Elements of a Financial Plan

A Financial Improvement Plan details the institution’s financial objectives, outlines how the institution plans to achieve compliance with Chapter IV.B. of the Accreditation Manual, and specifies timelines for when compliance will be achieved. Here are several specific items that could be included in your plan for review by the Commission.

1) **Revenue Management** – Available revenues and resources

2) **Cash and Investments** – Effective cash management; investment returns on funds not immediately required that can provide significant source of revenue

3) **Reserves** – Maintenance of reserves for unanticipated expenditures or unforeseen emergencies; provision of adequate working capital for current operating needs to avoid short-term borrowing

4) **Operating Budget and Compensation Philosophy** – Realistic projection of budget needs

5) **Capital Improvement Plan** – Realistic projection of improvements, acquisitions, etc.

6) **Debt Management** – Adequate resources available for repayment of debt; this is an integral part of financial management of an institution

7) **Accounting, Auditing and Financial Reporting** – Key to providing accurate, current and meaningful information to key management staff; consistency with timely, monthly, quarterly and/or yearly (annual) financial reports

8) **Compliance with Government Requirements** – Cohort Default rate; 90/10; Program Reviews; Financial Aid Compliance Audits

9) **Risk Management** – A plan that manages risks of loss encountered in everyday operations; helps maintain integrity and financial stability of an institution