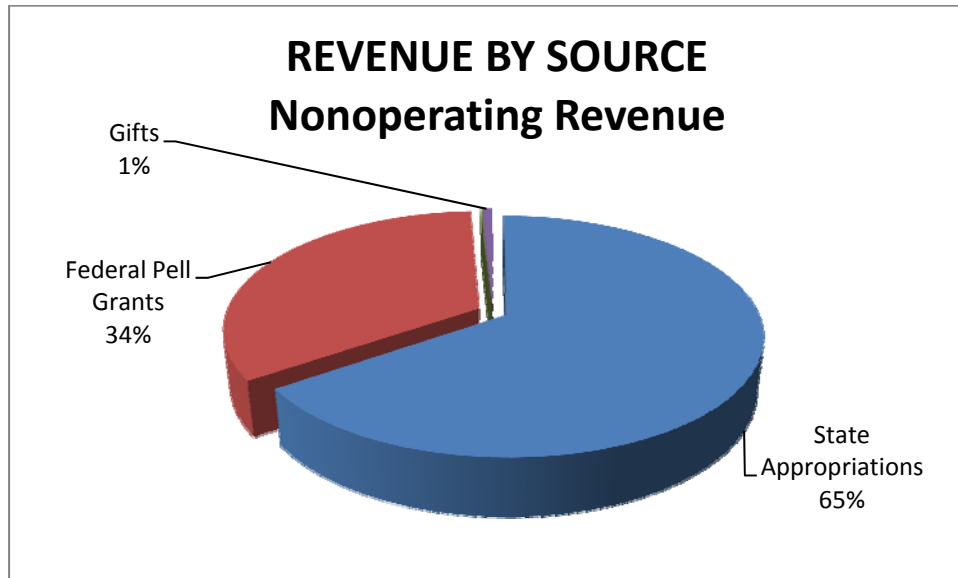
- The total cost of benefits increased by 6% for fiscal year 2015 as compared to fiscal year 2014 reflecting an increase in other post employment benefits for the fiscal year.
- In fiscal year 2015 salaries and wages decreased by \$280 thousand or approximately 3%. This decrease was a result of not filling vacant positions.

***Non-operating Revenues***

- For fiscal year 2015 Federal Pell grant revenues decreased by \$85 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 2014.
- In fiscal year 2015 State appropriations decreased by \$132 thousand or 2%.



**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2015**



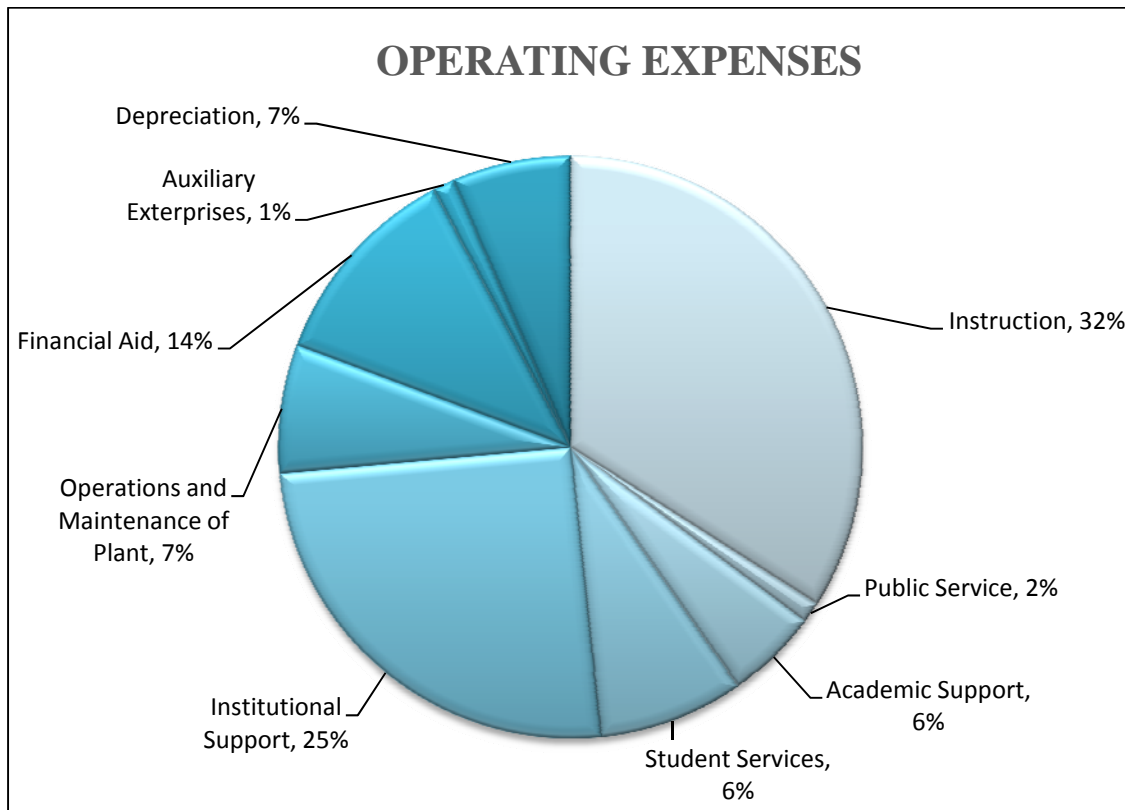
**Operating Expenses**  
**Years Ended June 30,**  
**(in thousands)**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<b>(2014 to 2015) Increase (Decrease)</b>	<b>(2014 to 2015) Percent Change</b>
Operating expense					
Instruction	\$ 6,434	\$ 6,737	\$ 6,995	\$ (303)	(4.50)%
Academic support	1,268	1,012	1,095	256	25.30%
Student services	1,223	1,591	1,615	(368)	(23.13)%
Public service	475	228	191	247	108.33%
Operations & maintenance plant	1,354	1,411	1,872	(57)	(4.04)%
Institutional support	4,881	4,993	5,071	(112)	(2.24)%
Financial aid	2,697	2,286	2,506	411	17.98%
Auxiliary	98	236	1,163	(138)	(58.47)%
Depreciation	1,341	1,300	1,226	41	3.15%
Other	<u>65</u>	<u>60</u>	<u>57</u>	<u>5</u>	8.33%
<b>Total</b>	<b><u>\$ 19,836</u></b>	<b><u>\$ 19,854</u></b>	<b><u>\$ 21,791</u></b>	<b><u>\$ (18)</u></b>	<b>(0.09)%</b>



**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2015**

The following is a graphic illustration of fiscal year 2015 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 non-operating, non-investing, and non-capital 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, 2015**

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Cash provided (used) by:			
Operating activities	\$ (12,118)	\$ (10,568)	\$ (14,756)
Noncapital financing activities	12,717	12,935	14,005
Capital and related financing activities	(1,079)	(559)	-
Investing activities	<u>9</u>	<u>8</u>	<u>9</u>
Net change in cash	(471)	1,816	(742)
Cash, beginning of year	<u>8,301</u>	<u>6,485</u>	<u>7,227</u>
Cash, end of year	<u>\$ 7,830</u>	<u>\$ 8,301</u>	<u>\$ 6,485</u>

**Capital Asset and Debt Administration**

**Capital Assets, Net**  
**June 30,**  
**(in thousands)**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>(2014 to 2015) Increase (Decrease)</u>	<u>(2014 to 2015) Percent Change</u>
Capital Assets					
Land and Improvements	\$ 1,563	\$ 1,563	\$ 1,288	\$ -	0.00%
Construction in Progress	917	394	4	523	132.74%
Buildings	38,376	37,860	37,860	516	1.36%
Equipment	6,894	5,995	5,843	899	15.00%
Library Holdings	<u>3,977</u>	<u>3,958</u>	<u>3,990</u>	<u>19</u>	<u>.48%</u>
Total	51,727	49,770	48,985	1,957	3.93%
Less: Accum Depreciation	<u>(21,001)</u>	<u>(19,712)</u>	<u>(18,597)</u>	<u>(1,289)</u>	6.54%
Net Capital Assets	<u>\$ 30,726</u>	<u>\$ 30,058</u>	<u>\$ 30,388</u>	<u>\$ 668</u>	2.22%

Capital assets net increase of \$668 thousand was a result of current year additions offset by depreciation.

Current year additions to capital assets totaled approximately \$2.402 million and were comprised of \$142 thousand in the Wyoming roof replacement, \$926 thousand in equipment additions, \$43 thousand in library additions, \$374 thousand for the Williamson Tech Building, and \$917 in construction in progress, paid by the Council/Commission.

At June 30, 2015, the College had no significant outstanding contractual commitments for property, plant and equipment expenditures.

The OPEB liability increased by \$227 thousand in fiscal year 2015 due to changes in PEIA's calculations.

The net pension liability was recognized as part of the adoption of GASB Statement No. 68, resulting in an increase of \$880 thousand.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE    12**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2015**

Readers interested in more detailed information regarding capital assets and debt administration should review the accompanying notes 6 and 7 to the financial statements.

**Economic Outlook**

The economy of West Virginia, like many other states, has struggled over the past several years. A major factor in this economic downturn is the loss of energy-related jobs, primarily in coal and a slowdown in hiring in the natural gas industry. According to the West Virginia University Bureau of Business and Economic Research (BBER), our state experienced consistent job growth between 2010 and 2012. However, employment has been on the decline since 2012 with a cumulative loss of approximately 8,000 jobs, many of which were directly and indirectly related to the coal industry. This loss of coal jobs is a major economic factor in southern West Virginia.

A second factor influencing the economy of West Virginia is the declining population. Again based on data from BBER, the state's population has declined by nearly 6,000 residents over the past two years (2013-2014) and projections are that West Virginia will lose an additional 23,000 residents over the next 20 years. Among all states, West Virginia now ranks as the second oldest with a median age of 42 years with only 20% of the population age 18 and under. Additional demographic trends for our state show that only 40% of the population (age 25 and over) has a high school diploma but no college credits and an additional 25.4% who have some college but no degree.

Although these are stark realities faced by our state, and more particularly the six-county district served by the College, these challenges are viewed as opportunities by the College. Southern is a major provider of education and retraining for those impacted by layoffs in the coal industry; not only the individual worker but his/her spouse and children. The College continues to provide opportunities for workforce preparation, occupational education and transfer programs to those who have lost jobs and their dependents. New programs in Mechatronics, Electro-mechanical Instrumentation, and Advanced Welding have been developed to attract the adult male population. In addition, through contract training, small business assistance and other economic development-related services, the College continues to serve as a valuable resource for those involved in economic development efforts in our region and throughout the state.

**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. For additional information on the Southern West Virginia Community and Technical College Foundation, Inc. please see their separately issued financial statements.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE**  
**STATEMENTS OF NET POSITION**  
**JUNE 30, 2015 AND 2014**

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	<u>2015</u>	<u>2014</u>
<b>ASSETS AND DEFERRED OUTFLOWS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 7,716,981	\$ 8,176,036
Accounts receivable, net of allowance for doubtful accounts	250,432	142,467
Due from the Commission	111,201	138,631
Due from Federal Government	72,350	25,546
Due from other State Agencies	148,344	-
Prepaid expenses	15,547	3,808
Inventories	<u>40,032</u>	<u>35,327</u>
Total current assets	<u>8,354,887</u>	<u>8,521,815</u>
<b>NONCURRENT ASSETS:</b>		
Cash and cash equivalents	113,517	125,265
Other accounts receivable	133,548	-
Capital assets, net of accumulated depreciation	<u>30,726,189</u>	<u>30,058,400</u>
Total noncurrent assets	<u>30,973,254</u>	<u>30,183,665</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
Employer pension contributions	<u>98,203</u>	<u>-</u>
Total deferred outflows of resources	<u>98,203</u>	<u>-</u>
<b>TOTAL</b>	<b><u>\$ 39,426,344</u></b>	<b><u>\$ 38,705,480</u></b>
<b>LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 306,544	\$ 198,184
Due to the Commission/Council	-	1,969
Due to other State Agencies	1,156	-
Due to other governments	284,901	388,234
Accrued liabilities	672,447	627,125
Compensated absences - current portion	301,482	274,702
Capital lease - current portion	-	7,152
Unearned revenue	<u>2,210,211</u>	<u>2,716,296</u>
Total current liabilities	<u>3,776,741</u>	<u>4,213,662</u>
<b>NONCURRENT LIABILITIES:</b>		
Other postemployment benefit liability	4,212,364	3,985,523
Compensated absences	132,576	152,319
Net pension liability	<u>879,883</u>	<u>-</u>
Total noncurrent liabilities	<u>5,224,823</u>	<u>4,137,842</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Net difference between projected and actual earnings on pension plan investments	116,312	-
Changes in proportion and differences in pension contributions	<u>193,034</u>	<u>-</u>
Total deferred inflows of resources	<u>309,346</u>	<u>-</u>
<b>NET POSITION:</b>		
Net investment in capital assets	30,726,189	30,051,248
Unrestricted net position (deficit)	<u>(610,755)</u>	<u>302,728</u>
Total net position	<u>30,115,434</u>	<u>30,353,976</u>
<b>TOTAL</b>	<b><u>\$ 39,426,344</u></b>	<b><u>\$ 38,705,480</u></b>

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE**  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**YEARS ENDED JUNE 30, 2015 AND 2014**

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	<u>2015</u>	<u>2014</u>
<b>OPERATING REVENUES:</b>		
Student tuition and fees, net of scholarship allowance of \$3,951,997 and \$3,927,070 for 2015 and 2014, respectively	\$ 746,700	\$ 1,117,536
Contracts and grants:		
Federal	1,990,961	1,175,243
State	3,912,674	3,482,804
Private	-	21,766
Auxiliary enterprise revenue	175,560	185,198
Miscellaneous, net	211,844	366,612
Total operating revenues	<u>7,037,739</u>	<u>6,349,159</u>
<b>OPERATING EXPENSES:</b>		
Salaries and wages	8,530,786	8,810,868
Benefits	2,584,585	2,444,153
Supplies and other services	3,968,130	4,223,210
Utilities	701,119	728,918
Student financial aid - scholarships and fellowships	2,645,248	2,286,004
Depreciation	1,341,038	1,299,589
Fees assessed by the Commission for operations	65,048	60,952
Total operating expenses	<u>19,835,954</u>	<u>19,853,694</u>
<b>OPERATING LOSS</b>	<u>(12,798,215)</u>	<u>(13,504,535)</u>
<b>NONOPERATING REVENUES:</b>		
State appropriations	8,321,687	8,453,274
Gifts	94,000	-
Investment income	9,131	8,803
Federal Pell grants	4,301,147	4,386,010
Other nonoperating revenues (expenses)	(20,300)	44,224
Total nonoperating revenues	<u>12,705,665</u>	<u>12,892,311</u>
<b>DECREASE IN NET POSITION BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES</b>	(92,550)	(612,224)
<b>CAPITAL PAYMENTS MADE AND EXPENSES INCURRED ON BEHALF OF THE COLLEGE</b>	917,323	393,663
<b>PAYMENTS MADE AND EXPENSES INCURRED BY THE STATE ON BEHALF OF THE COLLEGE</b>	<u>117,462</u>	<u>-</u>
<b>INCREASE (DECREASE) IN NET POSITION</b>	<u>942,235</u>	<u>(218,561)</u>
<b>NET POSITION - Beginning of year</b>	30,353,976	30,572,537
<b>NET EFFECT OF CHANGE IN ACCOUNTING POLICY</b>	<u>(1,180,777)</u>	<u>-</u>
<b>NET POSITION - Beginning of year (restated)</b>	<u>29,173,199</u>	<u>30,572,537</u>
<b>NET POSITION - End of year</b>	<u>\$ 30,115,434</u>	<u>\$ 30,353,976</u>

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2015 AND 2014**

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	<u>2015</u>	<u>2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from student tuition and fees	\$ 329,296	\$ 1,480,259
Cash received from contracts and grants	4,797,168	6,098,931
Payments to and on behalf of employees	(10,995,633)	(11,287,899)
Payments to suppliers	(3,863,001)	(4,285,511)
Payments to utilities	(701,119)	(779,066)
Payments for scholarships and fellowships	(1,989,939)	(2,286,004)
Auxiliary enterprise charges, net of scholarship allowance	158,208	185,198
Fees assessed by Commission	(65,048)	(60,952)
Other receipts, net	211,844	366,612
Net cash used in operating activities	<u>(12,118,224)</u>	<u>(10,568,432)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
State appropriations	8,321,687	8,453,274
Federal student loan program - direct lending receipts	449,064	298,756
Federal student loan program - direct lending payments	(449,064)	(298,756)
Gifts	94,000	96,000
Pell grants	4,301,147	4,386,010
Net cash provided by noncapital financing activities	<u>12,716,834</u>	<u>12,935,284</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:</b>		
Purchases of capital assets	(1,051,092)	(576,124)
Payments on long-term borrowings from financial institutions	(7,152)	(27,921)
Other nonoperating revenue	(20,300)	44,224
Net cash provided by (used in) capital financing activities	<u>(1,078,544)</u>	<u>(559,821)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest on investments	<u>9,131</u>	<u>8,803</u>
Net cash provided by investing activities	<u>9,131</u>	<u>8,803</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(470,803)</b>	<b>1,815,834</b>
<b>CASH AND CASH EQUIVALENTS - Beginning of year</b>	<b><u>8,301,301</u></b>	<b><u>6,485,467</u></b>
<b>CASH AND CASH EQUIVALENTS - End of year</b>	<b><u>\$ 7,830,498</u></b>	<b><u>\$ 8,301,301</u></b>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:</b>		
Operating loss	\$ (12,798,215)	\$ (13,504,535)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	1,341,038	1,299,589
Pension expense - special funding situation	117,462	-
Net effect of change in accounting policy	(1,180,777)	-
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
Accounts receivable, net of allowance for doubtful accounts	(107,965)	363,735
Due from the Commission	27,430	(138,325)
Due from the Federal Government	(46,804)	22,561
Due from other State Agencies	(148,344)	367,519
Prepaid expenses	(11,739)	1,596
Inventories	(4,705)	(1,961)
Other accounts receivable	(133,548)	-
Deferred outflows of resources	(98,203)	-
Accounts payable	67,948	31,071
Due to the Commission/Council	(1,969)	(23,709)
Due to other State Agencies	1,156	-
Due to other governments	(103,333)	74,810
Accrued liabilities	45,322	(187,537)
Compensated absences	7,037	(55,173)
Other postemployment benefits	226,841	66,677
Net pension liability	879,883	-
Unearned revenue	(506,085)	1,115,250
Deferred inflows of resources	<u>309,346</u>	<u>-</u>
Net cash (used) in operating activities	<u>\$ (12,118,224)</u>	<u>\$ (10,568,432)</u>
<b>NONCASH TRANSACTIONS:</b>		
Capital payments made and expenses incurred on behalf of the College	<u>\$ 917,323</u>	<u>\$ 393,663</u>

## STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 730,918	\$ 410,562
Certificates of deposit	58,944	58,773
Investments at estimated market value	2,993,683	2,793,608
Miscellaneous receivable	3,944	5,546
Interest and dividends receivable	9,350	9,350
Prepaid expenses	15,148	9,276
Unconditional promises to give, net	351,195	489,284
<b>TOTAL ASSETS</b>	<u>\$ 4,163,182</u>	<u>\$ 3,776,399</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 37,500	\$ 39,964
Payable to related party	125,666	1,070
<b>Total liabilities</b>	<u>163,166</u>	<u>41,034</u>
<b>NET ASSETS</b>		
Unrestricted	21,053	5,740
Temporarily restricted	3,963,963	3,714,625
Permanently restricted	15,000	15,000
<b>Total net assets</b>	<u>4,000,016</u>	<u>3,735,365</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 4,163,182</u>	<u>\$ 3,776,399</u>

**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2014**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>REVENUES, INVESTMENT INCOME, AND OTHER SUPPORT</b>				
Contributions	\$ -	\$ 385,574	\$ -	\$ 385,574
Interest and dividend income	9,350	102,410	-	111,760
Gain on investment	55,657	229,828	-	285,485
Net assets released from restriction	442,738	(442,738)	-	-
<b>Total revenues, investment income, and other support</b>	<u>507,745</u>	<u>275,074</u>	<u>-</u>	<u>782,819</u>
<b>EXPENSES</b>				
Program services:				
Scholarships	283,289	-	-	283,289
Direct program support	95,000	-	-	95,000
Educational development	580	-	-	580
Total program services	378,869	-	-	378,869
Administrative and general	101,953	-	-	101,953
Fundraising	37,346	-	-	37,346
<b>Total expenses</b>	<u>518,168</u>	<u>-</u>	<u>-</u>	<u>518,168</u>
<b>CHANGE IN NET ASSETS</b>	(10,423)	275,074	-	264,651
<b>NET ASSETS, BEGINNING OF YEAR</b>	5,740	3,714,625	15,000	3,735,365
<b>RECLASSIFICATION</b>	25,736	(25,736)	-	-
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 21,053</u>	<u>\$ 3,963,963</u>	<u>\$ 15,000</u>	<u>\$ 4,000,016</u>



**SOUTHERN WEST VIRGINIA COMMUNITY COLLEGE FOUNDATION, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2013**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>REVENUES, INVESTMENT INCOME, AND OTHER SUPPORT</b>				
Contributions	\$ -	\$ 343,412	\$ -	\$ 343,412
Interest and dividend income	9,350	115,777	-	125,127
Gain on investment	15,437	434,468	-	449,905
Net assets released from restriction	468,407	(468,407)	-	-
<b>Total revenues, investment income, and other support</b>	<u>493,194</u>	<u>425,250</u>	<u>-</u>	<u>918,444</u>
<b>EXPENSES</b>				
Program services:				
Scholarships	319,754	-	-	319,754
Educational development	7,289	-	-	7,289
Total program services	<u>327,043</u>	<u>-</u>	<u>-</u>	<u>327,043</u>
Administrative and general	122,203	-	-	122,203
Fundraising	44,104	-	-	44,104
<b>Total expenses</b>	<u>493,350</u>	<u>-</u>	<u>-</u>	<u>493,350</u>
<b>CHANGE IN NET ASSETS</b>	(156)	425,250	-	425,094
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>5,896</u>	<u>3,289,375</u>	<u>15,000</u>	<u>3,310,271</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 5,740</u>	<u>\$ 3,714,625</u>	<u>\$ 15,000</u>	<u>\$ 3,735,365</u>

**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 Council) 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 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 Council, 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 the entity and is not accountable for the fiscal matters of the Alumni Association under GASB.

The audited financial statements of the Foundation are presented here as a discrete component unit with the College financial statements in accordance with GASB. The Foundation is a private non-profit organization that reports under FASB standards. 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 (see also Notes 13, 14 and 16).

**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.
- *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.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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. The College does not have any restricted expendable net position at June 30, 2015 or 2014.

- *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, 2015 or 2014.
- *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 collectability 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 2015 and 2014.

*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), 601 57<sup>th</sup> Street, SE, Suite 2, Charleston, WV 25304 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 statements of revenues, expenses, and changes in net position.

***Net Pension Liability*** - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the West Virginia Teachers' Retirement System (STRS), administered by the West Virginia Consolidated Public Retirement Board (CPRB), and additions to/reductions from the STRS fiduciary net position have been determined on the same basis as they are reported in the STRS financial statements, which can be found at <https://www.wvretirement.com/Publications.html#CAFR>. The plan schedules of STRS are prepared using the accrual basis of accounting and economic resources measurement focus in accordance with U.S. GAAP as prescribed by GASB. Employer contributions are recognized when due and the employer has a legal requirement to provide the contributions. Investments are reported at fair value. Detailed information on investment valuation can be found in the STRS financial statements. Management of STRS has made certain estimates and assumptions relating to employer allocation schedules, and actual results could differ. (See Note 12)

***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.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

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, (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.



**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***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 2015 and 2014, the College received and disbursed \$449,064 and \$298,756, 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 2015 and 2014, the College received and disbursed \$4,397,168 and \$4,502,287 respectively, under these federal student aid programs.

***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.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*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.

***Newly Adopted 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. See Note 3 for a discussion of the effect and additional disclosures at Note 12.

The GASB also issued Statement No. 69, *Government Combinations and Disposals of Government Operations*, effective for fiscal years beginning after December 31, 2014. This statement provides guidance on measurement and reporting of combinations and disposals of government operations. The adoption of GASB Statement No. 69 had no impact on the June 30, 2015 financial statements.

The GASB has also issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*, effective for fiscal years beginning after June 15, 2015. The requirements of this Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and nonemployer contributing entities. This benefit will be achieved without the imposition of significant additional costs. See Note 3 for a discussion of the effect and additional disclosures at Note 12.

***Recent Statements Issued by the Governmental Accounting Standards Board***

The GASB has issued Statement No. 72, *Fair Value Measurement and Application*, effective for fiscal years beginning after June 15, 2015. This Statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This Statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. The College has not yet determined the effect that the adoption of GASB Statement No. 72 may have on its financial statements.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The GASB has also issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, effective for fiscal years beginning after June 15, 2016, and the requirements of this Statement that address financial reporting for assets accumulate for purposes of providing those pensions are effective for fiscal years beginning after June 15, 2015. The requirements of this Statement will improve financial reporting by establishing a single framework for the presentation of information about pensions, which will enhance the comparability of pension-related information reported by employers and nonemployer contributing entities. The College has not yet determined the effect that the adoption of GASB Statement No. 73 may have on its financial statements.

The GASB has also issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, effective for fiscal years beginning after June 15, 2016. The requirements of this Statement will improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The College has not yet determined the effect that the adoption of GASB Statement No. 74 may have on its financial statements.

The GASB has also issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for fiscal years beginning after June 15, 2017. The requirements of this Statement will improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The College has not yet determined the effect that the adoption of GASB Statement No. 75 may have on its financial statements.

The GASB has also issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, effective for fiscal years beginning after June 15, 2015. The requirements of this Statement will identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The College has not yet determined the effect that the adoption of GASB Statement No. 76 may have on its financial statements.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The GASB has also issued Statement No. 77, *Tax Abatement Disclosures*, effective for fiscal years beginning after December 15, 2015. The requirements of this Statement will improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. The College has not yet determined the effect that the adoption of GASB Statement No. 77 may have on its financial statements.

**NOTE 3 - CHANGE IN ACCOUNTING POLICY AND RESTATEMENT OF BEGINNING NET POSITION**

The College has implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Statement Nos. 68 and 71 require the College to report its share of the defined benefit pension liabilities and expense, as well as the related deferred outflows of resources and deferred inflows of resources, allocated to it by the CPRB. The balance of the net pension liability and related deferred outflows of resources and deferred inflows of resources at July 1, 2014 is reported on the statement of revenues, expenses, and changes in net position as a restatement to the 2015 net position — beginning of year. The CPRB was not able to provide sufficient information to restate the financial statements for the period ending June 30, 2014.

Net position at the beginning of the year required restatement:

Net position - beginning of year, as previously stated	\$	30,353,976
Net effect of change in accounting policy		(1,180,777)
Net position - beginning of year, restated		\$ 29,173,199

**NOTE 4 - CASH AND CASH EQUIVALENTS**

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

	2015		
	Current	Noncurrent	Total
Cash on deposit with the State			
Treasurer/BTI	\$ 7,681,157	\$ -	\$ 7,681,157
Cash in bank	31,024	113,517	144,541
Cash on hand	4,800	-	4,800
	\$ 7,716,981	\$ 113,517	\$ 7,830,498

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE 4 - CASH AND CASH EQUIVALENTS (Continued)**

	2014		
	Current	Noncurrent	Total
Cash on deposit with the State Treasurer/BTI	\$ 8,138,712	\$ -	\$ 8,138,712
Cash in bank	32,524	125,265	157,789
Cash on hand	4,800	-	4,800
	\$ 8,176,036	\$ 125,265	\$ 8,301,301

Cash held by the State Treasurer includes \$2,339,115 and \$2,985,569 of restricted cash primarily for operating grants as of June 30, 2015 and 2014, respectively.

The combined carrying amount of cash in the bank at June 30, 2015 and 2014 was \$144,541 and \$157,789, as compared with the combined bank balance of \$197,147 and \$223,220, 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, interest-bearing accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

Amounts with the State Treasurer as of June 30, 2015 and 2014, are comprised of three investment pools, the WV Money Market Pool, the WV Government Money Market Pool and the WV Short Term Bond Pool.

*Credit Risk* - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The following table provides information on the Standard & Poor’s rating of the investment pools as of June 30:

External Pool	2015		2014	
	Carrying Value (in Thousands)	S & P Rating	Carrying Value (in Thousands)	S & P Rating
WV Money Market Pool	\$ 1,890,464	AAAm	\$ 1,959,590	AAAm
WV Government Money Market Pool	\$ 248,868	AAAm	\$ 238,954	AAAm
WV Short Term Bond Pool	\$ 761,562	Not Rated	\$ 771,941	Not Rated

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.

**NOTE 4 - 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 amounts with the State Treasurer are subject to interest rate risk. The following table provides information on the weighted-average maturities for the WV Money Market Pool and the WV Government Money Market Pool:

External Pool	2015		2014	
	Carrying Value (in Thousands)	WAM (Days)	Carrying Value (in Thousands)	WAM (Days)
WV Money Market Pool	\$ 1,890,464	47	\$ 1,959,590	36
WV Government Money Market Pool	\$ 248,868	51	\$ 238,954	37

The following table provides information on the effective duration for the WV Short Term Bond Pool:

External Pool	2015		2014	
	Carrying Value (in Thousands)	Effective Duration (Days)	Carrying Value (in Thousands)	Effective Duration (Days)
WV Short Term Bond Pool	\$ 761,562	410	\$ 771,941	407

*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.

*Custodial Credit Risk* - Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the College will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party.

*Interest Rate Risk* - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The College's investment policy limits investment maturities from potential fair value losses due to increasing interest rates. No more than 5% of the money market fund's total market value may be invested in the obligations of a single issuer, with the exception of the U.S. government and its agencies.

*Foreign Currency Risk* - Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The College has no securities with foreign currency risk.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 5 - ACCOUNTS RECEIVABLE**

Accounts receivable are as follows at June 30:

	<u>2015</u>	<u>2014</u>
Student tuition and fees, net of allowance for doubtful accounts of \$463,014 and \$488,832 in 2015 and 2014, respectively	\$ 152,066	\$ 58,165
Due from Foundation	40,021	6,009
Other accounts receivable	<u>58,345</u>	<u>78,293</u>
	<u>\$ 250,432</u>	<u>\$ 142,467</u>

**NOTE 6 - CAPITAL ASSETS**

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

	2015			
	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not being depreciated:				
Construction in process	\$ 393,663	\$ 917,323	\$ (393,663)	\$ 917,323
Land	<u>1,563,470</u>	-	-	<u>1,563,470</u>
Total capital assets not being depreciated	<u>\$ 1,957,133</u>	<u>\$ 917,323</u>	<u>\$ (393,663)</u>	<u>\$ 2,480,793</u>
Other capital assets				
Buildings	\$ 37,859,789	\$ 516,258	\$ -	\$ 38,376,047
Equipment	5,995,119	925,572	(26,655)	6,894,036
Library holdings	<u>3,958,305</u>	<u>43,337</u>	<u>(24,589)</u>	<u>3,977,053</u>
Total other capital assets	<u>47,813,213</u>	<u>1,485,167</u>	<u>(51,244)</u>	<u>49,247,136</u>
Less accumulated depreciation for:				
Buildings	(11,430,124)	(855,360)	-	(12,285,484)
Equipment	(4,551,203)	(427,391)	26,655	(4,951,939)
Library holdings	<u>(3,730,619)</u>	<u>(58,287)</u>	<u>24,589</u>	<u>(3,764,317)</u>
Total accumulated depreciation	<u>(19,711,946)</u>	<u>(1,341,038)</u>	<u>51,244</u>	<u>(21,001,740)</u>
Other capital assets, net	<u>\$ 28,101,267</u>	<u>\$ 144,129</u>	<u>\$ -</u>	<u>\$ 28,245,396</u>
Capital asset summary:				
Capital assets not being depreciated	\$ 1,957,133	\$ 917,323	\$ (393,663)	\$ 2,480,793
Other capital assets	<u>47,813,213</u>	<u>1,485,167</u>	<u>(51,244)</u>	<u>49,247,136</u>
Total cost of capital assets	49,770,346	2,402,490	(444,907)	51,727,929
Less accumulated depreciation	<u>(19,711,946)</u>	<u>(1,341,038)</u>	<u>51,244</u>	<u>(21,001,740)</u>
Capital assets, net	<u>\$ 30,058,400</u>	<u>\$ 1,061,452</u>	<u>\$ (393,663)</u>	<u>\$ 30,726,189</u>

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 6 - CAPITAL ASSETS (Continued)**

	2014			
	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not being depreciated:				
Construction in process	\$ 3,801	\$ 393,663	\$ (3,801)	\$ 393,663
Land	<u>1,288,470</u>	<u>275,000</u>	<u>-</u>	<u>1,563,470</u>
Total capital assets not being depreciated	<u>\$ 1,292,271</u>	<u>\$ 668,663</u>	<u>\$ (3,801)</u>	<u>\$ 1,957,133</u>
Other capital assets				
Buildings	\$ 37,859,789	\$ -	\$ -	\$ 37,859,789
Equipment	5,843,221	248,490	(96,592)	5,995,119
Library holdings	<u>3,989,896</u>	<u>56,435</u>	<u>(88,026)</u>	<u>3,958,305</u>
Total other capital assets	<u>47,692,906</u>	<u>304,925</u>	<u>(184,618)</u>	<u>47,813,213</u>
Less accumulated depreciation for:				
Buildings	(10,582,402)	(847,722)	-	(11,430,124)
Equipment	(4,257,186)	(390,609)	96,592	(4,551,203)
Library holdings	<u>(3,757,387)</u>	<u>(61,258)</u>	<u>88,026</u>	<u>(3,730,619)</u>
Total accumulated depreciation	<u>(18,596,975)</u>	<u>(1,299,589)</u>	<u>184,618</u>	<u>(19,711,946)</u>
Other capital assets, net	<u>\$ 29,095,931</u>	<u>\$ (994,664)</u>	<u>\$ -</u>	<u>\$ 28,101,267</u>
Capital asset summary:				
Capital assets not being depreciated	\$ 1,292,271	\$ 668,663	\$ (3,801)	\$ 1,957,133
Other capital assets	<u>47,692,906</u>	<u>304,925</u>	<u>(184,618)</u>	<u>47,813,213</u>
Total cost of capital assets	48,985,177	973,588	(188,419)	49,770,346
Less accumulated depreciation	<u>(18,596,975)</u>	<u>(1,299,589)</u>	<u>184,618</u>	<u>(19,711,946)</u>
Capital assets, net	<u>\$ 30,388,202</u>	<u>\$ (326,001)</u>	<u>\$ (3,801)</u>	<u>\$ 30,058,400</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, 2015, 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**  
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**NOTE 7 - LONG-TERM LIABILITIES**

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

	2015				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Capital leases	\$ 7,152	\$ -	\$ 7,152	\$ -	\$ -
Other postemployment benefits liability	3,985,523	594,769	367,928	4,212,364	-
Net pension liability	-	879,883	-	879,883	-
Compensated absences	427,021	7,037	-	434,058	301,482
<b>Total noncurrent liabilities</b>	<b><u>\$ 4,419,696</u></b>	<b><u>\$ 1,481,689</u></b>	<b><u>\$ 375,080</u></b>	<b><u>\$ 5,526,305</u></b>	<b><u>\$ 301,482</u></b>

	2014				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Capital leases	\$ 35,073	\$ -	\$ 27,921	\$ 7,152	\$ 7,152
Other postemployment benefits liability	3,918,846	481,829	415,152	3,985,523	-
Compensated absences	482,194	-	55,173	427,021	274,702
<b>Total noncurrent liabilities</b>	<b><u>\$ 4,436,113</u></b>	<b><u>\$ 481,829</u></b>	<b><u>\$ 498,246</u></b>	<b><u>\$ 4,419,696</u></b>	<b><u>\$ 281,854</u></b>

**NOTE 8 - OPERATING LEASE OBLIGATIONS**

The College leases various equipment, automobiles, and buildings, under operating lease agreements. Aggregate payment for operating leases amounted to \$121,657 and \$170,690 for the years ended June 30, 2015 and 2014, respectively. Future minimum rental commitments are as follows as of June 30, 2015:

<u>Years Ending June 30,</u>	
2016	\$ 38,038
2017	<u>7,443</u>
	<u>\$ 45,481</u>

**NOTE 9 - 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, 2015, 2014, and 2013 the noncurrent liability related to OPEB costs was \$4,212,364 \$3,985,523, and \$3,918,846, respectively. The total of OPEB expense incurred and the amount of OPEB expense that relates to retirees was \$594,769 and \$86,176 respectively, during 2015, or 14%. The total of OPEB expense incurred and the amount of OPEB expense that relates to retirees was \$481,829 and \$97,472 respectively, during 2014, or 20%. 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%. As of the years ended June 30, 2015, 2014 and 2013, there were 43, 41 and 35 retirees receiving these benefits, respectively. During the 2014 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 10 - STATE SYSTEM OF HIGHER EDUCATION INDEBTEDNESS**

The College is a State institution of higher education, and the College receives 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.

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, 2015, the College had drawn down all of these bond funds to pay for capital projects.

**NOTE 11 - UNRESTRICTED NET POSITION**

The College did not have any designated unrestricted net position as of June 30, 2015 or 2014.

	<u>2015</u>	<u>2014</u>
Total unrestricted net position before OPEB liability \$	3,601,609	\$ 4,288,251
Less: OPEB liability	<u>4,212,364</u>	<u>3,985,523</u>
 Total unrestricted net position (deficit)	 <u>\$ (610,755)</u>	 <u>\$ 302,728</u>

**NOTE 12 - 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, 2015, there were no employees enrolled in the Educators Money 401(a) basic retirement plan.

**DEFINED BENEFIT PENSION PLAN**

Some employees of the College are enrolled in a defined benefit pension plan, the STRS plan, which is administered by the CPRB.

As related to the implementation of GASB 68, following is the College's pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, revenues, and the pension expense and expenditures for the fiscal year ended June 30, 2015 (dollars in thousands):

	<u>STRS</u>
Net pension liability	\$ 879,883
Deferred outflows of resources	98,203
Deferred inflows of resources	309,346
Revenues	117,462
Pension expense	125,914
Contributions made by the College	98,203

**NOTE 12 - RETIREMENT PLANS (Continued)**

*Plan Description*

STRS is a multiple employer defined benefit cost-sharing public employee retirement system providing retirement benefits as well as death and disability benefits. It covers all full-time employees of the 55 county public school systems in the State of West Virginia (the State) and certain personnel of the 13 State-supported institutions of higher education, State Department of Education, and the Higher Education Policy Commission hired prior to July 1, 1991. Employees of the State-supported institutions of higher education and the Higher Education Policy Commission hired after June 30, 1991 are required to participate in the Higher Education Retirement System. STRS closed membership to new hires effective July 1, 1991.

STRS is considered a component unit of the State of West Virginia for financial reporting purposes, and, as such, its financial report is also included in the State of West Virginia's Comprehensive Annual Financial Report. STRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the plan. A copy of the report may be obtained from the STRS website at <https://www.wvretirement.com/Publications.html#CAFR>.

*Benefits Provided*

STRS provides retirement, death, and disability benefits. A member is eligible for normal retirement at age 60 with five years of service, age 55 with 30 years of service, or any age with 35 years of service. A member may retire with 30 years of credited service at any age with the pension reduced actuarially if the member retires before age 55. Terminated members with at least five but less than 20 years of credited service who do not withdraw their accumulated contributions are entitled to a deferred retirement commencing at age 62. Retirement benefits are equivalent to 2% of average annual salary multiplied by years of service. Average salary is the average of the five highest fiscal years of earnings during the last 15 fiscal years of earnings. Chapter 18, Article 7A of the West Virginia State Code assigns the authority to establish and amend the provisions of the plan, including contribution rates, to the State Legislature.

*Contributions*

The funding objective of the CPRB pension trust funds is to meet long-term benefit requirements through contributions, which remain relatively level as a percent of member payroll over time, and through investment earnings. Contribution requirements are set by the CPRB. A member who withdraws from service for any cause other than death or retirement may request that the accumulated employee contributions plus interest be refunded.

**Member Contributions:** STRS funding policy provides for member contributions based on 6% of members' gross salary. Contributions as a percentage of payroll for members and employers are established by State law and are not actuarially-determined.

**NOTE 12 - RETIREMENT PLANS (Continued)**

**Employer Contributions:** Employers make the following contributions:

The State (including institutions of higher education) contributes:

- 15% of gross salary of their State-employed members hired prior to July 1, 1991;
- 15% of School Aid Formula (SAF) covered payroll of county-employed members for entities other than institutions of higher education;
- 7.5% of SAF-covered payroll of members of the Teachers' Defined Contributions Retirement System for entities other than institutions of higher education;
- a certain percentage of fire insurance premiums paid by State residents; and
- under WV State code section 18-9-A-6a, beginning in fiscal year 1996, an amount determined by the State Actuary as being needed to eliminate the STRS unfunded liability within 40 years of June 30, 1994. As of June 30, 2014, the College's proportionate share attributable to this special funding subsidy was \$117,462.

The College's contributions to STRS for the years ended June 30, 2015, 2014, and 2013, were \$98,203, \$117,492, and \$142,096, respectively.

***Assumptions***

The total pension liabilities for financial reporting purposes were determined by actuarial valuations as of July 1, 2013 and rolled forward to June 30, 2014. The following actuarial assumptions were used and applied to all periods included in the measurement:

- Actuarial cost method: Entry age normal cost with level percentage of payroll.
- Asset valuation method: Investments are reported at fair (market) value.
- Amortization method and period: Level dollar, fixed period over 40 years, from July 1, 1994 through fiscal year 2034.
- Investment rate of return of 7.50%, net of pension plan administrative and investment expenses.
- Projected salary increases: Teachers 3.75–5.25% and non-teachers 3.40–6.50%, based on age.
- Inflation rate of 2.2%.
- Discount rate of 7.5%.

**NOTE 12 - RETIREMENT PLANS (Continued)**

- Mortality rates based on RP-2000 Mortality Tables.
- Withdrawal rates: Teachers 1.2-30% and non-teachers 1.4-22.5%.
- Disability rates: 0-0.8%.
- Retirement age: An age-related assumption is used for participants not yet receiving payments.
- Retirement rates: 15-100%.
- Ad hoc cost-of-living increases in pensions are periodically granted by the Legislature. However, the retirement system makes no automatic provision for such increases.

Experience studies are performed at least once in every five-year period. The most recent experience study covered the period from July 1, 2005 to June 30, 2010. These assumptions will remain in effect for valuation purposes until such time as the CPRB adopts revised assumptions.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of the long-term arithmetic real rates of return for each major asset class included in STRS' target asset allocation as of June 30, 2014, are summarized below.

Asset Class	Long-term Expected Real Rate of Return	Target Allocation
Domestic equity	5.4%	27.5%
International equity	6.3%	27.5%
Core fixed income	0.7%	-
High-yield fixed income	2.6%	15.0%*
TIPS	0.7%	-
Real estate	4.6%	10.0%
Private equity	7.7%	10.0%
Hedge funds	2.8%	10.0%

\* Core and high-yield fixed income securities have a combined target allocation of 15.0%.

**Discount rate.** The discount rate used to measure the total STRS pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that State contributions will continue to follow the current funding policy. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on STRS' investments was applied to all periods of projected benefit payments to determine the total pension liability. In the event of benefit payments that are not covered by the pension plan's fiduciary net position, a municipal bond rate of 3.66% is to be used to discount the benefit payments not covered by the plan's fiduciary net position. The rate equals the S&P Municipal Bond 20-Year High Grade Rate Index at June 30, 2014.

**NOTE 12 - RETIREMENT PLANS (Continued)**

**Sensitivity of the net pension liability to changes in the discount rate.** The following presents the College's proportionate share of the STRS net pension liability as of June 30, 2015 calculated using the discount rate of 7.50%, as well as what the College's STRS net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current rate (dollars in thousands).

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability	<u>\$ 1,141,188</u>	<u>\$ 879,883</u>	<u>\$ 655,664</u>

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

The STRS net pension liability was measured as of June 30, 2014. The total pension liability was determined by an actuarial valuation as of July 1, 2013 and rolled forward to the measurement date.

At June 30, 2015, the College's proportionate share of the STRS net pension liability was \$2,868,042. Of this amount, the College recognized approximately \$879,883 as its proportionate share on the statement of net position. The remainder of \$1,988,159 denotes the College's proportionate share of net pension liability attributable to the special funding.

The allocation percentage assigned to each participating employer and non-employer contributing entity is based on their proportionate share of employer and non-employer contributions to STRS for each of the fiscal years ended June 30, 2014 and 2013. Employer contributions are recognized when due. At June 30, 2014, the College's proportion was 0.025505%, a decrease of 0.005560% from its proportion of 0.031065% calculated as of June 30, 2013.

For the year ended June 30, 2015, the College recognized STRS pension expense of \$125,914. Of this amount, \$8,452 was recognized as the College's proportionate share of the STRS expense and \$117,462 as the amount of pension expense attributable to special funding from a non-employer contributing entity. The College also recognized revenue of \$117,462 for support provided by the State.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE**  
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**NOTE 12 - RETIREMENT PLANS (Continued)**

At June 30, 2015, deferred outflows of resources and deferred inflows of resources related to the STRS pension are as follows.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and difference between employer contributions and proportionate share of contributions	\$ -	\$ 193,034
Net difference between projected and actual investment earnings	-	116,312
Contributions after the measurement date	98,203	-
 Total	\$ 98,203	\$ 309,346

The College will recognize the \$98,203 reported as deferred outflows of resources resulting from pension contributions after the measurement date as a reduction of the STRS net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in STRS pension expense as follows.

Fiscal Year Ended June 30,	Amortization
2016	\$ 68,392
2017	68,392
2018	68,392
2019	68,392
2020	35,778

***Payables to the Pension Plan***

The College did not report any amounts payable for normal contributions to the STRS as of June 30, 2015.

**DEFINED CONTRIBUTION BENEFIT PLANS**

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, 2015, 2014 and 2013 were \$866,498, \$874,262, and \$895,158 respectively, which consisted of equal contributions from the College and covered employees in 2015, 2014, and 2013 of \$433,249, \$437,131, and \$447,579, respectively.



**NOTE 12 - RETIREMENT PLANS (Continued)**

The College's total payroll for the years ended June 30, 2015, 2014, and 2013 was \$8,663,859, \$8,849,131, and \$9,096,215, respectively; total covered employees' salaries in the STRS and TIAA-CREF were \$654,684 and \$7,220,817 in 2015; \$783,432 and \$7,285,513 in 2014, and \$947,307 and \$7,459,642 in 2013, respectively.

**NOTE 13 - 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 \$4,000,016 and \$3,735,365 at December 31, 2014 and 2013, 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, 2015 and 2014, the Foundation made \$283,289 and \$319,754 respectively, in contributions to the College for student scholarships and other support. As of June 30, 2015 and 2014, the College had accounts receivable of \$40,021 and \$6,009 due from the Foundation. Complete financial statements for the Foundation can be obtained from the Southern West Virginia Community College Foundation, Inc.

**NOTE 14 - 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 15 - 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.

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 16 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* - The Foundation carries investments and endowment assets created by permanently and temporarily restricted endowments and donor-designated funds in equities and cash equivalents with readily determinable fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities. Interest and gains restricted by donors are reported as increases in temporarily restricted net assets and reclassified to unrestricted net assets in the year the restrictions are satisfied.

**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, 2014, 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, 2013. No fixed assets were acquired in 2014. Therefore no depreciation expense was recorded in 2014.

*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, 2014.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Foundation believes it is no longer subject to income tax examinations for tax years prior to 2011.

**NOTE 2 - INVESTMENTS**

The cost and estimated fair values of investments at December 31, 2014, are as follows:

	Estimated Fair Value	Cost
Publicly traded equity securities	\$ <u>2,993,683</u>	\$ <u>2,106,061</u>

The cost and estimated fair values of investments at December 31, 2013, are as follows:

	Estimated Fair Value	Cost
Publicly traded equity securities	\$ <u>2,793,608</u>	\$ <u>2,102,446</u>

**NOTE 3 - PROMISES TO GIVE**

Unconditional promises to give at December 31, 2014 and 2013 are as follows:

	<b>2014</b>	<b>2013</b>
Receivable in less than one year	\$ 139,026	\$ 139,630
Receivable in one to five years	201,446	327,832
Receivable in more than five years	<u>28,921</u>	<u>51,804</u>
Total unconditional promises	369,393	519,266
Discounts to net present value	<u>(18,198)</u>	<u>(29,982)</u>
Net unconditional promises	<u>\$ 351,195</u>	<u>\$ 489,284</u>

The discount rate used on long-term promises to give was 3.25 percent in 2014 and 2013.

**NOTE 4 - RELATED-PARTY TRANSACTIONS**

The Foundation scholarships are awarded by the College. The Foundation recognized expenses in the amount of \$283,289 and \$ 319,754 in 2014 and 2013, respectively, for student scholarships and other support payments to the College.

At December 31, 2014 and 2013, the Foundation's total related-party payable to the College for scholarships and faculty educational awards was \$125,666 and \$1,070.

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, 2014, are for scholarships and educational development.

Net assets were released from restriction for the following purposes during the year ended December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Scholarships	\$ 283,289	\$ 319,754
Education development	580	7,289
Fundraising	37,346	44,104
Other	<u>121,523</u>	<u>97,260</u>
 Total	 <u>\$ 442,738</u>	 <u>\$ 468,407</u>

**NOTE 6 - ENDOWMENT FUNDS**

The Foundation classifies investment and endowment funds in accordance with Accounting Standards Codification 958-205: *Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act and Enhanced Disclosures for All Endowment Funds*. This standard provides guidance on net asset classification of donor-restricted funds subject to the *Uniform Prudent Management of Institutional Funds Act* (UPMIFA).

The Board of Directors of the Foundation has interpreted the UPMIFA as requiring the preservation of fair value as of the original gift date of the donor-restricted endowment funds absent any explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets: (a) the original value of gifts donated to the permanent endowment, (b) the original value of the subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The portion of the fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets in a manner consistent with the standard of prudence prescribed by UPMIFA. Currently, all investment returns are recorded in temporarily restricted net assets based upon donor restrictions on use of investment income or return, with the exception of unrealized gains or losses that reduce the value of the endowment assets below the level required by the donor. These amounts are reported as unrestricted net assets. Gains that restore the fair value of the asset to the required level are included as increase in unrestricted net assets until funds are no longer considered “under water.”

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation or deflation, (5) the expected total return from income and appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation’s investment policies.

**NOTE 6 - ENDOWMENT FUNDS (Continued)**

The cost and estimated fair values of endowment investments at December 31, 2014, are as follows:

	<u>Estimated Fair Value</u>	<u>Cost</u>
Cash and cash equivalents	\$ 290,624	\$ 290,624
Equity and equity mutual funds	<u>2,474,689</u>	<u>1,732,586</u>
Total	<u>\$ 2,765,313</u>	<u>\$ 2,023,210</u>

Endowment net asset composition by restriction as of December 31, 2014, is as follows:

Unrestricted and Board-designated	\$ -
Temporarily restricted	2,765,313
Permanently restricted	<u>-</u>
Total	<u>\$ 2,765,313</u>

Changes in endowment net assets from the prior year to the current year are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>ENDOWMENT NET ASSETS, BEGINNING OF YEAR</b>	\$ -	\$ 2,539,085	\$ -	\$ 2,539,085
Endowment investment return:				
Interest and dividends	-	91,622	-	91,622
Realized gains	-	51,680	-	51,680
Unrealized gains	<u>-</u>	<u>185,026</u>	<u>-</u>	<u>185,026</u>
Endowment investment return	-	328,328	-	328,328
Contributions	-	72,097	-	72,097
Appropriation of endowments - released from restrictions	<u>-</u>	<u>(174,197)</u>	<u>-</u>	<u>(174,197)</u>
<b>ENDOWMENT NET ASSETS, END OF YEAR</b>	<u>\$ -</u>	<u>\$ 2,765,313</u>	<u>\$ -</u>	<u>\$ 2,765,313</u>

The cash equivalents, representing approximately 11 percent of the investment assets at December 31, 2014, are held in liquid asset funds managed by financial institutions.

**NOTE 7 - 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.

The following table presents assets reported on the financial statements at their fair value as of December 31, 2014 and 2013, 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.

<b>2014</b>	Level I	Level II	Level III	Total
<u>Valued on a recurring basis:</u>				
Assets:				
Equity securities	\$ 2,993,683	\$ -	\$ -	\$ 2,993,683
<b>2013</b>	Level I	Level II	Level III	Total
<u>Valued on a recurring basis:</u>				
Assets:				
Equity securities	\$ 2,793,608	\$ -	\$ -	\$ 2,793,608

**NOTE 8 - SUBSEQUENT EVENTS**

The Foundation assessed events occurring subsequent to December 31, 2014, through July 16, 2015, 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 July 16, 2015.



SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED JUNE 30, 2015 AND 2014

**NOTE 17 - NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATIONS**

These tables represent operating expenses within both natural and functional classifications for the years ended June 30:  
 2015

	2015				Fees Assessed by the Commission			Total
	Salaries and Wages	Benefits	Supplies and Other Services	Utilities	Scholarships and Fellowships	Depreciation	Commission	
Instruction	\$ 4,304,020	\$ 1,066,293	\$ 1,054,577	\$ 9,503	\$ -	\$ -	\$ -	\$ 6,434,393
Public service	296,438	100,821	77,641	-	-	-	-	474,900
Academic support	862,315	231,359	174,084	-	-	-	-	1,267,758
Student services	865,325	264,114	93,591	-	-	-	-	1,223,030
General institutional support	1,870,404	837,968	1,992,672	179,858	-	-	-	4,880,902
Operations and maintenance of plant	225,628	69,750	547,349	511,758	-	-	-	1,354,485
Student financial aid	51,671	-	-	-	2,645,248	-	-	2,696,919
Auxiliary enterprises	54,985	14,280	28,216	-	-	-	-	97,481
Depreciation	-	-	-	-	-	1,341,038	-	1,341,038
Other	-	-	-	-	-	-	65,048	65,048
<b>Total</b>	<b>\$ 8,530,786</b>	<b>\$ 2,584,585</b>	<b>\$ 3,968,130</b>	<b>\$ 701,119</b>	<b>\$ 2,645,248</b>	<b>\$ 1,341,038</b>	<b>\$ 65,048</b>	<b>\$ 19,835,954</b>

	2014				Fees Assessed by the Commission			Total
	Salaries and Wages	Benefits	Supplies and Other Services	Utilities	Scholarships and Fellowships	Depreciation	Commission	
Instruction	\$ 4,706,727	\$ 1,191,802	\$ 821,630	\$ 16,404	\$ -	\$ -	\$ -	\$ 6,736,563
Public service	104,218	28,126	95,970	-	-	-	-	228,314
Academic support	656,366	189,290	166,454	-	-	-	-	1,012,110
Student services	1,075,068	292,828	222,852	-	-	-	-	1,590,748
General institutional support	2,083,735	714,892	2,191,005	3,498	-	-	-	4,993,130
Operations and maintenance of plant	46,091	5,216	650,197	709,016	-	-	-	1,410,520
Student financial aid	-	-	-	-	2,286,004	-	-	2,286,004
Auxiliary enterprises	138,663	21,999	75,102	-	-	-	-	235,764
Depreciation	-	-	-	-	-	1,299,589	-	1,299,589
Other	-	-	-	-	-	-	60,952	60,952
<b>Total</b>	<b>\$ 8,810,868</b>	<b>\$ 2,444,153</b>	<b>\$ 4,223,210</b>	<b>\$ 728,918</b>	<b>\$ 2,286,004</b>	<b>\$ 1,299,589</b>	<b>\$ 60,952</b>	<b>\$ 19,853,694</b>

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
June 30, 2015**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
	<b>State Teachers' Retirement System</b>									
	Last 10 Fiscal Years*									
College's proportion of the net pension liability (asset) (percentage)	0.025505%									
College's proportionate share of the net pension liability (asset)	\$ 879,883									
State's proportionate share of the net pension liability (asset)	<u>1,988,159</u>									
Total proportionate share of the net pension liability (asset)	<u><u>\$ 2,868,042</u></u>									
College's covered-employee payroll	<u>\$ 783,432</u>									
College's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	112.31%									
Plan fiduciary net position as a percentage of the total pension liability	65.95%									

\* - The amounts presented for each fiscal year were determined as of June 30th. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, Colleges should present information for those years for which information is available.

SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CONTRIBUTIONS  
 June 30, 2015

State Teachers' Retirement System  
 Last 10 Fiscal Years

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Contractually required contribution	\$ 116,043	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	(117,492)	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ (1,449)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
College's covered-employee payroll	\$ 783,432	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered-employee payroll	15.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2015**

There are no factors that affect trends in the amounts reported, such as a change of benefit terms or assumptions. With only one year reported in the required supplementary information, there is no additional information to include in notes. Information, if necessary, can be obtained from the CPRB Comprehensive Annual Financial Report.

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, 2015, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated January 14, 2016, 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  
January 14, 2016

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE  
BOARD OF GOVERNORS  
MEETING OF FEBRUARY 16, 2016**

**ITEM:** Request for Approval of the Filing of Southern West Virginia Community and Technical College's 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, 2015.

**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, 2015. Ms. Kelly Shafer, Suttle and Stalnaker Certified Public Accountant, will make a brief presentation regarding the audit 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  
BOARD OF GOVERNORS  
MEETING OF FEBRUARY 16, 2016**

**ITEM:** Request for Approval of Tuition Increase Proposal

**RECOMMENDED RESOLUTION:** *RESOLVED*, That the Southern West Virginia Community and Technical College Board of Governors approve the proposed resident tuition increase of \$108.00 per semester per FTE for the 2016-2017 academic year effective July 01, 2016, AND

*BE IT FURTHER RESOLVED*, that the tuition and fees be placed at a level to insure that out-of-state students pay the lower of the most recent reported System average or the calculated institutional full cost of instruction as required by West Virginia Code §18B-1D-3(a)(2)(B).

**STAFF MEMBER:** Thomas Heywood

**BACKGROUND:**

At its February 3, 2016 meeting, the Southern West Virginia Community and Technical College Board of Governors Ad Hoc Committee on Tuition and Fees recommended a minimum tuition increase of \$108.00 per semester per FTE 2016-2017 academic year.

The Committee recommends that the Board of Governors approve the above resolution for a 6.77% tuition increase for the 2016-2017 academic year to reflect a \$108.00 per semester per FTE increase for resident students effective July 1, 2016. This reflects an increase of \$9.00 per credit hour which will increase tuition from \$133.00 per credit hour to \$142.00 per credit hour. This increase will bring the full-time tuition to \$1,704.00 per semester, and the annual tuition rate to \$3,408.00 for resident students. The proposed 2016-2017 annual tuition rate of \$3,408.00 would be less than the Community and Technical College System's 2015-2016 average tuition rate of \$3,535. If approved, the Committee recommends this request be submitted to the West Virginia Council for Community and Technical College Education for action at its next meeting.

The staff further recommends that the tuition and fee rates for nonresident students be placed at a level to insure that nonresident students pay the lower of the most recent reported System average or the calculated institutional full cost of instruction as required by West Virginia Code §18B-1D-3(a)(2)(B).



# Southern West Virginia Community and Technical College

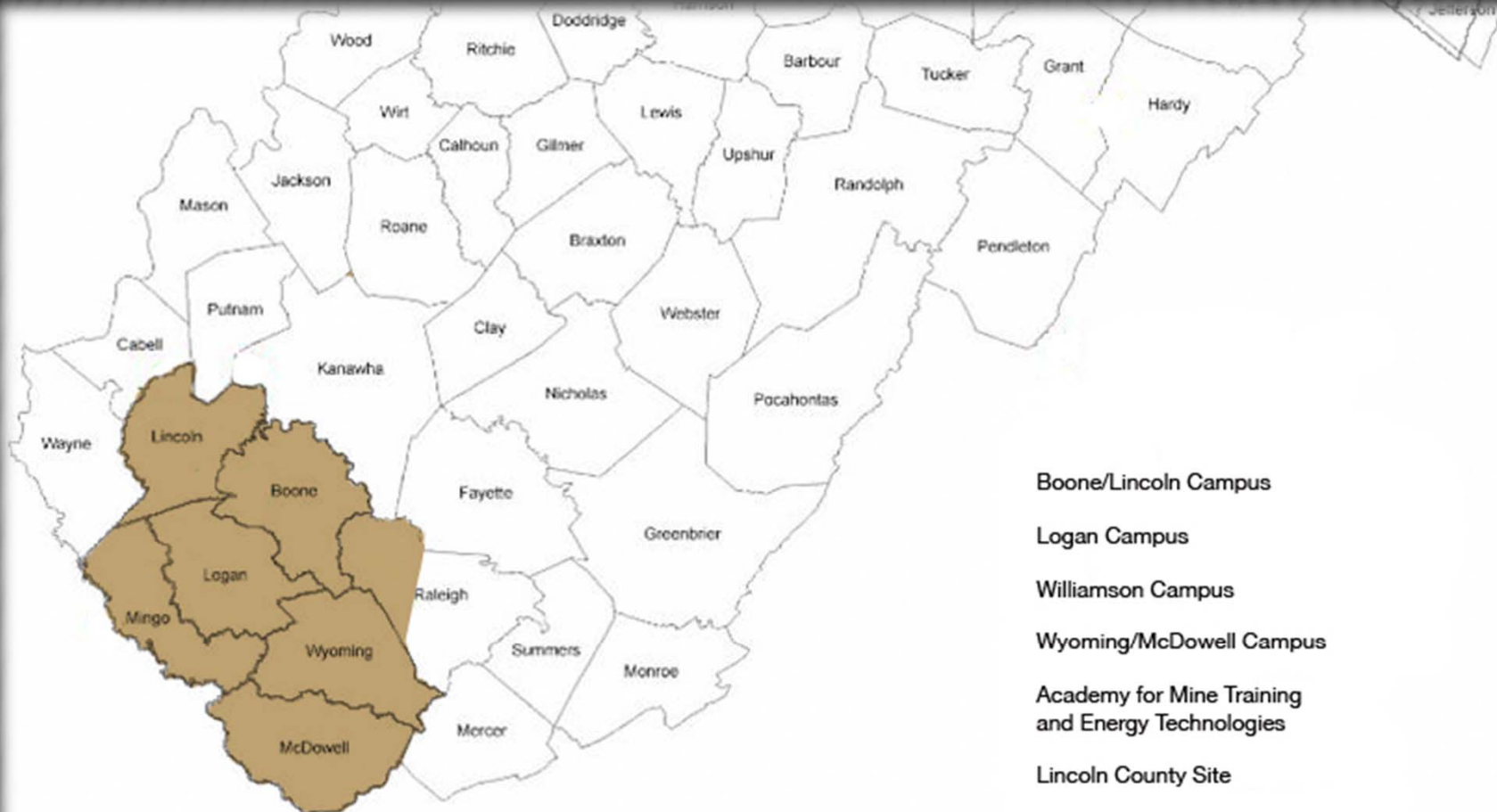
## Tuition Increase Proposal for 2016-2017

Presented by:  
Southern West Virginia Community and Technical College Board of Governors  
Ad Hoc Committee on Tuition and Fees

Mr. Thomas Heywood, Chair

02-16-2016

# SOUTHERN'S SERVICE DISTRICT



# WHY DOES SOUTHERN NEED A TUITION INCREASE?

1. Anticipated state funding reduction of \$840,082.
  1. [Note: Southern West Virginia Community and Technical College's 5-year tuition plan assumed state funding would remain level. This represents a departure from Southern's 5-year plan due to impending state funding reduction.]
2. Using the 2015 HEPI inflation rate of 2.1%, the institution will have an estimated expense increase of \$62,162.
3. Increased utility costs. Based on the 2015 HEPI inflation rate of 2.1%, there is a projected increase of 12% or \$14,700.
4. Upgrade of technology college-wide is an annual expense of \$500,000.

These are only examples of on-going institutional expenses.

# 2015-2016 TUITION AND FEE COMPARISON

Institution	Tuition
Blue Ridge Community and Technical College	\$3,696
BridgeValley Community and Technical College	\$3,850
Eastern WV Community and Technical College	\$2,880
Mountwest Community and Technical College	\$3,816
New River Community and Technical College	\$3,706
Pierpont Community and Technical College	\$4,460
Southern WV Community and Technical College	\$3,192
West Virginia Northern Community College	\$3,000
West Virginia University at Parkersburg	*\$3,216
2015-2016 CTC System Average	\$3,535
*associate degrees only	

## 2016-2017 TUITION REQUEST – 6.77%

- \$108.00 Semester = \$55,200 Semester (\$110,400 annually)

- Increase from \$133 per credit hour to \$142 per credit hour

- Net increase per student per credit hour = \$9.00

# PROJECTED COST VERSUS INCOME

## PROJECTED COST

## PROJECTED INCOME

PROJECTED COST		PROJECTED INCOME	
Impact of HEPI inflation rate (excludes salaries).	\$62,162		
Projected increase in utilities.	\$14,700		
To cover potential budget shortfall.	<u>\$33,538</u>		
<b>Total:</b>	<b><u>\$110,400</u></b>	Projected revenue from 6.77% tuition increase	<b><u>\$110,400</u></b>



# QUESTIONS

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The logo for the West Virginia Advisory Council of Faculty (ACF) features the letters 'A', 'C', and 'F' in a bold, blue, 3D-style font with a yellow outline. The 'A' is stylized with three curved lines extending from its left side, suggesting movement or a path.

**WEST VIRGINIA ADVISORY COUNCIL OF FACULTY**

*“The voice of higher education faculty”*



# Advisory Council of Faculty (ACF)

- ▶ Established by West Virginia Code §18B-6-2
- ▶ Made up of a representative of each public higher education institution in West Virginia
- ▶ Serve as a resource to advise the legislature on higher education
- ▶ Advise the Higher Education Policy Commission (HEPC)  
<http://wvhepcnew.wvnet.edu/>
- ▶ Advise the Council for Community and Technical College Education (CCTCE)  
<http://wvctcs.org/ctc-council>

# ACF Members

- ▶ Are elected by the Faculty Assembly of their respective institution in odd numbered years; they may succeed themselves indefinitely
- ▶ Serve as voting members of the Faculty Senate of their institution
- ▶ Report and serve as a resource to the Board of Governors of their institution
- ▶ Serve as a voice and resource for the faculty of their institution
- ▶ 6,000 Faculty who serve 90,000 students

# ACF Members

- ▶ Are expected to attend and contribute to ACF meetings
- ▶ Attend HEPC and CCTCE meetings when possible
- ▶ Address the Board of Governors of their institution at least annually
- ▶ Serve as a conduit of information for the faculty of their institution

# Faculty Serve

- ▶ Our students through quality instruction in academic and workforce development programs
- ▶ Our institutions through instruction, professional development, research and scholarship, and direct service
- ▶ Our local communities through engagement and programs that bring workforce development, jobs, economic growth, cultural and artistic events, business and educational partnerships, and research.

# West Virginia Faculty Accomplishments

## *2015-16 Faculty Achievements, A Faculty Report Card (HEPC Data)*

3,660 Associates Degrees Awarded	+13.5% since 2004
1,476 Undergraduate Certificates	+36.2% since 2004
Licensure Pass Rates:	
Cytotechnology	83.3%
Dental Hygiene	92.7%
Nursing	86.4%
Education	87.8%
Social Work	89.7%
Faculty Research Grants and Contracts	\$145,874,781.00

# Southern's Faculty Accomplishments

- ▶ Lead the state and the region in the development and successful implementation of co-requisite developmental education
- ▶ Continue to develop courses with articulation and transfer in mind
- ▶ Work with outreach programs in our local K-12 schools

# ACF Issues for the Legislature

- ▶ Restore higher education funding to a minimum of 2009 levels
- ▶ Invest in education; 20,000 degrees by 2018 means \$54 million in revenue
- ▶ Address PEIA cuts of \$30 million. The legislature has not added to PEIA funding for three years

# ACF Issues for the HEPC, CCTCE, and our Institutions

- ▶ Support community and legislative understanding of West Virginia's Next Generation Standards
- ▶ Develop standards for professional behavior that address faculty rights and academic bullying. Offer training to administrators and department heads in professional behavior
- ▶ Promote programs to encourage wellness to our faculty, staff, and students





# *Southern*

West Virginia Community and Technical College

# Faculty Senate

- ▶ Established by West Virginia Code §18B-6-3
- ▶ Each institution establishes fair representation for the members of it's Faculty Assembly
- ▶ Southern elects 3 senators from the Logan Campus, 3 from the Williamson Campus, 1 from the Boone/Lincoln Campus, 1 from the Wyoming Campus, plus the Faculty Board of Governors Representative and ACF Representative
- ▶ Senate elections are to be held in even numbered years
- ▶ Senators are allowed to succeed themselves indefinitely; faculty senate chairs are limited to two consecutive terms

# Faculty Senate

- ▶ Charged to meet with the President of the institution at least quarterly to discuss faculty issues and the governance of the college
- ▶ Charged to meet with the Board of Governors of the institution at least annually to discuss faculty issues and the governance of the college
- ▶ Serves to distribute Faculty professional development funds
- ▶ Serves to comment, review, and advise on actions of the governance committees of the College
- ▶ Serves to comment, review, and advise on policies and procedures of the College

# 2015 – 2016 Senate Issues

- ▶ Establishment of a Faculty Emeritus Status policy
- ▶ Petition to increase funding of Faculty Professional Development
- ▶ Discuss the return of tenure Southern currently has less than 20% of full time faculty tenured
- ▶ Collect information on the impact of SCP 1400

# Other ACF/Senate Issues

- ▶ Seek pay raises for faculty
- ▶ Seek ways to increase faculty benefits
- ▶ Seek the right for higher education employees to serve in the legislature
- ▶ Seek faculty input on any outcomes based funding plan
- ▶ Seek to increase the percentage of tenured faculty in community colleges

# Final Thoughts

- ▶ I will send this presentation and/or any other information I have upon request
- ▶ [Charles.puckett@southernwv.edu](mailto:Charles.puckett@southernwv.edu)
- ▶ ACF website: [www.wvacf.org](http://www.wvacf.org)

Questions  
Comments  
Concerns

**Southern West Virginia Community and Technical College  
Board of Governors  
Meeting of December 8, 2015  
6:00 p.m.  
2900 Dempsey Branch Road, Room 428, Building C  
Mount Gay, West Virginia and by Teleconference**

**DRAFT MINUTES**

**Board Members Present:** Thomas Heywood, Chair (video); Wilma Zigmond, Secretary; Shelley Huffman (phone), Jada Hunter (phone), George Kostas, Brandon Elkins, Student Representative; Russell Saunders, Faculty Representative; Virginia Stepp, Classified Staff Representative

**Board Members Absent:** Linda Akers, Terry Sammons, Glenn Yost, Secretary

**College Staff Present:** Merle Dempsey, Interim President; Samuel Litteral, Allyn Sue Barker, Ronald Lemon, Debra Teachman, Bill Cook, Steven Hall, Steven Lacek, Guy Lowes, Melinda Saunders, August Kafer, Teri Wells, Gary Holeman (CIO for Ellucian), David Buck (General Manager for Ellucian), and Emma Baisden (Recorder)

**1. Call to Order**

Mr. Thomas Heywood, Board of Governors Chair, declared a quorum present and convened the meeting at 6:00 p.m.

**2. Call for Public Comments to the Board of Governors**

Chair Heywood announced last call for public sign up for comments to the Board. No signatures were recorded.

**3. Presidential Search Report**

Chair Heywood informed the group that the Presidential Search Committee met on November 15, 2015, and approved the selection of Dr. Robert E. Gunter for the position of President at Southern West Virginia Community and Technical College subject to the approval of the West Virginia Council for Community and Technical College Education. The Board's recommendation along with the proposed contract has been submitted to the Council for review and consideration of approval at its December 10, 2015.

**4. Executive Session Under Authority of WV Code §6-9A-4(b)2A regarding Personnel and Management Issues**

Chair Heywood called for a motion to move into Executive Session. Ms. Wilma Zigmond moved pursuant to §6-9A-4(b)2A of the West Virginia Code that the Board enter into Executive Session to discuss personnel and personnel matters, which if discussed in public might adversely affect the reputation of any person. Mr. George Kostas seconded the motion which carried unanimously. Chair Heywood declared the motion adopted and the Board entered into an Executive Session at 6:07 p.m. The Board Chair requested that Emma Baisden join Executive Session.

At the conclusion of discussions, Chair Heywood declared the Board of Governors rise from



Executive Session and convene in Open Session at 6:18 p.m. Based upon discussions, the following item was brought forward for action from the Executive Session.

**MOTION:** George Kostas moved the adoption of the following resolution:

*RESOLVED*, That the Southern West Virginia Community and Technical College Board of Governors grant continuing authority to its Chairman to negotiate and execute an employment contract for Southern's new president in compliance with Title 135, Legislative Rule, West Virginia Council for Community and Technical College Education, Series 5, *Employing and Evaluating Presidents*, and to present the employment contract to the Council for Community and Technical College Education for final approval.

**ACTION:** Jada Hunter seconded the motion. Chair Heywood declared the motion adopted and will report the results back to the Board of Governors.

**5. Student Services Report**

Vice President for Academic Affairs and Student Services, Dr. Debra Teachman, provided an overview of the activities of Student Services for a one-year period. Dr. Teachman noted that the Student Services Unit provides a broad range of support services at Southern to assist students and potential students access education at the college.

Admissions/Registrar's Office - Dr. Teachman stated that with the help of Ellucian consultants, some student services processes have improved over the past year. She has held conversations with Ellucian regarding bringing a consultant to campus in 2016 to refine the Admissions processes. Dr. Teachman stated that the Registrar's Office will begin sending recruitment letters to persons who have applied for admissions and to persons who have submitted ACT scores, but have not registered for classes. She stated that personnel are trying to make processes more comprehensive by using technology to run Admissions reports and acceptance letters.

Board member, Shelley Huffman, asked how quickly incoming student transcripts are evaluated for credit at Southern. Transfer credit evaluated quickly can tremendously help the student. Dr. Teachman responded that if the transfer credit is not readily available when a student registers for classes, Teri Wells (Interim Registrar), works closely with the student advisor to evaluate the student's transcript at that time and enters the information into Banner so students do not take classes they don't need. She explained that "Quick Admits" are done to allow the student to be able to register for classes without having to wait until the student's record is complete.

Financial Aid - Southern had a consultant from Ellucian to work on Banner usage with Financial Aid processes. A full evaluation of the methods used to process financial aid was conducted, and a detailed plan for better use of Banner processes was developed and implemented. These processes impacted Financial Aid, Admissions, and the Business Office. The implementation of these processes enabled the offices of Financial Aid and Business to disburse Federal and State grants to students at 30 days into the semester.

Because of the default rate, funds cannot be released to students before the 30-day window. Southern's default rate has declined 3% for the past two years. Financial aid award notifications are sent to students through the U. S. Mail. Work is being done to update the award letters and to arrange to send them through student e-mail in a more timely manner. Financial aid awards can be accepted by students on line. Data was provided to Board members on the number of students serviced by the Office of Financial Aid. Customer service training is being scheduled for 2016 for Financial Aid staff and student workers, as well as for others working in Student Services.

Dr. Teachman plans to talk with Southern's new president about academic affairs and student services organizational changes that have been implemented as well as changes which have been delayed due to the presidential transition. These changes should better clarify roles and responsibilities in areas that Counselors/Specialists and Student Program Advisors now share.

**6. President's Report**

- 6.1 Interim President, Merle Dempsey, recognized David Buck, General Manager for Ellucian, and Gary Holeman, CIO for Ellucian, for completing the Accounts Receivable project for the Finance and Student Services departments.
- 6.2 Submitted required monitoring and/or final reports to the Community and Technical College System Office for 14 grants obtained since 2011 totaling \$3,220,030.
- 6.3 Dr. Dempsey received notice from Chancellor Sarah Tucker that Southern West Virginia Community and Technical College had more applications for admission (358 and 341 were first-time applications for admission) entered into the College Foundation West Virginia (CFWV) website than any other higher education institution in the state during College Application and Exploration Week in October 2015.
- 6.4 Southern signed a Memorandum of Agreement with West Virginia University and the Division of Energy to support a Manufacturing Extension Partnership (MEP) agent to be housed at Southern to serve small manufacturers in southern West Virginia. The MEP Industrial Specialist began at Southern today and will hold a free Innovation and Marketing Workshop tomorrow, December 9<sup>th</sup>, at Mayo Manufacturing in Holden, WV.
- 6.5 The College submitted documentation as to how it would address the 4% (\$328,000) reduction in state allocation to its budget. Fourteen (14) vacant positions will remain unfilled.
- 6.6 A new class of the Appalachian Leadership Academy (ALA) will be inducted at the Williamson Campus on Monday, December 14. General Robert H. 'Doc' Foglesong will be the featured speaker for the induction. Cotiga Development Company of Williamson, WV helps fund scholarships for the Academy. Dr. Dempsey invited the Board to attend the ceremony.

- 6.7 On November 12, 2015, Southern hosted and participated in “Rapid Response” activities sponsored by the Region 1 Workforce Investment Board to assist laid off miners and their dependents in Wyoming County. On November 17<sup>th</sup>, representatives from the College participated in “Rapid Response” activities sponsored by the Region 2 Workforce Investment Board for coal miners (and dependents) which were laid off by Alpha Natural Resources.
- 6.8 President Dempsey and Vice President Samuel Litteral met with representatives from the West Virginia Army National Guard on November 16, 2015 to discuss the terms and conditions for acquisition of the National Guard Armory in Williamson. The appraised value of the facility is \$447,000. The quoted purchase price was \$150,000 and would not require any capital outlay. Mr. Litteral proposed \$125,000. There is no asbestos in the facility and the presence of lead is minimal. The West Virginia Council for Community and Technical College Education requires a report on the structural soundness of the facility. The College would need to hire an engineering firm to conduct the structural evaluation at an estimated cost of \$4,000. In a subsequent phone call on December 2<sup>nd</sup> with the West Virginia Army National Guard staff, Dr. Dempsey and Mr. Litteral were advised that due to the age of the building (constructed in 1958), the Armory is eligible for designation in the National Registry for Historic Places. Reassurance was provided of the College’s willingness to maintain a permanent marker (plaque) in the facility honoring the Gaujot Brothers for whom the Armory is named.
- 6.9 Fifty-two persons attend the “Women in Entrepreneurship” seminar held at the Logan Campus on November 18.
- 6.10 The College hosted and cosponsored the annual Logan County Chamber of Commerce Christmas Breakfast on December 8.
- 6.11 Spring 2016 enrollment data is slightly ahead of the Spring 2015 data, but we have not reached the 1,300 FTE needed to meet budget projections. As of today, December 8, FTE is 966.
- 6.12 Chair Heywood thanked Dr. Dempsey for his leadership and service to the College during the presidential search for the past six months.

**7. Financial Report**

Mr. Samuel Litteral, Vice President for Finance and Administration, provided the financial report dated November 30, 2015 to members of the Board. He reviewed restricted, unrestricted, and auxiliary revenues and expenditures with the Board. Mr. Litteral informed the Board that revenues have decreased due to the decrease in enrollment. Revenues are 38.99% and cash expenditures are 38.69%. He is planning for additional budget cuts which could come in January or July 2016.

**8. Action Items**

**8.1 Appointment of Ad Hoc Committee on Tuition and Fees**

Chair Heywood appointed a committee to prepare a proposal for tuition and fee increases for FY 2016-2017. The committee will bring a recommendation forward for the Board's review and consideration at its February 16, 2016 meeting. Members appointed include Terry Sammons, Russell Saunders, Robert Gunter, Samuel Litteral, Debra Teachman, Brandon Elkins, and Tom Heywood. Mr. Heywood will serve as committee chair. Upon a motion by Shelley Huffman and seconded by Wilma Zigmond, the Board unanimously approved the Ad Hoc Committee appointments.

**8.2 Approval of October 8 and November 16, 2015, Minutes**

**MOTION:** Jada Hunter moved to accept the October 8 and November 16, 2015 minutes as presented.

**ACTION:** Russell Saunders seconded the motion. The motion carried unanimously and Chair Heywood declared the motion adopted.

**8.3 Request for Approval of Administrative Appointments to the Lincoln County Joint Administrative Board**

**MOTION:** George Kostas moved the adoption of the following resolution:

*RESOLVED*, That the Southern West Virginia Community and Technical College Board of Governors approve the appointment of William H. Cook and Debra K. Teachman to represent the Board of Governors on the Lincoln County Joint Administrative Board established to facilitate the administration, operation, and financing of joint programs and facilities of Southern West Virginia Community and Technical College and the Lincoln County Board of Education; and

*FURTHER RESOLVED*, William H. Cook and Debra K. Teachman will serve a six-month term ending June 30, 2016. By mutual consent of the Board of Governors and the Lincoln County Board of Education, Dave Roberts will serve as the at-large member and Chair of the Joint Administrative Board.

**ACTION:** Wilma Zigmond seconded the motion. The motion carried unanimously and Chair Heywood declared the motion adopted.

**8.4 Request for Final Approval of Institutional Policies**

**8.4.1 SCP-3245, Faculty and Administrative Productivity**

**MOTION:** Shelley Huffman moved the adoption of the following resolution:

*RESOLVED*, That the Southern West Virginia Community and Technical College Board of Governors grant final approval for the rescission of SCP-

3245, *Faculty and Administrative Productivity*, following the required 30-day public comment period.

**ACTION:** Jada Hunter seconded the motion. The motion carried unanimously. Chair Heywood declared the motion adopted and the policy rescinded.

**8.4.2 SCP-4151, Academic Standards and Expectations of Students**

**MOTION:** Wilma Zigmond moved the adoption of the following resolution:

*RESOLVED*, That the Southern West Virginia Community and Technical College Board of Governors grant final approval of SCP-5066, *Third-party Tuition and Fee Waivers*, following the required 30-day public comment period and submission to the Community and Technical College Education Chancellor.

**ACTION:** Russell Saunders seconded the motion. The motion carried unanimously. Chair Heywood declared the motion adopted and the policy approved.

**8.5 Request for Approval of Institutional Policies for 30-day Public Comment**

**8.5.1 SCP-1375, Reports of Incidents/Accidents and Forms**

**MOTION:** Shelley Huffman 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-1375, *Reports of Accidents/Incidents* and attachments 1375.A and 1375.B, to Southern's constituents and the Chancellor for Community and Technical College Education for the required 30-day comment period.

**ACTION:** Wilma Zigmond seconded the motion. The motion carried unanimously.

**8.5.2 SCP-2810, Sabbatical Leave for Full-time Faculty and Forms**

**MOTION:** George Kostas 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-2810, *Sabbatical Leave for Full-time Faculty* and attachments 2810.A and 2810.B, to Southern's constituents and the Chancellor for Community and Technical College Education for the required 30-day comment period.

**ACTION:** Brandon Elkins seconded the motion. The motion carried unanimously.

**8.5.3 SCP-3670, Public School Service Program**

**MOTION:** Wilma Zigmond 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-3670, *Public School Service Program*, and its attachment to Southern's constituents and the Chancellor for Community and Technical College Education for the required 30-day public comment period.

**ACTION:** Russell Saunders seconded the motion. The motion carried unanimously.

**8.5.4 SCP-4233, The Dean's List of Students' Graduation with Honors Status**

**MOTION:** Wilma Zigmond 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-4233, *The Dean's List of Students; Graduation with Honors Status* to Southern's constituents and the Chancellor for Community and Technical College Education for the required 30-day public comment period.

**ACTION:** George Kostas seconded the motion. The motion carried unanimously.

**9. Informational Item**

**9.1 Chancellor's Approval of Institutional Policies**

Chancellor Tucker granted final approval of

1. SCP-1160, *Diversity Philosophy*
2. SCP-1500, *Philosophy Vision, and Mission of Southern West Virginia Community and Technical College*

**10. Adjournment**

There being no further business, Chair Heywood declared the meeting adjourned at 8:15 p.m. The next Board meeting is scheduled for February 16, 2016 and will be held at Southern West Virginia Community and Technical College in Mount Gay, WV.

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Thomas A. Heywood, Chair

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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 FEBRUARY 16, 2016**

**ITEM:** Request for Approval of Post-Audit Follow-up Report for Medical Assisting, Associate in Applied Science degree program

**RECOMMENDED RESOLUTION:** *RESOLVED*, That the Southern West Virginia Community and Technical College Board of Governors receive and approve the post-audit follow-up report for the Medical Assisting, Associate in Applied Science degree program, and its submission to the West Virginia Council for Community and Technical College Education for consideration for final approval.

**STAFF MEMBER:** Lora Foster

**BACKGROUND:**

At its April 2015 meeting, the Southern West Virginia Community and Technical College Board of Governors received the post-audit review report for the Medical Assisting, Associate in Applied Science degree program. The Board unanimously approved the program's continuation at the current level of activity without corrective action in accordance with the provisions of the West Virginia Council for Community and Technical College Education, Title 135, Procedural Rule, Series 37, *Increased Flexibility for Community and Technical Colleges*.

At its meeting on August 20, 2015, the West Virginia Council for Community and Technical College Education received the post-audit report for the AAS in Medical Assisting at Southern West Virginia Community and Technical College. The Council's decision was to continue the degree program and requested a follow-up report by March 1, 2016, which would provide 1) a detailed assessment plan, including how assessment results are used for program improvement; 2) future plans for faculty resources; 3) specific plans for pursuing accreditation; and 4) evidence of how the advisory committee is utilized.

Included in this report is the information requested by the West Virginia Council for Community and Technical College Education.

**POST-AUDIT FOLLOW-UP REPORT**  
**2015-2016**  
**Southern West Virginia Community and Technical College**  
**Program without Specialized Accreditation**

**Program: A. A. S. Medical Assisting**

The 2015 post-audit review of the Medical Assisting Program (A.A.S.) resulted in a continuation of the program at the current level of activity without corrective action. The West Virginia Council for Community and Technical College Education requested a follow-up report addressing specific assessment measures and how the results are utilized for program improvement. The Council also required plans for accreditation, future plans for faculty resources and evidence of how the advisory committee is utilized. The information provided will address each area identified.

**Assessment Plan**

Assessment procedures are identified in three different means within the scope of the Medical Assisting program. The program measures assessment data with individual student results, actual resource assessment, and inclusive college wide assessment. Each area provides pertinent information to the overall programmatic assessment process.

Faculty measure course outcomes based on student assessment variables that include active discussion, participation, quizzes and exams. Students are actively engaged in classroom activities and laboratory assessments. Each student is provided in class with a lap top for class assignments and Electronic Medical Records. Hands-on laboratory skills are practiced daily until a level of competency is reached. Each student will then have an evaluation of competency checklist with performance objectives and outcomes with a point value scale to score each skill for calculation of lab grades. This also requires students to have 160 hands-on clinical and administrative hours in a healthcare facility. Faculty measure the student's success based on the variables provided and overall grading is based on the college grading scale. Students are required to achieve at least a minimum grade of C or better in all courses to successfully qualify for graduation.

The specific resource assessment measures are the standards set by (MAERB) Medical Assisting Education Review Board which is a Committee on Accreditation (CoA) of the Commission on Accreditation of Allied Health Education Program (CAAHEP). Program faculty are in the process of developing an overall resource assessment plan. Outcome assessment tools were used in the form of graduate surveys to ensure we are meeting the expectation of students' needs. Faculty, staff, and other resources are evaluated annually. An example of the Resource Assessment Matrix is located in Appendix I.

The Medical Assisting program also participates in the college-wide assessment initiative. Southern is currently transforming the internal college assessment process and will host the first college assessment showcase week this semester. Medical Assisting



students will showcase their accomplishments and skills learned for the assessment review committee and the results will be integrated into the college assessment plan as part of the Higher Learning Commission accreditation requirements. The overall process of assessment provides the opportunity to review the performance and outcomes from an individual student and course level to the entire program inclusion within the College. Decisions regarding student placement, curriculum, location and admission are all based on the results derived from the assessment process.

The program meets validated industry demand and at the request of the industry the Williamson Campus was developed as an accelerated program in the spring of 2015. The curriculum was designed for students who wished to come in the spring and graduate the following spring with the same associate degree and still meet the requirements for the Certified Clinical Medical Assistant certification exam that is acquired through the National Health Career Association. Equipment and supplies were ordered to fulfil the need for fifteen students who applied to the Williamson Campus once it was announced that this was an option. Students on the Williamson/Wyoming Campus have a new EKG machine, Autoclave, Phlebotomy chair, a patient exam table, surgical instruments, etc. One additional faculty was hired to assist with the Wyoming/Williamson Campus.

### **Program Accreditation**

The application request for Accreditation services was accepted on November 30, 2015 by CAAHEP for the Medical Assisting program. The site visit is planned in 2017 by the accrediting board. The coordinator and faculty members plan to participate in several professional development opportunities to prepare throughout the process. The program has an established time line of accreditation approval within the fall 2017 semester.

### **Advisory Board**

The Medical Assisting Coordinator, staff members and supervisors from clinical facilities utilized by Medical Assisting students are members of the advisory board. Invitations will be sent to recruit new members for the Medical Assisting program. Members attend the annual college advisory committee meeting to provide input and work to approve the current curriculum. Members are valuable to the program by providing us with information needed to assess the needs of the facilities and areas of change in the program. Program faculty work with the Board members to coordinate job placement and continuously monitor the market within the service region. The advisory board also voices any concerns and gives advice that is very informative and positive to the program which enables a more informed decision making process for programmatic changes.

**Appendix I**  
**Resource Assessment Matrix**

## Resource Assessment, 2014-2015 Medical Assisting

Program Resource	What program Outcomes are affected by that resource and how? (for example, retention or job placement or so on)	Tools used to assess the resource (for example, surveys, evaluations, interviews)	Dates of Measurement	Results	Action Plan (designed for maintenance or improvement)	Action Plan Follow-up/Status
<b>Program Coordinator/Faculty</b>	Student satisfaction, Employer satisfaction	Graduate Survey Employer Survey Performance Evaluation	1. Six months post-graduation 2. Six months post-graduation 3. Annually	2. All employers were surveyed Nov. 2014. 3. Coordinator evaluations were completed each year by Dept. Head	N/A	N/A
<b>Practicum Coordinator</b>	N/A	N/A	N/A	N/A	N/A	N/A

<b>Faculty</b>	Student satisfaction	Faculty Evaluation	Every Semester	MA 201 Fall 2014 4.0 out of 4.0 AH 108 Fall 2014 3.7 out of 4.0	Since most results were agree and strongly agree, the program's action plan will be to continue to monitor future results.	N/A
<b>Advisory Committee</b>	Job Placement Exam Passage	Advisory committee meeting annually	April	Advisory Committee was give results of 100% job placement and 100 exam pass.	Continue to monitor job placement and exam passage	N/A
<b>Clerical Staff</b>	TBD	TBD	TBD	TBD	TBD	TBD
<b>Support Staff (Registrar, Admissions, Financial Aid, and so on)</b>	TBD	TBD	TBD	TBD	TBD	TBD
<b>Finances</b>	N/A	TBD	TBD	TBD	TBD	TBD
<b>Offices</b>	N/A	TBD	TBD	TBD	TBD	TBD
<b>Classrooms</b>	N/A	TBD	TBD	TBD	TBD	TBD
<b>Laboratories</b>	TBD	TBD	TBD	TBD	TBD	TBD

<b>Ancillary Student Facilities</b> (library, food services, student health services, learning center)	TBD	TBD	TBD	TBD	TBD	TBD
<b>Practicum Affiliations</b>	Student Satisfaction Job Placement Skills Set Passage	Student evaluation Skill set evaluation	At the end of rotation final Spring semester. Final Spring Semester	Boone Memorial Hospital majority were agree and strongly agree; one strongly disagree in most of the categories. Lincoln Primary	Reviewed the low scoring evaluation, after investigating the problem found that there were other students from another school.	Students did not rotate in the Lab at Boone  Will monitor area of weakness and trends; additional lab times may be needed in the future.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE  
BOARD OF GOVERNORS  
MEETING OF FEBRUARY 16, 2016**

**ITEM:** Request for Approval of SCP-1375, *Reports of Accidents/Incidents*

**RECOMMENDED RESOLUTION:** *RESOLVED*, That the Southern West Virginia Community and Technical College Board of Governors grant approval of SCP-1375, *Reports of Accidents/Incidents* with attachments 1375.A and 1375.B, for submission to the Chancellor for Community and Technical College Education for final approval following the required 30-day public comment period.

**STAFF MEMBER:** Samuel Litteral

**BACKGROUND:**

SCP-1375, *Reports of Accidents/Incidents*, establishes a system for reporting all accidents/incidents occurring on any campus or off-campus location of Southern West Virginia Community and Technical College.

The policy was reviewed and approved by the Executive Council with changes at its November 16, 2015, and reviewed and approved as presented by the President's Cabinet on November 17, 2015. Policy revisions reflect changes in job titles and management responsibilities; Form 1375.A, *Accident/Incident Report Form*, was revised to comply with the requirements of the Clery Act; and Form 1375.B, *Monthly Report of Accidents/Incidents*, was revised to reflect changes in job titles.

At its December 8, 2015, meeting the Southern West Virginia Community and Technical College Board of Governors authorized release of the revised policy and policy attachments to Southern's constituents and the Chancellor for Community and Technical College Education for the required 30-day public comment period. The public comment period ended January 8, 2016, and no comments were received. Therefore, the staff recommends that the Board of Governors grant approval of SCP-1375, *Reports of Accidents/Incidents* and attachments 1375.A and 1375.B, as presented for submission to the Chancellor for Community and Technical College Education for final approval following the required 30-day public comment period.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE  
BOARD OF GOVERNORS  
SCP-1375**

**SUBJECT:** Reports of Accidents/Incidents

**REFERENCE:** Clery Act (20 USC § 1092(f))

**ORIGINATION:** January 28, 1991

**EFFECTIVE:** March 16, 2016

**REVIEWED:** November 4, 2015

**SECTION 1. PURPOSE**

- 1.1 To establish a system for reporting all accidents /incidents occurring on any college campus or off-campus location of Southern West Virginia Community and Technical College.

**SECTION 2. SCOPE AND APPLICABILITY**

- 2.1 This policy applies to all operational units of Southern West Virginia Community and Technical College.

**SECTION 3. DEFINITIONS**

- 3.1 An Accident is defined as any unforeseen, unplanned event, or circumstance resulting in personal injury and /or property damage.
- 3.2 An Incident is defined as any direct or indirect action taken by an individual or group that results in a violation of a law or college policy.

**SECTION 4. POLICY**

- 4.1 Security and safety at Southern West Virginia Community and Technical College are everyone's responsibility. Security and safety measures will be monitored to ensure that all employees and visitors are in a safe environment. College management will update/upgrade processes as required to ensure maximum protection within available resources.

**SECTION 5. BACKGROUND OR EXCLUSIONS**

- 5.1 The Administration of Southern West Virginia Community and Technical College is aware of the need for, and continually strives to provide, a safe and secure environment for its employees, students, and property. This requires the cooperation of all employees in accurately reporting all accidents/incidents. The timeliness of reporting this information is essential to meaningful investigations and maximum recovery of lost or stolen property.
- 5.2 To better assess the status of security and assignment of personnel to achieve maximum security on each location, a report of all accidents /incidents will be made monthly by the Director of Campus Operations with the original report going to the Vice President for Finance and Administration.

**SECTION 6. GENERAL PROVISIONS**

6.1 None.

**SECTION 7. RESPONSIBILITIES**

7.1 Any employee or operating unit of the College involved in or witnessing an accident/incident at any Southern location will immediately contact and provide all pertinent information to the Director of Campus Operations and/or Vice President for Finance and Administration.

7.2 The Director of Campus Operations or the appropriate employee will investigate and make required reports on the reported accident/incident.

7.3 The Director of Campus Operations will prepare and submit daily to the Vice President for Finance and Administration, and/or the Title IX Coordinator, and/or the Clery Coordinator, and/or Human Resources Administrator, as appropriate, a report of any accidents/incidents (Form 1375.A). For any major accidents/incidents, the Director of Campus Operations will notify the President.

7.4 By the 15<sup>th</sup> of each month, the Director of Campus Operations will prepare and submit to the Vice President for Finance and Administration, a *Monthly Report of Accidents/Incidents* (Form SCP-1375.B), covering all accidents/incidents occurring on campus during the prior month.

7.5 The Vice President for Finance and Administration will utilize the Monthly Reports of Accidents/Incidents to:

7.5.1 Advise the President.

7.5.2 Make recommendations for assignment to high risk areas.

7.5.3 Develop and implement security techniques to avoid potential problems.

7.5.4 Prepare security statistics for Southern West Virginia Community and Technical College.

**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-1375.A, Accident/Incident Report Form  
SCP-1375.B, Monthly Report of Accidents/Incidents

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

**Revision Notes:** November 2008 – Revisions reflect changes in procedure requirements. Revisions provide clarity and reflect changes in management responsibilities. This policy was reformatted using the latest policy template.

November 2015 – Revisions reflect changes in titles and management responsibilities. Form 1375.A, *Accident/Incident Report Form*, was revised to comply with Clery Act requirements.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE  
BOARD OF GOVERNORS  
SCP-1375.A**

**Accident/Incident Report Form**

**Date of Accident/Incident/Complaint**

Date: \_\_\_\_\_ Day of Week: \_\_\_\_\_ Time: \_\_\_\_\_ AM or PM

**Location of Accident/Incident/Complaint**

Campus: \_\_\_\_\_ Building: \_\_\_\_\_ Room: \_\_\_\_\_ Other: \_\_\_\_\_

**Event Type:**

**Criminal Offenses:**

Murder                                       Non-negligent Manslaughter                                       Robbery  
 Aggravated Assault                                       Burglary                                       Motor Vehicle Theft  
 Arson

**Sex Offenses:**

<u>Forcible</u>	<u>Non-forcible</u>
<input type="checkbox"/> Forcible Sodomy	<input type="checkbox"/> Incest
<input type="checkbox"/> Sexual Assault With an Object	<input type="checkbox"/> Statutory Rape
<input type="checkbox"/> Forcible Fondling	

**Other:** \_\_\_\_\_

**Narrative** (attach additional sheets if necessary)

**Victim/Compliant Information**

Name: \_\_\_\_\_ College ID Number: \_\_\_\_\_  
Home Address: \_\_\_\_\_  
Phone Number: \_\_\_\_\_ Email: \_\_\_\_\_  
Date of Birth: \_\_\_\_\_  Student  Visitor  Faculty  Staff  Other: \_\_\_\_\_

**Respondent/Person in Potential Violation**

Name: \_\_\_\_\_ College ID Number: \_\_\_\_\_  
Home Address: \_\_\_\_\_  
Phone Number: \_\_\_\_\_ Email: \_\_\_\_\_  
Date of Birth: \_\_\_\_\_  Student  Visitor  Faculty  Staff  Other

**Additional Information**

Emergency Personnel Called?  Yes  No      If yes, who? \_\_\_\_\_  
Treated by Physician?  Yes  No      If yes, name of Physician: \_\_\_\_\_  
Police Report #: \_\_\_\_\_ Arrest Made:  Yes  No  
Date of Report \_\_\_\_\_ Print Name: \_\_\_\_\_  
Signature: \_\_\_\_\_ Title: \_\_\_\_\_

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE  
BOARD OF GOVERNORS  
SCP-1375.B**

**Monthly Report of Accidents/Incidents**

**Campus:** \_\_\_\_\_ **Report for Month Ending:** \_\_\_\_\_ **Submitted:** \_\_\_\_\_ **Date:** \_\_\_\_\_

Event Type	Number between 7AM - 3 PM	Number between 3 PM - 11 PM	Number between 11 PM - 7 AM	Total Incidents
Accidents (Requires Form RMI-2)				
Murder				
Aggravated Assault				
Sexual Offense ( <input type="checkbox"/> Forcible <input type="checkbox"/> Non-Forcible)				
Robbery				
Negligent Manslaughter				
Burglary				
Motor Vehicle Theft				
Hate Crime				
Drug Law ( <input type="checkbox"/> Arrest <input type="checkbox"/> Referral)				
Liquor Law ( <input type="checkbox"/> Arrest <input type="checkbox"/> Referral)				
Weapons Possession ( <input type="checkbox"/> Arrest <input type="checkbox"/> Referral)				
Injury				
Incident				
Other: _____				
<b>Grand Total</b>				

Estimated value of Destroyed Property  
 Personal Property \$ \_\_\_\_\_  
 State Property \$ \_\_\_\_\_  
 Total \$ \_\_\_\_\_

Area with HIGHEST Incident Rate  
 \_\_\_\_\_  
 \_\_\_\_\_

Original: Vice President for Finance and Administration

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE  
BOARD OF GOVERNORS  
MEETING OF FEBRUARY 16, 2016**

**ITEM:** Request for Approval of SCP-2810, *Sabbatical Leave for Full-time Faculty*

**RECOMMENDED RESOLUTION:** *RESOLVED*, That the Southern West Virginia Community and Technical College Board of Governors grant approval of SCP-2810, *Sabbatical Leave for Full-time Faculty* and attachments 2810.A and 2810.B, for submission to the Chancellor for Community and Technical College Education for final approval following the required 30-day comment period.

**STAFF MEMBER:** Samuel Litteral

**BACKGROUND:**

The purpose of SCP-2810, *Sabbatical Leave for Full-time Faculty*, is to specify the eligibility, conditions, compensation, and obligations regarding the granting of sabbatical leave for faculty members of Southern West Virginia Community and Technical College.

The policy was reviewed and approved by the Executive Council with changes at its November 16, 2015 meeting, and reviewed and approved as presented by the President's Cabinet on November 17, 2015. Policy and form revisions reflect no substantial changes in procedure or documentation, but provide clarity and reflect changes in job titles.

At its December 8, 2015, meeting the Southern West Virginia Community and Technical College Board of Governors authorized release of the revised policy and policy attachments to Southern's constituents and the Chancellor for Community and Technical College Education for the required 30-day public comment period. The public comment period ended January 8, 2016, and no comments were received. Therefore, the staff recommends that the Board of Governors grant approval of SCP-2810, *Sabbatical Leave for Full-time Faculty* and its attachments 2810.A and 2810.B as presented for submission to the Chancellor for Community and Technical College Education for final approval following the required 30-day public comment period.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE  
BOARD OF GOVERNORS  
SCP-2810**

**SUBJECT:** Sabbatical Leave for Full-time Faculty

**REFERENCE:** West Virginia Code §18B-1-3; 18B-7-2

**ORIGINATION:** August 1992

**EFFECTIVE:** March 16, 2016

**REVIEWED:** November 4, 2015

**SECTION 1. PURPOSE**

- 1.1 The purpose of this policy is to specify the eligibility, conditions, compensation, and obligations regarding the granting of sabbatical leave for faculty members of Southern West Virginia Community and Technical College.

**SECTION 2. SCOPE AND APPLICABILITY**

- 2.1 This policy is limited in scope and application to full-time faculty members of Southern West Virginia Community and Technical College who are eligible for sabbatical leave under the terms of this policy. Part time faculty members are not eligible for sabbatical leave.

**SECTION 3. DEFINITIONS**

- 3.1 Sabbatical Leave – A form of faculty development which provides leave with full or partial salary but free from all teaching and administrative duties to engage in educational activity related to an individual’s academic or professional field to improve teaching. Examples of uses of sabbatical leave may include: to renew/advance oneself in an area of expertise, learn new approaches to teaching/learning, undertake projects relating to the enhancement of learning and teaching by electronic means, or conduct research and development in relation to an academic field, the division’s curriculum, or a new specialization.
- 3.2 Vitae – A biographical sketch or account of one’s career and qualifications.
- 3.3 Full-time Faculty – An individual employed on a full-time year to year basis designated as faculty who holds rank and is assigned a full-time workload per institutional guidelines.

**SECTION 4. POLICY**

- 4.1 It is the policy of Southern West Virginia Community and Technical College to provide the faculty opportunity for continued professional growth and new, or renewed, intellectual achievement through study, research, writing, creative work and travel so that teaching effectiveness may be enhanced, scholarly usefulness increased, and the institution’s academic and service programs strengthened.

## **SECTION 5. BACKGROUND OR EXCLUSIONS**

- 5.1 This policy has no relation to other forms of leave that may be available to faculty members. However, a faculty member may not receive payment for sabbatical leave and for other types of wage replacement or employer provided benefit, such as short term disability, simultaneously.

## **SECTION 6. GENERAL PROVISIONS**

- 6.1 Eligibility – Any full-time employee holding faculty rank is eligible for sabbatical leave after the completion of at least six years of continuous employment as a full time faculty member at Southern West Virginia Community and Technical College. Separate summer school employment shall not be considered in calculating the duration of employment. After completing a sabbatical leave, a faculty member shall not again be eligible until the seventh subsequent year. Separate summer school employment shall not be considered for sabbatical leave.
- 6.2 Conditions Governing the Granting of Sabbatical Leave – The granting of sabbatical leave is not automatic, but shall depend on the merits of the request and on conditions prevailing in the College at the time. All applications for sabbatical leave shall be considered solely upon the criteria contained in this policy. The faculty member must be actively at work during the semester preceding the commencement of the sabbatical leave period. Sabbatical leave will be granted by the President.
- 6.3 Application Time Line – The application for sabbatical leave must be submitted during the fall semester of the academic year prior to the year for which sabbatical leave is requested. Faculty are urged to discuss plans to request a sabbatical leave with his/her Division Head early in the semester to establish a dialogue about the value of proposed activities to the faculty member and to the institution.
- 6.3.1 Division Heads seeking sabbatical leave must work with the Vice President for Academic Affairs in developing his/her proposal and apply to the same by the date proposals are due to the Division Head below.
- 6.3.1.1 November 1 – Sabbatical Proposals are due in the office of the Division Head. (For Division Heads requesting sabbatical leave, the proposals are due in office of the Vice President.) The Division Head shall prepare a written recommendation either supporting the request or recommending denial of the proposed leave.
- 6.3.1.2 November 15 – Sabbatical Proposals and recommendations from the Division Head are due in the office of the Vice President. The Vice President for Academic Affairs shall prepare a written recommendation either supporting the request or recommending denial of the proposed leave.
- 6.3.1.3 December 1– Sabbatical Proposals with recommendations from the Division Head and Vice President for Academic Affairs are due in the President’s Office. The President may request a personal interview with a faculty member to answer questions concerning the proposal.
- 6.4 Sabbatical Proposal – The Sabbatical Proposal shall be assembled as follows:
- 6.4.1 Sabbatical Leave Request Form – It must be typed on form SCP-2810.A or in the same format.
- 6.4.2 The Proposal – This must be typewritten and contain the following categories:
- 6.4.2.1 Proposed Activities and Time Line – Details the activities planned during the sabbatical

leave period and the time line by which each will be accomplished. The objectives of the proposal shall be stated in measurable terms. Each objective shall be reflected in the subsequent final report. A timetable of major events for the completion of the proposal must be included. The time schedule should reflect careful and realistic planning. Flow charts or diagrams may be of benefit in this section.

6.4.2.2 Merit of the Proposal – Describes the value or benefit of the proposed activities to the individual faculty member and to the institution. This section must contain all information necessary to permit an effective review. It should describe the proposal in sufficient detail to enable the President to know what is planned at every stage and to make a tentative judgement as to the probable success of the proposed plan. The objectives of the proposal shall be stated in measurable terms. Each objective shall be reflected in the subsequent final report. The narrative description must include a detailed explanation of what the proposal intends to do. A rationale for the-proposal and a statement of the impact proposal will have on the institution, the individual and the community should be included. In addition the description must identify present knowledge, available resources, and creative potential associated with the proposal.

6.4.2.3 Justification for Proposal – Describes the accomplishments of the applicant in order to prepare for the endeavors outlined in the request. This section provides justification for the granting of sabbatical leave. For example, it may describe the faculty member's progress toward completion of a degree, including the courses completed and describing the remaining courses, research, or internship necessary to complete his/her degree requirements. All preliminary tasks undertaken prior to the request should be identified.

6.4.2.4 Current Vitae – This vitae must include the information necessary for the President's evaluation. Reference is made to the Criteria to be used in Evaluation.

## 6.5 Criteria to be Used in Awarding Sabbatical Leave:

6.5.1 Merit Proposal – The major purpose of a sabbatical leave is to provide the faculty opportunity for continued professional growth and new, or renewed, intellectual achievement through study, research, writing, creative work and travel so that teaching effectiveness may be enhanced, scholarly usefulness increased, and the institution's academic and service programs strengthened. Close consideration shall be given to the nature of the applicant's assignment and to differences among the many disciplines represented in a community and technical college.

6.5.2 Accomplishments of the Applicant – Evaluation of accomplishments while at Southern West Virginia Community and Technical College since any previous sabbatical shall be based on the merit factors normally used as criteria for merit raises, such as: professional experience; professional papers and talks; leadership activities; college and senate committee assignments; publications, research, scholarly, or creative effort completed and in progress; membership in professional organizations, including offices held; community activities and services which are professionally-related; and other accomplishments and recognition of significance.

6.5.3 Number of years salaried, full-time professional service at Southern West Virginia Community and Technical College since last hire date or last sabbatical leave, whichever is least, shall be considered.

6.5.4 Although an advanced degree may be a residual of a sabbatical leave proposal, emphasis shall be placed on the benefits to the faculty member, the institution and the community.

- 6.6 Compensation – A faculty member on sabbatical leave shall receive full salary for no more than one-half of the academic year or half salary for no more than the full academic year.

## **SECTION 7. RESPONSIBILITIES**

### 7.1 Obligations of the Faculty Member:

- 7.1.1 An applicant for a sabbatical leave shall discuss the proposal with his/her Division Head, prepare the proposal and request for sabbatical leave form, and submit the packet to his/her Division Head before deadline dates specified in this policy. The plan proposal, as approved will represent the faculty member's assignment during the sabbatical leave period. The approved plan shall not be modified without the written consent of the President or his/her designee.
- 7.1.2 Upon receiving approval for sabbatical leave, the faculty member shall execute a promissory note/memorandum of understanding reflecting the amount of compensation to be received while on sabbatical leave. After completion of the service obligation, the note shall be marked "paid" and returned to the faculty member.
- 7.1.3 In accepting a sabbatical leave, a faculty member shall sign a statement indicating that he/she is aware of and agrees to all conditions of the leave as specified herein.
- 7.1.4 While on sabbatical leave, a faculty member may not accept remunerative employment without the written consent of the President or his/her designated representative. Fellowships, grants, assistant ships, and similar stipends shall not be considered remunerative employment.
- 7.1.5 Faculty on approved sabbatical leave are required to report any changes in, or that may affect the status of his/her sabbatical leave or benefit eligibility. Examples may include but are not limited to long term illness or injury that affects the faculty's ability to meet obligations, changes in marital status, or other situations that may affect his/her benefit status.
- 7.1.6 Upon completion of a sabbatical leave, a faculty member shall file with the Vice President for Academic Affairs a written report of his/her scholarly activities while on leave. The report shall address all objectives and activities approved in the original request and be submitted within thirty days of return to service.
- 7.1.7 A faculty member is obligated to return for a full year of service upon completion of the leave. Failure to return will obligate the faculty member to fully reimburse the institution for salary received during the period of the leave.

### 7.2 Obligations of the Division Head:

- 7.2.1 Work in an advisory capacity with the faculty applicant to help ensure the proposed sabbatical leave complies with the intent of this policy and is beneficial to the faculty member, the department, the division, and the institution.
- 7.2.2 Prepare a letter to the Vice President for Academic Affairs containing comments and recommendation for approval or denial of the request.
- 7.2.3 Arrange coverage of classroom or other workload responsibilities of the requesting faculty member. The Division Head may ask for suggestions or recommendations from the requesting faculty member, however, the responsibility for finding temporary replacement personnel or revising teaching



schedules of other members of the division rests with the Division Head. The Division Head will contact the Human Resources Office for assistance in recruiting replacement personnel no later than the spring semester of the year preceding commencement of the sabbatical leave.

7.3 Obligations of the Vice President for Academic Affairs:

7.3.1 The Vice President for Academic Affairs will be responsible for the implementation of this policy and will provide all support services necessary to carry out its provisions.

7.3.2 The Vice President for Academic Affairs will prepare a letter to the President containing comments and recommendations for approval or denial of the request.

7.4 Obligations of the President's Office and the Institution:

7.4.1 Upon consideration and final approval or denial, the President's Office will send the original application packet with related correspondence and outcomes to the Human Resources Office for appropriate processing, reporting and record keeping.

7.4.2 A faculty member's institutional position, status, and rank will not be adversely affected solely by his/her absence while on sabbatical leave.

**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**

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**Board of Governors Chair**                      **Date**

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**President**    **Date**

**Attachments:**            SCP-2810-A, *Sabbatical Leave Request*  
                                 SCP 2810-B, *Sabbatical Leave Promissory Note*

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

**Revision Notes:**        November 2, 2010 – Revisions reflect no substantial changes in procedure or documentation requirements. Revisions provide clarity and reflect changes in management responsibilities. Form was streamlined.

November 4, 2015 – Revisions reflect no substantial changes in procedure or documentation. Revisions provide clarity and reflect changes in job titles. Forms reviewed and job titles revised.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE  
BOARD OF GOVERNORS  
SCP-2810.A  
SABBATICAL LEAVE REQUEST**

1. Name: \_\_\_\_\_
2. Dates of continuous full-time employment as a faculty member:  
From: \_\_\_\_\_ To: \_\_\_\_\_ Total years \_\_\_\_\_
3. Dates of last sabbatical leave:  
From: \_\_\_\_\_ To: \_\_\_\_\_
4. Dates requested for sabbatical leave:  
From: \_\_\_\_\_ To: \_\_\_\_\_

My signature below indicates that I have read and agree to all conditions, provisions, and requirements of SCP-2810, *Sabbatical Leave For Full-time Faculty*. I agree to file a written report with the Vice President for Academic Affairs of my activities and accomplishments during the sabbatical leave within 30 days of my return to work.

Attachments:

- Proposal
- Current Vitae

Per attached letter, I recommend approval of this leave.

- Yes  No

Per attached letter, I recommend approval of this leave.

- Yes  No

- Approved  Denied

Faculty Member's Signature	Date
Division Head's Signature	Date
Vice President for Academic Affairs' Signature	Date
President's Signature	Date

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE  
BOARD OF GOVERNORS  
SCP-2810.B**

**SABBATICAL LEAVE  
PROMISSORY NOTE and MEMORANDUM OF UNDERSTANDING**

My signature below indicates that I have read and agree to all conditions, provisions, and requirements of SCP-2810, *Sabbatical Leave for Full-time Faculty*.

I agree to return to the full time service of the College and work therein for a period of one year. If I fail to return to work for a period of one year, I agree to re-pay Southern West Virginia Community and Technical College an amount equal to the amount of salary and benefits paid me during the sabbatical leave period.

I understand that my position, status and rank shall not be adversely affected by my absence due to the sabbatical leave, and that I will receive any pay raises or other benefits that would have been afforded me had I not been on sabbatical leave.

I understand that the length of sabbatical governs the amount of pay I receive. The length of my sabbatical and requisite amount of compensation I will receive is:

- One semester sabbatical leave paid at my regular base salary for the semester.
- One academic year of sabbatical leave paid at one half my annual base salary.

I understand and agree that the final agreed upon proposal, as approved by the President, is my assignment for the period of sabbatical leave and that the proposal may not be modified without the written consent of the President or his/her designee.

I agree to provide a detailed report of my activities and accomplishments to the Vice President for Academic Affairs within 30 days of my return to work.

I agree and understand that I may not accept remunerative employment without the written consent of the President or his/her designated representative.

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Printed Name	Signature	Date
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STATE OF WEST VIRGINIA, COUNTY OF \_\_\_\_\_, to-wit:

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_, by

\_\_\_\_\_  
My commission expires: \_\_\_\_\_

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NOTARY PUBLIC

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Vice President for Academic Affairs' Signature	Date
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President's Signature	Date
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**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE  
BOARD OF GOVERNORS  
MEETING OF FEBRUARY 16, 2016**

**ITEM:** Request for Approval of SCP-3670, *Public School Service Program*, and SCP-3670.A, *Public School Service Form*.

**RECOMMENDED RESOLUTION:** *RESOLVED*, That the Southern West Virginia Community and Technical College Board of Governors grant approval of SCP-3670, *Public School Service Program*, and SCP-3670.A *Public School Service Form*, for submission to the Chancellor for Community and Technical College Education following the required 30-day public comment period.

**STAFF MEMBER:** Debra Teachman

**BACKGROUND:**

SCP-3670, *Public School Service Program*, and SCP-3670.A, *Public School Service Form*, was reviewed and approved by the Management Council for Academic Affairs and Student Services (MCAS) at their October 28, 2015, meeting.

Revisions to the policy provide clarity and transfer the process by which credit is awarded to an Academic Affairs Unit Southern Institutional Procedure (SIP). Revisions to the form reflect changes in title.

Based on the deliberation and recommendation of MCAS, the staff member requested that SCP-3670, *Public School Service Program*, and SCP-3670.A, *Public School Service Form*, be advanced to Southern's constituents 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 and by President's Cabinet at their November 2015 meetings.

At its December 8, 2015, meeting the Southern West Virginia Community and Technical College Board of Governors authorized release of the revised policy and policy attachment to Southern's constituents and the Chancellor for Community and Technical College Education for the required 30-day public comment period. The public comment period ended January 8, 2016, and no comments were received. Therefore, the staff member recommends that the Board of Governors grant final approval of SCP-3670, *Public School Service Program*, and SCP-3670.A, *Public School Service Form*, as presented.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE  
BOARD OF GOVERNORS  
SCP-3670**

**SUBJECT:** Public School Service Program  
**REFERENCE:** West Virginia Code §18B-2A-5  
**ORIGINATION:** September 20, 2005  
**EFFECTIVE:** March 16, 2016  
**REVIEWED:** October 28, 2015

**SECTION 1. PURPOSE**

1.1 This policy provides for students who volunteer in public schools in certain capacities to earn college credit at Southern West Virginia Community and Technical College.

**SECTION 2. SCOPE AND APPLICABILITY**

2.1 This policy applies to students who are enrolled at Southern West Virginia Community and Technical College.

**SECTION 3. DEFINITIONS**

3.1 Public schools are defined as tuition free schools in the United States supported by taxes and controlled by a school board.

**SECTION 4. POLICY**

4.1 Southern West Virginia Community and Technical College shall implement procedures to ensure that college students obtain credit toward graduation for service performed in the public schools as tutors, student advisors, and mentors to instill in public school students the benefits of postsecondary attainment.

4.2 The institution shall not be responsible for placement of students in a public school for the purpose of performing service and receiving credit under this policy.

**SECTION 5. BACKGROUND OR EXCLUSIONS**

5.1 Service must have been performed while enrolled in a postsecondary program and within the last 24 months. Documentation shall be provided by the school district.

5.2 Service performed as a program requirement, such as, but not limited to, in education courses is not eligible.

**SECTION 6. GENERAL PROVISIONS**

6.1 Students will be granted one hour of credit for each 30 hours of documented service up to a maximum of three (3) credit hours.

**SECTION 7. RESPONSIBILITIES**

7.1 The Vice President for Academic Affairs and Student Services shall develop procedures describing the method for awarding credit earned under this policy, setting an appropriate minimum number of hours of service performed for credit, and setting an appropriate maximum amount of credit earned.

**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-3670.A, *Public School Service Form*

**Distribution:**            Board of Governors (12 members)  
[www.southernwv.edu](http://www.southernwv.edu)

**Revision Notes:**        January 2011 — Revisions reflect no substantial changes in procedure or documentation requirements. Revisions provide clarity and reflect changes in management responsibilities. Form was streamlined.

October 2015 — Revisions provide clarity and transfer the process by which credit is awarded to an Academic Affairs Unit Southern Institutional Procedure (SIP).

**SCP-3670.A, Public School Service Form**

**Request for Credit, EL 101**

Student Name \_\_\_\_\_ Student Number \_\_\_\_\_

Number of Credits Requested \_\_\_\_\_

Name of Elementary or High School \_\_\_\_\_

Types of Volunteer Activities (Examples include tutoring, mentoring, advising):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Number of Hours Spent in Public School Service \_\_\_\_\_ Dates of Service \_\_\_\_\_

Grade Level \_\_\_\_\_ Supervisor's Signature \_\_\_\_\_

Supervisor's Recommendation:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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Credit Hours Granted: \_\_\_\_\_ Recommended by: \_\_\_\_\_  
Division Head Date

Approved by: \_\_\_\_\_  
Vice President for Academic Affairs and Student Services Date

Fee paid: \_\_\_\_\_ Received by: \_\_\_\_\_

Recorded by: \_\_\_\_\_  
Registrar Date



**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE  
BOARD OF GOVERNORS  
MEETING OF FEBRUARY 16, 2016**

**ITEM:** Request for Approval of SCP-4233, *The Dean's List of Students; Graduation with Honors Status*.

**RECOMMENDED RESOLUTION:** *RESOLVED*, That the Southern West Virginia Community and Technical College Board of Governors grant approval of SCP-4233, *The Dean's List of Students; Graduation with Honors Status*, for submission to the Chancellor for Community and Technical College Education for final approval following the required 30-day public comment period.

**STAFF MEMBER:** Debra Teachman

**BACKGROUND:**

SCP-4233, *The Dean's List of Students; Graduation with Honors Status*, was reviewed and approved by the Management Council for Academic Affairs and Student Services (MCAS) at their September 30, 2015, meeting.

Revisions reflect the addition of definitions, clarification in the language, as well as updates regarding the responsibilities and procedures of the policy.

Based on the deliberation and recommendation of MCAS, the staff member requested that SCP-4233, *The Dean's List of Students; Graduation with Honors Status*, be advanced to Southern's constituents 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 and by President's Cabinet at their October 2015 meetings.

At its December 8, 2015, meeting the Southern West Virginia Community and Technical College Board of Governors authorized release of the revised policy to Southern's constituents and the Chancellor for Community and Technical College Education for the required 30-day public comment period. The public comment period ended January 8, 2016, and no comments were received. Therefore, the staff member recommends that the Board of Governors grant final approval of SCP-4233, *The Dean's List of Students; Graduation with Honors Status*, as presented.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE  
BOARD OF GOVERNORS  
SCP-4233**

**SUBJECT:** The Dean's List of Students; Graduation with Honors Status

**REFERENCE:** None

**ORIGINATION:** July 1, 1985

**EFFECTIVE:** March 16, 2016

**REVIEWED:** September 2015

**SECTION 1. PURPOSE**

- 1.1 The purpose of this policy is to establish and communicate grade point average criteria for recognition of student achievement and placement on the Dean's List and/or graduation with honors.

**SECTION 2. SCOPE AND APPLICABILITY**

- 2.1 All students registered for academic credit-based courses.

**SECTION 3. DEFINITIONS**

- 3.1 Dean's List – a formal recognition of student academic achievement at the conclusion of the Fall and Spring academic term.
- 3.2 Honors – a formal recognition of student academic achievement at the time of graduation.

**SECTION 4. POLICY**

- 4.1 A student who earns a minimum grade point average of 3.25 while attempting and completing twelve (12) or more credit hours during the Fall and Spring academic term shall be placed on the Dean's List for that academic term and shall be recognized in writing by the Vice President for Academic Affairs and Student Services.
- 4.2 Students completing requirements for an associate degree or certificate degree program with a minimum of 3.40 cumulative grade point average, which include transfer credit, are eligible to graduate with honors.
- 4.3 Courses in the less than 100 level series are not used in the calculation of the graduation grade point average.
- 4.4 Students graduating with honors shall be recognized during the commencement ceremony.

**SECTION 5. BACKGROUND OR EXCLUSIONS**

- 5.1 None.

**SECTION 6. GENERAL PROVISIONS**

6.1 None.

**SECTION 7. RESPONSIBILITIES**

- 7.1 At the conclusion of the Fall and Spring academic term, the Registrar updates the student’s academic standing which identifies the Dean’s List recipients.
- 7.2 The Office of the Vice President for Academic Affairs and Student Services is responsible for the dissemination of the Dean’s List.
- 7.3 The Registrar’s office shall prepare a list of eligible honor graduates.

**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**

<b>Board of Governors Chair</b>	<b>Date</b>
<b>President</b>	<b>Date</b>

**Attachments:** None.

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

**Revision Notes:** December 2010 – Policy was reformatted to new SCP format. Revisions provide clarity and changes in responsibilities and procedures.

September 2015 – Revisions reflect the addition of definitions, clarification in the language, as well as updates regarding the responsibilities and procedures of the policy.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE  
BOARD OF GOVERNORS  
MEETING OF FEBRUARY 16, 2016**

**ITEM:** Request for Approval of Revisions to SCP- 2202  
Personnel Assessment Philosophy and Practice  
Statement

**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:** Sam Litteral

**BACKGROUND:**

The Vice President for Finance and Administration Unit was charged with the review of SCP - 2202, Personnel Assessment Philosophy and Practice Statement. The purpose of this policy is to establish a philosophy of continuous personnel assessment and improvement. Regular assessment and feedback allow employees the opportunity to progress to their full potential, meet organizational needs, and attain individual development goals.

The policy was reviewed by Executive Council on January 06, 2016 and the President's Cabinet on January 23, 2016. Following these reviews, 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-2202**

**SUBJECT:** Personnel Assessment Philosophy and Practice Statement

**REFERENCE:** Title 135, Procedural Rule West Virginia Council for Community and Technical College Education, Series 9, *Academic Freedom, Professional Responsibility, Promotion, and Tenure*; Title 135, Legislative Rule West Virginia Council for Community and Technical College Education, Series 53, *Human Resources Administration, §135-53-14*; West Virginia Code §18B-9-5(a) regarding merit salary increases for classified employees.

**ORIGINATION:** July 1, 1987

**EFFECTIVE:** July 1, 1987

**REVIEWED:** ~~July 13, 2010~~ January 6, 2016

**SECTION 1. PURPOSE**

1.1 The purpose of this policy is to establish a philosophy of continuous personnel assessment and improvement. Regular assessment and feedback allow employees the opportunity to progress to their full potential, meet organizational needs, and attain individual development goals.

**SECTION 2. SCOPE AND APPLICABILITY**

2.1 This policy is applicable to all classified, non-classified, and faculty employees.

**SECTION 3. DEFINITIONS**

3.1 The terms *evaluation*, *assessment*, and *appraisal* are used interchangeably in this policy and are defined as the act of determining the significance or condition of performance by careful study and analysis of an employee's work behaviors and outcomes, compared to established job responsibilities and standards of performance.

**SECTION 4. POLICY**

4.1 Each classified, non-classified, and faculty employee will receive a yearly written evaluation of performance directly related to duties and responsibilities of the employee's position and upon reasonable performance standards.

**SECTION 5. BACKGROUND OR EXCLUSIONS**

5.1 None

**SECTION 6. GENERAL PROVISIONS**

6.1 It has been said that we cannot improve ourselves without improving others. As strengths are shared and

weaknesses are remedied, we will of necessity contribute to the development and improvement of others. The entire organization is enhanced and improved as each individual receives feedback, helping them to perform better.

- 6.2 Public expectations for more rigorous evaluation of student performance are rapidly increasing, as are the expectations for institutional accountability and professional performance. As educators, we believe that our “espoused theory” should be matched with our “theory in use.” Thus, we welcome an evaluation process that will promote professional growth and quality education.
- 6.3 With these statements in mind the following observations are in order:
  - 6.3.1 Students possess useful perceptions related to the effectiveness of the instruction they receive and should be fully enfranchised in the faculty evaluation process.
  - 6.3.2 Written records of all evaluations by both students and employed personnel should be maintained to assist in arriving at informed judgements in personnel.
  - 6.3.3 When merit salary programs for employed personnel are mandated by external bodies or adopted within the College community, merit raises may only be granted pursuant to fair and equitable performance appraisals based upon reasonable performance standards.
- 6.4 Performance appraisal programs and evaluation instruments developed and used by the College shall be consistent, objective, and incorporate the current industry best practices and include the following components: employee pre-assessment input, performance rating, evaluation of prior goals/objectives/expectations, professional development needs, comments by the employee, and future goal establishment.

## **SECTION 7. RESPONSIBILITIES AND PROCEDURES**

- 7.1 Supervisors have the responsibility to evaluate the performance of those who report to them.
- 7.2 The President or President’s designee is responsible for development of a faculty evaluation program to ensure annual evaluations of the faculty in compliance with the rules of the West Virginia Council for Community and Technical Education.
- 7.3 The President or President’s designee is responsible for developing performance evaluation programs for all non-faculty employee categories.
- 7.4 After a classified employee’s probationary period, during which 3-month and 6-month probationary performance evaluations are required, each employee shall receive a written evaluation of his or her job related to performance on an annual basis. A copy of the evaluation document shall be placed into the employee’s personnel file and must include confirmation, through a physical or an electronic signature of the employee, signifying that the employee has participated in the evaluation process.
- 7.5 Supervisors shall be trained in the best practices of conducting employee performance evaluations by the Human Resources Department.
- 7.6 Supervisors who fail to conduct evaluations of those employees who report to them may be subject to disciplinary action.

## **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**

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**Board of Governors Chair** **Date**

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**President** **Date**

**Attachments:** None

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

**Revision Notes:** August 21, 2000 – Policy converted to MAP format. August 2010 – Policy was revised to include requirements of the West Virginia Council for Community and Technical College Education’s Procedural Rule, Series 9, and WV Code §18B-9-5(a).

January 6, 2016 – Policy revised to reflect requirements as set forth in West Virginia Council for Community and Technical College Education’s Legislative Rule, Series 53, concerning employee performance evaluations.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE  
BOARD OF GOVERNORS  
MEETING OF FEBRUARY 16, 2016**

**ITEM:** Request for Approval of Revision to SCP- 2593  
Salary Payments to Employees for Contracted  
Services (Other Than Regular Employment)

**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:** Sam Litteral

**BACKGROUND:**

The Vice President for Finance and Administration Unit was charged with the review of SCP-2593 Payments to Employees for Contracted Services (Other Than Regular Employment). This policy addresses payments made to employees for services rendered or performances made other than those included in their regular employment.

The policy was reviewed by Executive Council on January 06, 2016 and the President's Cabinet on January 23, 2016. Following these reviews, 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-2593**

**SUBJECT:** Payments to Employees for Contracted Services (Other Than Regular Employment)

**REFERENCE:** West Virginia Governmental Ethics Act: W. Va. Code §6B-1-1, et seq.

**ORIGINATION:** April 22, 1998

**EFFECTIVE:** April 22, 1998

**REVIEWED:** ~~September 21, 2010~~ January 6, 2016

**SECTION 1. PURPOSE**

- 1.1 This policy addresses payments made to employees for services rendered or performances made other than those included in their regular employment.

**SECTION 2. SCOPE AND APPLICABILITY**

- 2.1 This policy applies to all persons employed by Southern West Virginia Community and Technical College (College) who perform services in addition to their regular job duties.

**SECTION 3. DEFINITIONS**

- 3.1 None.

**SECTION 4. POLICY**

- 4.1 It is the policy of the College to allow payment through College payroll for extra assignments or projects in addition to regular salary for services rendered to college-related organizations and functions in association with the College.
- 4.2 Payments made to employees under this policy must be for hours worked or services performed beyond the employees regular appointment and schedule. Under no circumstance may an employee receive regular salary/wages *and* additional pay under this policy for work or services performed during employees regular working hours.
- 4.3 Additional assignments offered by supervisors or management must be paid at a rate which is at least the employee's regular rate of pay. Extra hours worked for a function sponsored by the supervisor or management must be included in the employee's regular work week and be compensated in compliance with the SCP- 2575, *Overtime and Compensatory Time Policy*. Terms of this policy in no way are intended to underpay or avoid paying non-exempt employees wages as required under applicable state and federal labor law.

## **SECTION 5. BACKGROUND OR EXCLUSIONS**

- 5.1 This policy excludes fees and/or monies that employees receive for private consulting or other services performed and paid for by outside agencies and employers.
- 5.2 The following types of compensation/payments are excluded from provisions of this policy:
  - 5.2.1 Stipend payments for Faculty Chair or Coordinator assignments
  - 5.2.2 Additional work hours and/or overtime required in regular job responsibilities. Extra hours and overtime requests are subject to SCP-2575, *Overtime and Compensatory Time Policy*.
  - 5.2.3 Overload teaching assignments for current faculty and non-faculty employees. Overload teaching assignments are made using an Academic Adjunct Faculty Agreement.
  - 5.2.4 Travel and reimbursements via vendor's invoice.

## **SECTION 6. GENERAL PROVISIONS**

- 6.1 Southern West Virginia Community and Technical College recognizes that with the multitude of events and activities required to serve our students and communities, employees may be called upon to perform services not typically included in their regular positions. Often times, the pay for a stipend or fee offered by the many organizations of the college may be different from the employee's regularly hourly pay. Also, the employee may agree with student organizations to perform the extra assignment. Examples of these types of services include, but are not limited to, directing traffic for theater events held on campus, helping with clean-up after a student event, teaching a continuing education course after work hours, and performing consultant services for projects or programs.

## **SECTION 7. RESPONSIBILITIES AND PROCEDURES**

- 7.1 Payments to employees for services rendered in addition to the regular job duties under the terms of this policy must be requested on form "SCP-2593.A, *Payment to Individuals for Services*". This form is available via the policy page of the Internet and on the Human Resources page of the College Intranet. SCP-2593.A, *Payment to Individuals for Services*, must be completed and approved prior to performance of services.
  - 7.1.1 No payment will be made until the form, SCP-2593.A, *Payment to Individuals for Services*, is completed and properly signed by the supervisor, the President, and the ~~Chief Financial Officer~~ Vice President for Finance and Administration.
  - 7.1.2 Supervisors are responsible to ensure that services are rendered prior to payment. The approved form, SCP-2593.A, *Payment to Individuals for Services*, must then be forwarded to the payroll office to be processed.
  - 7.1.3 Payments to employees allowed by this policy are subject to all payroll and other withholding taxes and will be reported on the employee's W-2 Form.

## **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-2593.A, *Payment to Individuals for Services*

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

**Revision Notes:** September 2010 – Policy revised to include compliance statement regarding overtime and compensatory time. Sections were re-written for clarity.

January 2016 – Revisions made to correct proper approving authorities and to replace FIMS account number with Oasis account number on SCP-2593.A.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE  
BOARD OF GOVERNORS  
SCP-2593.A, Payment to Individuals for Services**

Use Only for Employees of Southern

- ( ) Stipends
- ( ) CE
- ( ) Other \_\_\_\_\_

Name: \_\_\_\_\_ WVFHMSOASIS Account # \_\_\_\_\_

Address: \_\_\_\_\_ Org.# \_\_\_\_\_  
 \_\_\_\_\_

SSN: \_\_\_\_\_

I, \_\_\_\_\_, agree to perform the following services  
 (Name)  
 for \_\_\_\_\_ at \_\_\_\_\_  
 (Department/Group/Organization) (Location)

Detailed description of services to be performed \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Date(s) of Service: From \_\_\_\_\_ To \_\_\_\_\_  
 The Rate of Pay Shall be \_\_\_\_\_ Per \_\_\_\_\_  
 Total Hours if Applicable \_\_\_\_\_ Total Amount Due \_\_\_\_\_

I hereby certify that the services to be performed will not interfere with or detract from my full time duties as an employee and will be performed outside of my regular work hours. I understand performing these contracted duties or services during my regular work schedule is prohibited and, if done, constitutes violation of institutional policy and West Virginia Ethics Rules for Government Employees. I understand that payment for the service(s) I provide will be processed by the payroll department and will be subject to all payroll and other withholding taxes.

\_\_\_\_\_  
 Employee Signature Date

**Approved By:**  
**Southern West Virginia Community and Technical College**

\_\_\_\_\_  
**Supervisor/Event Sponsor Date**

\_\_\_\_\_  
**President Date**

\_\_\_\_\_  
**Chief Financial Officer Vice President for Finance and Administration Date**

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE  
BOARD OF GOVERNORS  
MEETING OF FEBRUARY 16, 2016**

**ITEM:** Request for Approval of Revisions to SCP-2825,  
Salary Administration

**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:** Sam Litteral

**BACKGROUND:**

The Vice President for Finance and Administration Unit was charged with the review of SCP-2825 Salary Administration. The purpose of this policy is to establish guidelines for salary administration which enables the College to maintain a fair and equitable compensation program and to attract, retain, and reward highly qualified employees.

The policy was reviewed by Executive Council on January 6, 2016 and the President's Cabinet on January 23, 2016. Following these reviews, 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-2825**

**SUBJECT:** Salary Administration

**REFERENCE:** West Virginia Code §18B-8-3, §18B-8-3(a), §18B-9A-2(c), and §18B-9-4(b); Title 133, Joint Procedural Rule, West Virginia Council for Community and Technical College Education, and West Virginia Higher Education Policy Commission, Series 8, *Personnel Administration*

**ORIGINATION:** December 2004

**EFFECTIVE:** July 24, 2015

**REVIEWED:** ~~March 3, 2015~~ January 6, 2016

**SECTION 1. PURPOSE**

1.1 The purpose of this policy is to establish guidelines for salary administration which enables the College to maintain a fair and equitable compensation program and to attract, retain, and reward highly qualified employees.

**SECTION 2. SCOPE AND APPLICABILITY**

2.1 This issuance applies to non-classified employees, (with the exception of the President), full-time faculty, and classified staff.

**SECTION 3. DEFINITIONS**

- 3.1 Non-classified Employee – An employee so designated by the President who is responsible for policy formation at the department or institutional level or reports directly to the President of the institution or is in a position considered critical to the institution by the President.
- 3.2 Full-time Faculty – An individual employed on a full-time year to year basis designated as faculty who holds rank and is assigned a full-time workload per institutional guidelines.
- 3.3 Classified Employee – An employee in a position covered under the classification program set out by Title 133, Procedural Rule, Series 8, *Personnel Administration*.
- 3.4 Critical to the Institution – Critical positions that are essential for the College, department, division, or work unit to achieve the necessary work results and vital to fulfilling the mission of the College. Key position characteristics may require specialized knowledge and skills, leadership competencies, deep historical perspective of the College, and broad decision making authority, which could have significant impact on the College.

**SECTION 4. POLICY**

4.1 The President shall prepare an annual budget presentation for approval by the Board of Governors (~~BOG~~). As part of this presentation, the President shall include any plans for awarding of salary increases for all employees other than the President. The President's recommendation for salary increases to the Board of

Governors will incorporate compensation methods deemed appropriate to accomplish the salary goals of the College and may address issues such as market/peer competitiveness, performance, and equity adjustments, or other common compensation practices necessary to maintain a fair and equitable compensation program.

- 4.2 The salary and other compensation for the President shall be developed and approved by the Board of Governors in compliance with guidelines of the West Virginia Community and Technical College Council.
- 4.3 Plans for salary increases for all employees of ~~Southern West Virginia Community and Technical~~ the College effective on or after the date of the adoption of this policy shall contain a merit factor. All salary increases shall be contingent upon the availability of funding and are not considered to be automatic based upon any salary schedule adopted or in effect.

## **SECTION 5. BACKGROUND OR EXCLUSIONS**

- 5.1 In so much as they shall apply, entry level salaries and any salary increases awarded shall be in compliance with West Virginia Code and supportive of the goals and strategies of the institutional compact.

## **SECTION 6. GENERAL PROVISIONS**

- 6.1 As funding is provided for salary adjustments, those funds will be allocated equitably consistent with the purpose for which the funds are being provided. Salary increases may be provided only when funding is available. Salary increases shall be provided using one or more of the following criteria. The criteria are not to be considered as sequential and may be applied concurrently for any employee category.
- 6.2 Non-Classified Employee
  - 6.2.1 Salary increases may be provided as proposed by the President and determined by the Board of Governors.
  - 6.2.2 Merit-based salary increases may be provided based on results derived from the approved performance appraisal system which provides a fair and equitable basis for measuring performance levels based upon reasonable performance standards.
- 6.3 Full-time Faculty
  - 6.3.1 Promotion-in-Rank – a 10% salary increase on the existing base salary, not to include any stipend or supplemental contract pay, shall be awarded to a faculty member who is promoted-in-rank based upon meeting the criteria for such promotion as outlined in SCP-2686, *Promotion-in-Rank and Tenure Policy*.
  - 6.3.2 Salaries are largely governed by a Faculty Compensation Program and a salary schedule approved by the Board of Governors. The first priority for funding salaries for faculty employees shall be to ensure salary levels are at the entry level step in rank on the salary schedule. Salary monies will be applied to funding the salary schedule proportionately for all faculty employees based upon the individual employee’s step placement and rank.
  - 6.3.3 Other salary increases may be provided as proposed by the President and determined by the Board of Governors.
  - 6.3.4 Merit-based salary increases may be provided based on results derived from the approved faculty evaluation process which provides a fair and equitable basis for measuring performance levels based

upon reasonable performance standards. Any faculty evaluation process adopted shall be developed in collaboration with the faculty and approved by the President.

6.4 Classified Employee

6.4.1 Salaries are largely governed by a classification system and a legislatively approved salary schedule. The first priority for funding salaries for classified employees shall be to ensure salary levels are at the zero step on the salary schedule. Salary monies will be applied to funding the salary schedule proportionately for all classified employees based upon the individual employee’s pay grade and years of service.

6.4.2 Other salary increases may be provided as proposed by the President and determined by the Board of Governors.

6.4.3 Merit-based salary increases may be provided based on results derived from the approved performance appraisal system which provides a fair and equitable basis for measuring performance levels based upon reasonable performance standards. Any performance appraisal system adopted shall be developed in collaboration with the classified staff and approved by the President.

**SECTION 7. RESPONSIBILITIES**

7.1 The authority for developing a performance appraisal system to be applied in awarding merit-based salary increases is delegated to the President by the Board of Governors.

**SECTION 8. CANCELLATION**

8.1 This policy supersedes any prior policy or reference to salary issues of Southern West Virginia Community and Technical College.

**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 2007 – Revisions incorporate the Board of Governors approved Faculty Compensation Program and Salary Schedule as a means to provide salary increases for the faculty.

March 2015 – Policy was reformatted into the new policy format. Revisions are technical in nature.

January 2016 – Policy revised to include definition of positions that are critical to the institution pursuant to WV Code 18B-9A-2(c).

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE  
BOARD OF GOVERNORS  
MEETING OF FEBRUARY 16, 2016**

**ITEM:** Request for approval of revisions to SCP-4274, *Standards of Progress for Financial Assistance Recipients*.

**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:**

SCP-4274, *Standards of Progress for Financial Assistance Recipients*, was reviewed and approved by the Management Council for Academic Affairs and Student Services (MCAS) at their December 9, 2015, meeting.

Revisions reflect changes in procedure and documentation to meet July 1, 2015, Title IV requirements. Revisions also provide clarification and correct grammatical errors.

Based on the deliberation and recommendation of MCAS, the staff member requests that SCP-4274, *Standards of Progress for Financial Assistance Recipients*, be advanced to Southern's constituents and the Chancellor for Community and Technical College Education for the required 30-day public comment period. This request was approved as modified by Executive Council at their January 6, 2016, meeting. Executive Council recommended including the Financial Assistance Appeal form as a policy attachment. The appeal form serves as a cover sheet to the student's education plan. The request, as modified by Executive Council, was approved by President's Cabinet at their January 26, 2016 meeting.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE  
BOARD OF GOVERNORS  
SCP-4274**

**SUBJECT:** Standards of Progress for Financial Assistance Recipients

**REFERENCE:** Title IV, Higher Education Act of 1965 (as amended)

**ORIGINATION:** January 1, 1984

**EFFECTIVE:** January 1, 1984

**REVIEWED:** ~~March/April 2011~~ December 2015

**SECTION 1. PURPOSE**

- 1.1 The purpose of this policy is to set forth the academic standards for eligible students to continue to receive financial assistance at Southern West Virginia Community and Technical College.

**SECTION 2. SCOPE AND APPLICABILITY**

- 2.1 This issuance applies to all students who receive assistance through financial assistance programs.

**SECTION 3. DEFINITIONS**

- 3.1 Standards of Academic Progress - Students who receive financial assistance through one or more financial assistance programs must complete at least 65% of the courses for which they have registered and must achieve an ~~overall~~ minimum grade point average of 2.00.
- 3.2 Financial Assistance Warning Status - The Financial Assistance Warning Status is assigned to students ~~who~~ the first time they fail to meet the standards of Academic Progress at the end of a semester.
- 3.3 Financial Assistance Probationary Status - The Financial Assistance Probationary Status is assigned to students who fail to meet the standards of academic progress adopted by the institution after having been on financial assistance warning status. To be granted financial assistance probationary status, a student must present a written appeal and an educational plan to the Financial Assistance Office.
- 3.4 Financial Assistance Provisional Status - A one-semester time period commonly referred to as extended probationary status granted to students who successfully complete all courses during the probationary period but still failed to meet the standard of academic progress is referred to as the financial assistance provisional status.
- 3.5 Financial Assistance Suspension Status - This status is assigned to students who are no longer eligible for financial assistance due to their failure to meet the Standards of Academic Progress after a probationary provisionary status period.

## **SECTION 4. POLICY**

### 4.1 Cumulative Grade Point Average and Hours Attempted

- 4.1.1 Students who receive financial assistance must maintain an overall 2.00 cumulative grade point average and complete at least 65% of all hours attempted, including hours transferred from other institutions.
- 4.1.2 Financial assistance recipients who fail to meet the Standards of Academic Progress will be notified in writing that they are on Financial Assistance Warning Status. An appeal for probationary status must be signed and received in the Financial Assistance Office.
- 4.1.3 Students who are placed on Financial Assistance Probationary Status who completes all of the hours for which they enroll, with a grade of “D” or above, but have not maintained an overall grade point average of 2.00, may continue on Financial Assistance Probationary Status for the next enrollment period.
- 4.1.4 Students who do not meet the Standards of Academic Progress who fails or who withdraws from a class will no longer be eligible to receive financial assistance. These students will be placed on Financial Assistance Suspension Status.
- 4.1.5 Financial Assistance Suspension Status continues until students meet the minimum Standards of Academic Progress.

### 4.2 Program Completion

- 4.2.1 Students who receive financial assistance will be permitted to attempt no more than 150% of the hours required for graduation in their particular program of study. At the end of each semester, students’ progress toward their degree will be reviewed. All course work attempted will be considered in the calculation for meeting program completion requirements.
- 4.2.2 Students who are unable to complete a degree or a certificate in the allotted length of time may request an appeal for additional hours. Students must submit, in writing, an appeal form stating the circumstances that prevent the completion of their hours along with an educational plan. ~~Students who are granted an appeal must be able to complete degree or certificate requirements within one semester.~~
- 4.2.3 A committee composed of the Registrar, The ~~Dean~~ Director of Enrollment Management and Student ~~Development~~ Engagement, and the Director of Student Financial Assistance will review all appeals.

## **SECTION 5. BACKGROUND OR EXCLUSIONS**

- 5.1 None

## **SECTION 6. GENERAL PROVISIONS**

- 6.1 None

**SECTION 7. RESPONSIBILITIES ~~AND PROCEDURES~~**

7.1 The Financial Assistance Office is responsible for this policy.

**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.~~ SCP-4274.A, *Financial Assistance Appeal*

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

**Revision Notes:**    April 2011 - Revisions reflect changes in procedure and documentation to meet July 1, 2011, Title IV requirements.

December 2015 - Revisions reflect changes in procedure and documentation to meet July 1, 2015 Title IV requirements. The Financial Assistance Appeal form was added as a policy attachment.

**Southern West Virginia Community and Technical College  
Financial Assistance Appeal**

Please complete this form and submit all corresponding documentation (Letter of Reasoning and Education Plan completed by the advisor) to the Office of Financial Assistance.

Semester: \_\_\_\_\_ Year: \_\_\_\_\_

Name: \_\_\_\_\_ ID#: \_\_\_\_\_

Basis of Appeal (mark all that apply):

- Death of relative
- Exceeded 90 hour limit
- An injury or illness
- Suspended from Financial Assistance
- Other (explain below)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

---

Educational Goals:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- If approved, I understand that I will not be able to withdraw or fail any class that I chose to take that follows my education plan, I will not be eligible for any financial assistance. I understand it is my responsibility to obtain all required information before submitting the appeal form.
- Federal regulations allow students to receive federal assistance up to 150% of my required degree. I understand extensions will be granted on a case-by-case basis.
- By signing this application, I am stating that I understand the requirements and responsibilities in requesting additional hours for graduation. Also, I understand that if I was suspended from financial assistance this appeal (if approved) will allow me to continue with financial assistance if I keep the requirements of this appeal.

---

Student Signature \_\_\_\_\_ Date \_\_\_\_\_

Advisor's Use Only

Current Major: \_\_\_\_\_

Does the student currently have a degree?  YES  NO

If yes, what degree?: \_\_\_\_\_

Current Hours Attempted \_\_\_\_\_ Completed \_\_\_\_\_ GPA \_\_\_\_\_

\_\_\_\_\_  
Advisor Signature Date

Office of Financial Assistance Use Only

Application complete?  YES  NO

All documentation attached?  YES  NO  
(Appeal Form, Letter of Reasoning, Education Plan)

Decision:  Approved  Declined

Reason for decision:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Director of Financial Assistance Date

Student Notified:  Email  RHACOMM

\_\_\_\_\_  
Financial Assistance Staff Initials Date

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE  
BOARD OF GOVERNORS  
MEETING OF FEBRUARY 16, 2016**

**ITEM:** Request for approval for revisions to SCP-4770, *Student Rights and Responsibilities*.

**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:**

SCP-4770, *Student Rights and Responsibilities*, was reviewed and approved by the Management Council for Academic Affairs and Student Services (MCAS) at their December 17, 2015, meeting.

Revisions provide clarity, reflect title changes, and update the West Virginia code reference.

Based on the deliberation and recommendation of MCAS, the staff member requests that SCP-4770, *Student Rights and Responsibilities*, be advanced to Southern's constituents 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 and by President's Cabinet at their January 2016 meetings.



**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE  
BOARD OF GOVERNORS  
SCP-4770**

**SUBJECT:** Student Rights and Responsibilities

**REFERENCE:** West Virginia Code §18B-1-6 to 7

**ORIGINATION:** April 16, 2002

**EFFECTIVE:** April 16, 2002

**REVIEWED:** ~~February 2011~~ December 15, 2015

**SECTION 1. PURPOSE**

1.1 The purpose of this policy includes, but is not limited to, the following:

- 1.1.1 To establish a general policy on student life, including a statement on student rights and responsibilities, at Southern West Virginia Community and Technical College (the “College”);
- 1.1.2 To establish a code of conduct that identifies behavioral expectations of students and specifies certain prohibited acts by students at the College;
- 1.1.3 To prescribe penalties and sanctions for such prohibited conduct;
- 1.1.4 To prescribe disciplinary actions and proceedings to be taken in cases of the violations of this policy; and
- 1.1.5 To generally define the powers, authority and duties to be exercised by the President and other officials of the College in applying this policy, pursuant to the control of the College’s Board of Governors.

**SECTION 2. SCOPE AND APPLICABILITY**

2.1 This policy establishes the rules regarding student rights, responsibilities and conduct at the College.

**SECTION 3. DEFINITIONS**

- 3.1 President – The President of the College and all those acting for or on behalf of the President or at the direction of the Board of Governors.
- 3.2 Activity – Any and all operations conducted, sponsored, promoted, operated or otherwise engaged in by the College, including (by way of illustration and not as a limitation of the foregoing) classroom and course activity, recreational and cultural programs, maintenance and building programs, committee and other business activity, registration, advising, teaching, admissions, placement, discipline, routine office activity, research and service.
- 3.3 Property – Any property whether owned, rented or otherwise held or used by the Board of Governors, by the

College or by a member of the College community.

- 3.4 Facility – Any and all property of the College used or usable in any activity of the College.
- 3.5 Campus – All the property and facilities of the College serving as the *locus in quo* of any activity of the College.
- 3.6 Faculty – Those employees of the ~~Board of Governors~~ College who are assigned to teaching or research or service functions at the College and who hold academic rank.
- 3.7 Staff – Those employees of the ~~Board of Governors~~ College who are assigned to teaching or research or service functions at the College and who are not members of the faculty.
- 3.8 Student – Any person who is registered and attending classes at the College to pursue a course of study, research or service; who is currently engaged in an institutionally sponsored activity and who has some right or privilege to be on the campus or in the facilities of the College or to use the same in connection with study, research or service; or who yet has some right or privilege to receive some benefit, recognition or certification from the College under the rules, regulations or policies of the Board of Governors.
- 3.9 College Community – All officers, administrators, faculty members, staff members, employees, students of or at the College, Board of Governors members and other persons authorized to participate in institutional activities at the time applicable.
- 3.10 Probation – Exclusion from participation in certain College activities, property or facilities for a definite stated period of time, subject to being conditioned upon compliance with policies, rules and regulations or another specified activity during the probation period.
- 3.11 Suspension – Exclusion from all institutional activities for a definite stated period of time up to one academic year, subject to the imposition of conditions.
- 3.12 Expulsion – Termination of all student status, including any remaining right or privilege to receive some benefit or recognition or certification of the College, subject to a statement of conditions for readmission, if the student is deemed eligible for readmission.

#### **SECTION 4. POLICY**

- 4.1 The submission of an application for admission to the College represents an optional and voluntary decision on the part of the prospective student to partake of the program and privileges offered by the College pursuant to the policies, rules and regulations of the Board of Governors. Institutional approval of that application, in turn, represents the extension of a right or privilege to join the College community and to remain a part of it so long as the student fulfills the academic and the behavioral expectations that are set forth in the policies, rules and regulations of the Board of Governors.
- 4.2 Among student rights and responsibilities are the following:
  - 4.2.1 Freedom of expression and assembly – Students enjoy the essential freedoms of scholarship and inquiry central to all institutions of higher education. In exercising these freedoms students have particular rights and responsibilities, including but not limited to the following:
    - 4.2.1.1 To have access to campus resources and facilities;

- 4.2.1.2 To espouse causes;
  - 4.2.1.3 To inquire, discuss, listen to and evaluate;
  - 4.2.1.4 To listen to any person through the invitation of organizations recognized by the College;
  - 4.2.1.5 To not violate the rights of others in matters of expression and assembly; and
  - 4.2.1.6 To abide by the policies, rules and regulations of the Board of Governors and federal, state and local laws pertaining to freedom of expression and assembly.
- 4.2.2 Freedom of association – Students may organize whatever associations they deem desirable and are entitled to affiliate with any group or organization for which they meet membership qualifications. However, institutional recognition of student organizations shall be limited to those whose purposes comport with the educational mission of the College.
- 4.2.3 Right to privacy – Students are entitled to the same safeguards of the rights and freedoms of citizenship as are afforded those outside the College community, including but not limited to the following:
- 4.2.3.1 ~~Privileged Confidential~~ one-to-one communication with faculty, administrators, ~~counselors staff~~ and other institutional functionaries;
  - 4.2.3.2 Respect for student property, including freedom from unreasonable and unauthorized searches;
  - 4.2.3.3 Confidentiality of academic and disciplinary records as outlined by the Family Education Rights and Privacy Act (FERPA); and
  - 4.2.3.4 Assurance that legitimate evaluations will be made from student records.
- 4.2.4 Responsibilities of citizenship – Students are expected, as are all citizens, to obey local, state and federal statutes. As members of the College community, students also are expected to obey the College’s code of conduct.
- 4.2.5 Right to due process – Disciplinary proceedings for students accused of committing offenses must be consistent with such constitutional provisions guaranteeing due process of law as are applicable to the proceedings. In all disciplinary proceedings, students shall be considered innocent until proven guilty of any charge.

**SECTION 5. BACKGROUND OR EXCLUSIONS**

- 5.1 Any authority, responsibility or duty granted to or imposed upon the President by this policy may be delegated by the President, subject to the control of the Board of Governors, to a member or members of the faculty, staff or student body of the College. All people concerned in a matter involving the delegation of authority, responsibility or duty by the President shall be required to deal with the person or persons to whom the authority, responsibility or duty was delegated, except on appeal to the President as specified by the President.
- 5.2 The President, with the advice of faculty, staff and students and subject to the control of the Board of Governors, shall develop, promulgate and use disciplinary regulations and channels consistent with this

policy.

- 5.3 The President possesses the discretion to impose sanctions following disciplinary proceedings. Depending on the violation, such proceedings may result in expulsion, suspension, probation or some other appropriate sanction of lesser severity.
- 5.4 Normally, a student facing suspension or expulsion from the College will be entitled to a hearing and, in certain cases, appeal prior to the imposition of the sanction. However, a student may be temporarily suspended pending final action on the charges when the student's continued presence at the College would constitute a potential for serious harm to self or to the safety of other members of the College community or when the student repeatedly causes serious disruptions of College activities. Such temporary suspension shall be followed by prompt disciplinary proceedings consistent with this policy.
- 5.5 Because of time lapses during an appeal process, sanction enforcement in the affected semester may be impossible. In that event, the following actions may occur:
  - 5.5.1 Whenever possible and if appropriate, the sanction shall be applied to the semester in progress at the time of the completion of the appeal.
  - 5.5.2 If the sanction cannot be implemented during that semester, then it shall be applied during the next regular semester.
  - 5.5.3 If the student has completed the course of study during the pendency of the appeal, the sanctions, where possible, shall be carried out retroactively to affect the records of that student during the semester designated in the original sanction.
  - 5.5.4 In any event, the student may not be graduated during the process of appeal.
- 5.6 Students who commit off-campus violations of local, state or federal laws may be subject to discipline under this policy if it is established that there is a connection between the off-campus conduct and the safe and orderly operation of the College.
- 5.7 A sanction of suspension or expulsion for disciplinary (not academic) reasons imposed by any public college or university in West Virginia shall apply to the person sanctioned not only at the institution where the sanction was imposed, but shall also be effective at the College. A student who was expelled from another public college or university in West Virginia for disciplinary reasons may not be considered for admission to the College for one year from the date when the expulsion was imposed.

## **SECTION 6. GENERAL PROVISIONS**

- 6.1 The College assumes that students are mature, responsible individuals who have voluntarily entered the institution for educational advancement. As a part of helping students reach their goals, the College seeks to develop responsible student behavior through the following code of conduct.
- 6.2 Under this code of conduct, suspension or expulsion generally shall be limited to conduct that adversely affects the College community's pursuits of its educational objectives. The following misconduct on the College campuses, facilities or property or at College activities is subject to suspension or dismissal:
  - 6.2.1 Engaging in any form of dishonesty, including cheating, plagiarism, knowingly furnishing false information to the College, and forgery, alteration or use of College documents or instruments of identification with intent to defraud;

- 6.2.2 Disrupting or obstructing College activities by any means, including intentionally causing inconvenience, annoyance or alarm among members of the College community;
- 6.2.3 Engaging in physical and/or psychological abuse or threatening such abuse of any persons, including but not limited to fighting and engaging in assault or battery;
- 6.2.4 Participating in or inciting a riot or an unauthorized or disorderly assembly;
- 6.2.5 Seizing, holding, commandeering or damaging any property or facilities of the College, or threatening to do so, or refusing to depart from any property or facilities of the College upon direction of College officials or the President;
- 6.2.6 Using alcoholic beverages, including the purchasing, consuming, possessing or selling of such items;
- 6.2.7 Gambling or holding a raffle or lottery, except in cases with specific prior approval of the President;
- 6.2.8 Possessing, using, selling or distributing any type of drugs for illegal purposes;
- 6.2.9 Possessing any dangerous chemical or explosive elements or component parts thereof not used for lawful College studies, including but not limited to rifles, shotguns, pistols, revolvers, other firearms and weapons, without authorization from the President.
- 6.2.10 Physically detaining or restraining any other person, removing such persons from any place where that person is authorized to remain or otherwise obstructing the free movement of persons or vehicles;
- 6.2.11 Littering, defacing, destroying or damaging property or removing or using such property without authorization;
- 6.2.12 Misusing the West Virginia Computer Network and the College Computer System, including but not limited to the following:
  - 6.2.12.1 Disrupting or interfering with the normal use of the computers, computer-related equipment, data or programs of individuals, the Network or the College Computer System;
  - 6.2.12.2 Using this equipment, data or programs in performance of any act listed as prohibited by this code of conduct;
  - 6.2.12.3 Attempting to breach security in any manner; or
  - 6.2.12.4 Using a computer account for other than the purpose for which it was assigned;
- 6.2.13 Engaging in an act of hazing;
- 6.2.14 Willfully encouraging others to commit any of the acts prohibited by this code of conduct;
- 6.2.15 Interfering with the rights of any other member of the College community;
- 6.2.16 Violating any local, state or federal laws; or
- 6.2.17 Violating any rules or regulations not contained in this code of conduct but announced as

administrative edict by the President.

## **SECTION 7. RESPONSIBILITIES AND PROCEDURES**

- 7.1 Students subject to suspension or expulsion for disciplinary violations are assured safeguards to their rights through the elements of due process given below. Each of these students will receive:
- 7.1.1 Written notice of a disciplinary action including a statement of charges and grounds that, if proven, justify suspension or expulsion;
  - 7.1.2 A hearing using defined procedures before the College's Judicial Board, an impartial body;
  - 7.1.3 Notice of the date, time and place of the hearing, which will be given two weeks prior to the hearing so that the accused student can adequately prepare to counter the charges before the hearing;
  - 7.1.4 Names of the witnesses against the accused student;
  - 7.1.5 A statement of the facts and evidence to be given in support of the charges, made with sufficient clarity to reasonably disclose the time and place of the alleged occurrence and the actions or behavior complained of;
  - 7.1.6 Advance inspection by the accused student of the College's affidavits and/or exhibits against the student;
  - 7.1.7 Opportunity to present to the Judicial Board a defense against the charges;
  - 7.1.8 Opportunity to produce either oral testimony or written affidavits of witnesses in support of the student;
  - 7.1.9 The right to be accompanied by an advisor at the hearing;
  - 7.1.10 Opportunity to question any witnesses against the accused student at the hearing;
  - 7.1.11 A decision on discipline based solely on the evidence in the record judged under the preponderance of the evidence standard;
  - 7.1.12 A report on the results and findings of the hearing;
  - 7.1.13 A complete and accurate written record of the hearing prepared by a qualified stenographer or court reporter, if desired, at the student's expense, and;
  - 7.1.14 Opportunity to appeal the decision to the Board of Governors if expulsion is imposed.

- 7.2 Alleged disciplinary violations, depending on the nature of the violation, shall be referred to the College's Chief Academic Officer or Chief Student Services Officer. The Officer or designee shall collect evidence, contact any witnesses, notify the accused student of all charges against the student, arrange for an impartial hearing and notify the accused student and witnesses of the date, time and place of the hearing. The Officer shall hold the hearing and impose sanctions or, if the alleged violation involves possible suspension or expulsion, refer the matter to the College's Judicial Board.
- 7.3 The Judicial Board shall consist of three faculty members and two students. Judicial Board members will be selected on a case-by-case basis and must be able to adjudicate the matter with impartiality. The faculty members will be selected by the Chief Academic Officer. The student members will be selected by the Chief Student Services Officer, in consultation with the ~~Counselor~~ Student Services staff and student government representatives at the campus where the proceeding will take place. Whenever possible, proceedings shall be held on the campus most closely related to the alleged violation or the accused student. The members of the Judicial Board shall select their own chairperson. As needed, the Chief Academic Officer shall name alternate faculty members and the Chief Student Services Officer shall name alternate student members to the Judicial Board.
- 7.3.1 The Judicial Board shall have jurisdiction and authority to:
- 7.3.1.1 Hear evidence in disciplinary cases;
  - 7.3.1.2 Make findings of fact from the evidence presented;
  - 7.3.1.3 Make recommendations to the President based upon such findings as to the disposition of the disciplinary action, including any sanctions to be imposed; and
  - 7.3.1.4 Refer matters not involving potential suspension or expulsion back to the Chief Academic Officer or Chief Student Services Officer.
- 7.4 In disciplinary matters not involving possible suspension or expulsion, the following processes will be used:
- 7.4.1 In addition to the requirements stated above in Paragraph 7.2, the Chief Academic Officer or Chief Student Services Officer handling the matter shall ensure that the accused student receives such procedural safeguards as due process requires in accordance with the seriousness of the alleged violation and of the possible sanctions or consequences arising therefrom.
  - 7.4.2 The decision of the Officer may be appealed through a Student Grievance Committee in accordance with normal student grievance procedures.
- 7.5 In disciplinary matters involving suspension or expulsion, the following processes will be used:
- 7.5.1 The accused student shall be notified in writing within two weeks of an alleged violation, or of the date when the College first learns of an alleged violation, of the violation for which the student is subject to discipline. The Chief Academic Officer or Chief Student Services Officer or designee will serve this notice upon the accused student by handing a copy to the student in person or by mailing, via certified mail, a copy to the mailing address last noted in the student's official College records.

- 7.5.1.1 The College will make every effort in the serving of the notice. However, it is expressly provided that the service of such notice shall not be defective if the accused student shall have hidden, refused mail or failed to notify the College of the student's current mailing address. In such cases, the hearing may proceed without hindrance or delay.
- 7.5.2 The notice to the accused student shall include at least the following:
  - 7.5.2.2 A statement of the policy, rule or regulation which the student is alleged to have violated;
  - 7.5.2.3 A statement of the facts and evidence to be presented in support of the charges, which a statement must be made with sufficient clarity to reasonably disclose the time and place of the alleged occurrence and the actions or behavior complained of;
  - 7.5.2.4 A statement that a hearing on the charges will be held before the Judicial Board, and a statement of the date, time and place of the hearing; and
  - 7.5.2.5 Information on the student's right to have an advisor present at the hearing at the student's own expense, provided that the student notifies the College at least five days prior to the hearing that an advisor will be present at the proceedings. The student's failure to provide such notification within five days of the hearing may result in a continuance of the proceedings.
- 7.5.3 The hearing shall be held at the date, time and place specified in the notice, unless postponed by the Judicial Board for good cause shown either by the accused student or by the College.
- 7.5.4 All charges should possess sufficient validity to allow the Judicial Board to meet and in good conscience and with impartiality consider related evidence. The hearing shall be conducted in such a manner as to do justice and shall be subject to the following minimum requirements.
  - 7.5.4.1 The accused student shall have the right to be accompanied at the hearing by an advisor. Unless specifically permitted by name by the hearing body, such advisor may not be a person other than the student's parent or guardian, another student at the College, a member of the College's faculty or staff, or an attorney representing the accused student. During the hearing, an advisor may consult with the accused student but may not speak on behalf of the accused student or otherwise participate directly in the proceedings, unless given specific permission to do so by the Judicial Board.
  - 7.5.4.2 All material evidence may be presented subject to the right of cross examination of the witnesses.
  - 7.5.4.3 There shall be a complete and accurate record of the hearing prepared by a qualified stenographer or court reporter, at the student's expense, if desired.
  - 7.5.4.4 The accused student shall be entitled to be present throughout the presentation of the evidence, testimony of the witnesses and arguments of the parties, to be informed before the hearing of the substance of expected testimony of witnesses against the student and to have the witnesses present at the hearing at appropriate times, and to present witnesses and evidence on the student's own behalf as may be relevant and material to the case.



- 7.5.5 The College may be represented by an advisor. Counsel retained by the College may participate only in an advisory capacity and may not speak on behalf of the College or otherwise participate directly in the proceedings, unless given specific permission to do so by the Judicial Board.
- 7.5.6 The accused student and the Judicial Board members shall be present for the entire proceeding. However, witnesses may be called and excused throughout the hearing. The hearing shall be closed to all others.
- 7.5.7 After the hearing, the Judicial Board shall make findings of fact and a recommendation to the President for the disposition of the case and any sanctions to be imposed. The Judicial Board's recommendation shall be based upon proof of the alleged violation by a preponderance of the evidence.
- 7.5.8 No recommendation by the Judicial Board to the President for the imposition of sanctions against a student may be based solely on the failure of the student to answer charges or appear at the hearing. In such cases, the evidence in support of the charges shall be presented, and the Judicial Board's recommendation shall be based upon proof of the alleged violation by a preponderance of the evidence.
- 7.5.9 The accused student shall also be notified of the Judicial Board's recommendation and advised of the right to request an appeal to the President within two weeks of the receipt of the recommendation. The President shall within ten working days review the facts of the case and take such action as may be appropriate under all the circumstances.
- 7.5.10 Except in cases that involve expulsion, the decision of the President shall be final.
- 7.5.11 If a student wishes to appeal an expulsion, the student must within three working days indicate to the President in writing an intent to appeal the expulsion to the Board of Governors.
- 7.6 The Board of Governors may, from time to time, require the President to report on disciplinary actions or proceedings over a period of time or on a specific case or cases. These reports shall be in such form as the Board of Governors may require.
  - 7.6.1 In disciplinary cases where expulsion was imposed, the Board of Governors may grant the expelled student's request for appeal.
    - 7.6.1.1 If the Board of Governors determines that the appeal will not be heard, the decision of the President is affirmed, and the expulsion shall be effective upon the President's receipt of the Board of Governors' statement of denial of the appeal.
    - 7.6.1.2 If the appeal is granted, the expulsion shall be stayed until the Board of Governors makes a final decision after a review of the case. In the event the decision of the President is affirmed after such review, the student-appellant shall be notified by certified mail, and the expulsion shall be effective immediately upon concurrent notification to the President.
    - 7.6.1.3 In considering student appeals, the Board of Governors will review all relevant information and records of applicable disciplinary proceedings to ensure that due process has been afforded. The Board of Governors may take such action as it deems reasonable and proper in view of all the circumstances and in answer to its responsibilities under the law.

**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 may recommend 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 Note:**        September 20, 2005 – No revisions; three-year review only.

February 2011 – Policy was reformatted to new SCP format. Revisions provide clarity.

December 2015 – West Virginia Code §18B-1-7 has been repealed. Additional revisions provide clarity and title changes.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE  
BOARD OF GOVERNORS  
MEETING OF FEBRUARY 16, 2016**

**ITEM:** Request for Approval of Revisions to SCP-5050  
Assessment, Payment, and Refund of Fees

**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 30-day comment period.

**STAFF MEMBER:** Sam Litteral

**BACKGROUND:**

The Vice President for Finance and Administration Unit was charged with the review of SCP-5050, Assessment, Payment, and Refund of Fees. This policy establishes policy relating to assessment, payment, and refund of tuition and or fees.

The policy was reviewed by Executive Council on January 06, 2016 and the President's Cabinet on January 23, 2016. Following these reviews, 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-5050**

**SUBJECT:** Assessment, Payment, and Refund of Tuition and Fees

**REFERENCE:** West Virginia Code §18B-10-1; Title 133, Legislative Rule, West Virginia Higher Education Policy Commission, Series 32, Tuition and Fee Policy; SCP-4192, Administrative Withdrawal and Administrative Drop of Students.

**ORIGINATION:** January 15, 2002

**EFFECTIVE:** February 19, 2002

**REVIEWED:** ~~January 11, 2011~~ January 6, 2016

**SECTION 1. PURPOSE**

1.1 To establish policy relating to the assessment, payment, and refund of tuition and/or fees.

**SECTION 2. SCOPE AND APPLICABILITY**

2.1 This policy applies to all students in matters related to payment and refund of tuition and/or fees in credit and non-credit courses, training sessions, or other activities where tuition or fees are assessed.

**SECTION 3. DEFINITIONS**

- 3.1 Traditional ~~Period~~ Term – The standard fall, spring, and summer ~~trimester~~ semester/term.
- 3.2 Non-traditional ~~Period~~ Term – Any term or part of term other than a standard ~~trimester~~ semester/term
- 3.3 Installment Payment Plan Option – A payment plan option provided to assist students in paying tuition and fees over a specified period of time.
- 3.4 Complete Withdrawal – To receive a refund a student must withdraw from all courses, both traditional and non-traditional, leaving zero hours registered for the semester/term.
- 3.5 Administrative Withdrawal – A decision by the college to withdraw a student from an academic credit based course or courses for emergency reasons, or disciplinary reasons.

**SECTION 4. POLICY**

4.1 The College shall operate on a strictly cash basis with all payments and obligations being collected prior to the start of classes except as provided in this rule.

**SECTION 5. BACKGROUND OR EXCLUSIONS**

5.1 Exceptions may be granted where a bona fide third-party agency has provided authorization in writing that payment will be made for the student.

- 5.2 Exceptions may be granted for late financial assistance disbursements for situations at no fault of the student.
- 5.3 Exceptions may be granted for students who enroll in the College's Installment Payment Plan Option.
- 5.4 All exceptions to this policy must be approved by the ~~Chief Financial Officer~~ Vice President for Finance and Administration or other College Officer that may be designated by the President before a refund may be processed. Any decision to reduce or deny a refund may be appealed through the established process for appeals.

## SECTION 6. GENERAL PROVISIONS

### 6.1 ~~Fee Charges~~ Tuition and Fees

- 6.1.1 Students enrolled for twelve or more credit hours pay the maximum charges in the tuition and fee category.
- 6.1.2 Students enrolled for less than twelve credit hours in a ~~regular~~ traditional semester/term shall have their fees reduced pro rata based upon one-twelfth of the full-time rate per credit hour.
- 6.1.3 Fees for students enrolled in traditional summer term or ~~other any~~ non-traditional time periods- term shall be prorated based upon the number of credit hours for which students enroll.
- 6.1.4 The College reserves the right to establish and collect certain special fees for designated purposes separate from and above those identified in the regular fee schedule. Some of these fees may not be refundable.
- 6.1.5 All regular and special fees charged by the College shall be identified separately and published so they are readily available to all students.
- 6.1.6 Fees shall be established and charged for all non-credit economic, workforce, and community development courses in an amount to ensure that the offering is self-supporting, including indirect cost.

### 6.2 Refund of Regular Fees

- 6.2.1 The following schedule for calculating refunds shall be adhered to for those students who withdraw from the institution via the official withdrawal process and who are eligible to receive refunds. Students qualify for a full refund (100%) of tuition/fees, if they drop any or all of their courses prior to the start of classes for the ~~trimester~~ semester/term. Once classes begin for the ~~trimester~~ semester/term, there are only two ways a student may qualify for a tuition/fee refund. The first is to completely withdraw from the institution for the semester/term (this means carrying zero credit hours for the ~~trimester~~ semester/term). This includes any courses that have not started for the semester/term, including all ~~Part-of-Term~~ non-traditional courses. The second way to qualify for a refund is if the institution cancels a course. The student will get a 100 percent (100%) refund for any course that is canceled.

6.2.1.1 Any student who has received an administrative withdrawal due to disciplinary action will not be eligible for a refund at any time during the semester.

6.2.1.2 ~~All Students~~ Refund Schedule - A student who begins a term and withdraws after

completing up to (1) week or ten percent (10%) of the term is entitled to a refund of ninety (90%) of the charges;

<b>Fall, Spring and Summer Trimester Terms</b>	<b>% Refund</b>
Prior to first day	100%
During 13% of the term	90%
From 14% to 25% of the term	70% <u>75%</u>
From 26% to 38% of the term	50%
After 38% of the term	No Refund

6.2.1.3 There will be no refund for non-traditional courses after classes begin. A student who withdraws after completing more than ten percent (10%) through twenty-five percent (25%) of the term is entitled to a refund of seventy-five percent (75%) of the charges;

6.2.1.4 A student who withdraws after completing more than twenty-five percent (25%) through fifty percent (50%) of the term is entitled to a refund of fifty percent (50%) of the charges;

6.2.1.5 A student who withdraws after completing more than fifty percent (50%) of the term is not entitled to a refund.

~~6.2.2 Should the percentage calculation identify a partial day, the entire day should be included in the higher refund period.~~

~~6.2.3 All refunds will be calculated from the first day of classes of a given traditional trimester.~~

~~6.2.4 Refunded fees must be returned in accordance with the requirements of the Higher Education Act whenever Title IV funds are involved.~~

~~6.2.5 A withdrawal fee may be charged by the institution not to exceed 5 percent (5%) of the total student fees charged for the term or one hundred dollars (\$100.00 ), whichever is less.~~

~~6.2.6 Refunds are automatically processed and paid for classes dropped prior to the first day of the trimester.~~

~~6.2.7 Cancelled classes are refunded unless the fees are transferred to cover an alternative class during the same trimester.~~

### 6.3 Registration Period – Late Fee

6.3.1 A formal registration period shall be established for registering into non-traditional courses such as evening, weekend, off campus, extension and other special classes. Due to the differing duration of these courses, the registration and late registration periods should be considered and established on a case-by-case basis. A late fee of not to exceed thirty dollars (\$30) shall be imposed on all late registrants.

### 6.4 Installment Payment Plans

6.4.1 Installment payment plans will be offered for fall and spring traditional semesters/terms ~~and summer terms~~. ~~All available financial aid for the term must be credited to the student's account prior to determining the initial 60 percent (60%) payment.~~ After all financial aid is applied to the student's account, at least 60 percent (60%) of the student tuition and fees must be paid prior to the start of classes. The remaining balance (40%), including interest, must be paid prior to the end of the sixth week of classes. Failure to do so will prohibit a student from having this payment option in the future. Interest and/or a service fee, on the remaining 40 percent (40%) may be charged at a rate not to exceed the legal limit.

6.5 Use of Credit Cards

6.5.1 The use of credit cards for payment of student tuition and fees is authorized under the statewide contract initiated by the State Board of Investments or under an alternate program that may be approved by the Board of Governors. To the extent allowed by a law or policy of the credit card company, the College may impose a surcharge on credit card payments equal to any amount that may be imposed by the credit card company as a service fee.

**SECTION 7. RESPONSIBILITIES**

7.1 The Finance Unit is responsible for this policy.

**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**

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**Board of Governors Chair**                      **Date**

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**President**    **Date**

**Attachments:**            None.

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

**Revision Notes:**        January 11, 2011 – Revisions reflect no substantial changes in procedure or documentation requirements. Revisions provide clarity and reflect changes in management responsibilities.

May/June 2011 – Policy revisions provide clarity and reflect changes in management responsibilities.

November 2015 – This policy was revised to comply with *Title 133, Legislative Rule, West Virginia Higher Education Policy Commission, Series 32, Tuition and Fee Policy*.

January 2016 – Policy revisions provide clarity and reflect changes in managements titles.



**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE  
BOARD OF GOVERNORS  
MEETING OF FEBRUARY 16, 2016**

**ITEM:** Request for Approval of Revisions to SCP-5830,  
Use of Southern West Virginia Community and  
Technical College Vehicles

**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:** Sam Litteral

**BACKGROUND:**

The Vice President for Finance and Administration Unit was charged with the review of SCP-5830, Use of Southern West Virginia Community and Technical College Vehicles. The purpose of this policy is to promulgate the regulations governing the assignment of college owned, leased, or rented vehicles and reimbursement of travel and expenses.

The policy was reviewed by Executive Council on January 06, 2016 and the President's Cabinet on January 23, 2016. Following these reviews, 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-5830**

**SUBJECT:** Use of Southern West Virginia Community and Technical College Vehicles

**REFERENCE:** None

**ORIGINATION:** January 28, 1991

**EFFECTIVE:** January 28, 1991

**REVIEWED:** ~~January 5, 2010~~ January 6, 2016

**SECTION 1. PURPOSE**

- 1.1 To promulgate the regulations governing the assignment of college owned, leased, or rented vehicles and the reimbursement of travel and expenses.

**SECTION 2. SCOPE AND APPLICABILITY**

- 2.1 This issuance applies to all ~~employees~~ authorized drivers of Southern West Virginia Community and Technical College.

**SECTION 3. DEFINITIONS**

- 3.1 Authorized Driver – An employee or anyone approved by the Vice President for Finance and Administration or his designee who has a proper driver's license and has passed or successfully completed the required safe driver's test. Newly hired employees are required to pass mandatory tests when available, but can drive with a valid driver's license until the driver's test is made available to them.
- 3.2 Employees – Everyone ~~that~~ who is on Southern's payroll except for those whose primary role is a student at the institution.

**SECTION 4. POLICY**

- 4.1 Any ~~Southern employee~~ authorized driver using a college vehicle must be authorized to drive and must possess a valid driver's license at the time the vehicle is assigned.
- 4.2 ~~Employees~~ Authorized drivers are prohibited from using college vehicles for personal use and transporting unauthorized passengers.
- 4.3 Permission to transport passengers who are not college employees or students must be obtained from the Director of Campus Operations or ~~Chief Financial Officer~~ Vice President for Finance and Administration.
- 4.4 The operation of college vehicles is under the jurisdiction of the Director(s) of Campus Operations.
- 4.5 Requests for travel reimbursements may be denied to ~~employee~~ authorized drivers who use their personal vehicles for travel when a college vehicle is available.

4.6 The vehicle log sheet must be completed prior to and at the conclusion of the use of the vehicle.

## **SECTION 5. BACKGROUND OR EXCLUSIONS**

5.1 None.

## **SECTION 6. GENERAL PROVISIONS**

6.1 It shall be unlawful for any ~~employee~~ authorized driver to drive a college-owned vehicle while under the influence of alcohol or illegal drugs. Driving while taking prescription drugs or any other substance that results in impairment of an individual's judgement and ability to safely operate a vehicle are also prohibited. ~~Employees~~ Authorized drivers must also follow all other state laws.

6.2 Use of any tobacco, smokeless or otherwise, is strictly prohibited. This applies to both drivers and passengers in college vehicles.

6.3 All college owned or leased vehicles shall be maintained and serviced routinely with the goal of providing safe and functional vehicles for users. All vehicles are required to have an annual inspection.

## **SECTION 7. RESPONSIBILITIES**

7.1 Responsibilities

7.1.1 Each ~~employee~~ authorized driver is responsible for all fines and penalties incurred while operating a college vehicle. Fines and penalties are not reimbursable expenses.

7.1.2 In case of an accident, the driver must complete an Accident Report Form (RMI-1) immediately. A copy of the form is placed in the glove compartment of each vehicle. Specifically, the driver will:

7.1.2.1 Call the police.

7.1.2.2 Not assume responsibility for the accident.

7.1.2.3 Protect his/her person.

7.1.2.4 Protect the vehicle from further damage.

7.1.2.5 Request medical assistance if needed.

7.1.2.6 Identify other persons, including witnesses, involved in the accident.

7.1.2.7 Record details of the accident, including the extent of injuries and property damage, and how the accident occurred.

7.1.2.8 Upon return to work, provide the Director of Campus Operations with the completed RMI-1 within two (2) calendar days.

7.1.3 Each ~~employee~~ authorized driver is responsible for reporting to the Director of Campus Operations, any problems, malfunctions, or mechanical issues experienced while using the vehicle.

**SECTION 8. CANCELLATION**

7.2 None.

**SECTION 9. REVIEW STATEMENT**

7.3 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:**    January 2010 – Revisions reflect no substantial changes in procedure or documentation requirements. Revisions provide clarity and reflect changes in management responsibilities. Form was streamlined.

January 2016 – Revisions reflect no substantial changes in procedure or documentation. Revisions provide clarity and reflect changes in titles.