

MARICOPA COMMUNITY COLLEGES
Community Member Blue Ribbon Panel on Internal Controls
Report to the Maricopa Community Colleges Governing Board and Chancellor

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MARICOPA COMMUNITY COLLEGES
Community Member Blue Ribbon Panel on Internal Controls
Report to the Maricopa Community Colleges Governing Board and Chancellor

Executive Summary
February 15, 2007

This Executive Summary is respectfully submitted to the Governing Board and Chancellor of the Maricopa Community Colleges by the Community Member Blue Ribbon Panel on Internal Controls.

Overview

Chancellor Rufus Glasper appointed a Community Member Blue Ribbon Panel on Internal Controls (the Panel) for the Maricopa Community Colleges (the District) on November 17, 2006. Chancellor Glasper convened this panel of community members to consider internal controls over select business operations. Many of the issues that were reviewed were findings from the Districts' own internal audits or recent reviews. Some issues were also featured in newspaper articles. Chancellor Glasper charged the Panel with making recommendations related to the District's internal controls in an effort to improve operations and better safeguard the public's assets.

The Panel considered select internal controls in the Maricopa Community Colleges (the District) that were in effect as of November 17, 2006. The Panel made inquiries and observations after considering internal control policies, regulations and related documents. The work of the Panel was more limited than would be necessary to give an opinion on internal controls. The Panel did not conduct an investigation or audit. Accordingly, the Panel is not expressing an opinion on internal controls or ensuring that all deficiencies in internal controls are disclosed. However, as a result of the Panel's work, a series of recommendations were developed and are described in this report.

Panel members represent a broad spectrum of the community, with professional service in government, higher education, non-profit organizations and large corporations. The Panel includes several Certified Public Accountants, (CPAs) and other financial experts. Panel Members include: Dr. Linda Blessing, CPA (Panel Chair); Mr. Timothy Baughman, Vice President of Trust and Fiduciary; Mr. Mark Landy, CPA; Mr. Dennis Mitchem, Retired CPA; Ms. Nancy Roach, CPA; Ms. Jaimie Soulvie, CPA; and Mr. Rick Wardrip, CPA. The biographies of the Panel members follow this Executive Summary.

The Panel met four times: November 20, 2006, December 13, 2006, January 22, 2007 and February 15, 2007. The Panel extensively discussed numerous operational areas and internal controls. As background for the development of recommendations, the Panel considered the findings of numerous District internal audits as well as existing District policies and regulations. Specific areas of focus included:

1. Ethics Policy and Related Training
2. Conflicts of Interest
 - a. Financial
 - b. Hiring of Relatives/Nepotism
 - c. Special Services Employments
3. Employment Standards Policy (Policy of No Tolerance)
4. Enrollment Irregularities
5. Whistleblower Policy/Ombudsperson Office
6. Internal Audit
7. Cash Handling
8. Travel
9. Use of Facilities
10. Pay While on FMLA (leave permitted under the Family Medical Leave Act)

The Panel offers several key observations about the study process and major findings.

1. The recommendations from the Panel are intended to strengthen and improve existing controls, either by strengthening existing language or adding new policies or regulations. One panel member asked: "What is the biggest room in the world? It's room for improvement."
2. The recommendations provide additional general and specific direction to District employees about the policies and regulations that govern their actions. For example, the Panel proposes that more direction be provided to employees through an updated and reaffirmed Ethics Statement and mandatory public stewardship ethics training of all Board approved employees. Such training should be rigorous but should have practical applications. With respect to more specific directions, the Panel proposes a new Employment Standards policy to define actions that might result in disciplinary action including termination. An important part of this policy is that the District Vice Chancellor for Human Resources or the Chancellor will have final authority to recommend all disciplinary actions, after consultation with the college president, legal counsel and others and following review and analysis of the facts. Another new policy on Internal Controls is proposed to ensure that all managers understand regulations to provide additional direction to district employees and to enhance employee accountability. Finally, other recommendations enhance both reporting and training on conflicts of interest in an effort to improve employees' awareness of such conflicts and give employees the necessary knowledge and skills to avoid them.
3. The recommendations enhance accountability of District personnel to the District's Governing Board and the external community. For example, the Panel is proposing numerous recommendations for reporting to the Governing Board. The reports will give Board Members more information to monitor employee actions and, as needed, for the Governing Board to instruct administration to take appropriate action.
4. The Panel also recommends hiring additional staff at the district office to either improve oversight of college operations or to help resolve employee complaints. The Panel first recommends the hiring of additional internal auditors this fiscal year and regularly adjusting staffing thereafter based on audit plan needs. Additionally, the Panel further recommends the hiring of an Internal Ombudsperson or a similar function to provide a neutral party where employees may seek guidance for resolution of issues. Finally, to support the internal Ombudsperson, the Panel recommends that the District explore the costs and benefits of

establishing a 24 hour hotline for the reporting of internal complaints and concerns (anonymous and otherwise).

5. The Panel recommends that the District's Audit and Finance Committee assume future responsibility for ensuring regular reviews of internal controls are scheduled within the District to institute continuous improvements.

The following sections describe only the most significant or major recommendations in each of the areas reviewed by the Panel. All recommendations are contained in the full report from the Panel. As a general recommendation regarding implementation, the Panel suggests that the Maricopa Community Colleges Governing Board consider adopting proposed policies and regulations at an upcoming Board meeting.

Ethics Policy and Related Training

The Panel surveyed many issues. Many of these issues had been raised previously in internal audits or other reviews conducted by the District and some were featured in the press. Many of the recommendations that follow provide more direction to District employees about specific policies and/or regulations that govern certain operations or activities. The Panel suggests that the overarching umbrella for all issues is ethics and ethical behavior. As such, the Panel recommends that the Governing Board consider a review of its Guiding Principles, or ethics statements, and consider re-adoption of these or updated statements. (Appendices A and B) Furthermore, the Panel recommends mandatory ethics training for employees. The Panel recommends that new Board approved employees participate in training during their probationary period and that existing employees participate in training within two years of the adoption of this policy and every two years thereafter. The Panel recommends that the District consider ways to train temporary employees once initial training of Governing Board approved employees is complete.

Conflicts of Interest Recommendations

The Panel recognized that there were several areas to review that reflected circumstances or situations in which employees of any organization, including the District, might have a conflict of interest and that this conflict could jeopardize the operations or finances of the organization. The Panel, therefore, reviewed these District policies or regulations sequentially. The Panel reviewed financial conflicts of interest, hiring of relatives/nepotism and conflicts that may arise in the acceptance of Special Services employments.

Major recommendations include:

1. The Panel recommends that the Governing Board consider mandatory annual acknowledgement by every employee that they have read and understand the District's Conflict of Interest policy and have submitted a completed disclosure form. Similar reporting is proposed regarding relatives working in the District. This is recommended to strengthen the reporting process and to better ensure that employees avoid such conflicts.
2. The Panel recommends that the Governing Board consider mandatory training of every Board approved employee. It is recommended that this training include at least two integrated components. The first is mandated public stewardship ethics training.

All new employees shall participate in training within their probationary period of employment. All existing Board approved employees shall participate in training within the next two years and every two years thereafter. The second type of mandated training is to inform employees of the legal requirements of public sector employees. This is designed to ensure that all employees understand and comply with such requirements. To accomplish this, it is recommended that all Governing Board approved employees be mandated to participate in an existing internal training module offered by the District entitled: **Legal Issues: Public Sector Training**.

3. The Panel recommends that the Governing Board consider heightened disclosure, limitations and supervisory reviews over the award of Special Services Employments. This is designed to minimize the possibility of abuse or situations in which employees are working an unreasonable number of hours.
4. The Panel recommends that the Governing Board consider annual reporting to the Maricopa Community Colleges Governing Board on disclosed conflicts. This is designed to formally notify the Governing Board of any potential conflicts that its employees may have and give the Board the opportunity to direct the Chancellor to investigate concerns.

Employment Standards Policy (No Tolerance Policy)

The Panel considered some of the issues raised in recent audits about disciplinary actions and offers the following major recommendations.

1. The Panel recommends that the Governing Board consider adopting an Employment Standards policy that sets forth types of actions by employees that might result in disciplinary action, including termination. This policy might help employees and supervisors to better define and understand the actions that merit disciplinary action. The policy also assigns to the Vice Chancellor for Human Resources authority to recommend appropriate disciplinary action. To the extent that the Vice Chancellor's recommendation differs from the Chancellor's Executive Council member who supervises the employee, the Chancellor shall be consulted and shall make the final recommendation.
2. The Panel recommends that law enforcement authorities be notified where appropriate.

Enrollment Irregularities Recommendations

The Panel considered the Maricopa District's practices on enrollment irregularities and offers several recommendations to improve controls.

Recommendations include:

1. The Panel recommends that the District develop and implement a new administrative regulation to mitigate the occurrence of enrollment irregularities (for example, employees enrolling in their own courses or relatives enrolling in a family member's courses, or employees who enroll in courses then withdraw, all with an intent to have the course "go" or have sufficient enrollment not to be cancelled).

2. The Panel recommends the District develop and the Governing Board consider adopting a District Employee Standards of Conduct Policy in an effort to clearly describe actions that might result in disciplinary action, up to termination. One such action is falsification of records including enrollment.

Whistleblower Policy/Ombudsperson Office Recommendations

The panel considered the District's Whistleblower policy and offers the following major recommendations.

1. The Panel recommended that the District's existing Whistleblower policy be amended to require annual summary reporting on Whistleblower activity to the District Governing Board and Audit and Finance Committee.
2. The Panel recommends the establishment of an internal Ombudsperson or similar function as deemed appropriate by the District to report to a senior level administrator in the District Office, which is the case of the existing external Ombudsperson. This will provide the internal community with a neutral third party to seek guidance for the resolution of issues and concerns. The Panel expressly acknowledges that this recommendation does not relate to statutory Whistleblower protections or processes; the recommendation reflects an effort to offer District employees another avenue to voice concerns and seek resolution of issues.
3. The Panel recommends that the District explore the costs and benefits of establishing a 24 hour hotline for the reporting of internal complaints and concerns (anonymous and otherwise).
4. The Panel recommends that the Ombudsperson regularly meet with the District's Chancellor to maintain access and independence from other administrators.

Internal Audit Recommendations

The Panel considered the District's internal audit charter and function and offers the following major recommendations:

1. The Panel recommends the hiring of additional internal auditors. Furthermore, the Panel recommends increased resources as needed to achieve the planned scope and schedule of audits.
2. The Panel recommends that the Audit and Finance Committee be chaired by a community member and that the Vice Chair be a Maricopa Community Colleges' Governing Board member.
3. The Panel respectfully proposes that the District Governing Board adopt a Statement on Internal Control as a District policy. The purpose of this statement is to clarify that management across the district is responsible for the establishment of internal controls to ensure good stewardship of public resources. This policy would require the signatures of the Chair of the Audit and Finance Committee, the District Audit Director, the Chancellor for the Maricopa Community Colleges, Vice Chancellors and all College Presidents. The statement indicates their commitment and obligation to ensuring the appropriate support for and administration of the Statement.

4. The Panel recommends changes to the Internal Audit Department charter to strengthen and clarify the missions, scope of work, accountability, reporting relationships and independence, responsibilities and standards of the audit practice of the department and its director. Furthermore, the Panel recommends that the department engage in a peer review process to provide assurances that the operations of the Internal Audit Department are being looked at, improved and strengthened.
5. The Panel recommends that the Internal Audit Director regularly meet with the District's Chancellor to maintain access to and independence from other administrators. It also recommends that the Audit Director regularly meet in Executive Session with the Audit and Finance Committee.

Cash Handling Recommendations

The Panel considered cash handling and offers the following recommendations:

1. The Panel recommends that the District adopt a new Administrative Regulation on Cash Handling to ensure consistent standards are in use by all offices that handle cash.
2. The Panel recommends that the District Audit staff train and supervise college fiscal staff to conduct unannounced cash counts at other college locations in order to leverage resources.

Travel Recommendations

The Panel considered the existing travel regulation and the changes proposed by the District to clarify existing language and strengthen controls. The Panel focused its review on the purposes or reasons international travel occurs in the District in an effort to objectively assess the benefits to the community and students from such travel.

Major recommendations include:

1. The Panel recommends that the District Governing Board adopt a new policy on international travel that defines types of travel that is mission critical to the District's overall educational mission and supports international education. Furthermore, at the Panel's request, the District drafted criteria for evaluating the appropriateness and educational benefits of international travel.
2. The Panel recommends that College Presidents and Vice Chancellors submit quarterly reports to the Chancellor that detail international travel by employees. This summary report would include details about the travel and would provide the Chancellor and Governing Board with information demonstrating whether this travel achieved established outcomes and resulted in benefits to the community and students. Summary reports shall be submitted by the Chancellor to the Governing Board.

Use of Facilities Recommendation

The Panel considered the District's Facilities Use regulation and offers the following recommendation:

The Panel recommends that the District modify its existing regulation to require regular summary reporting on facilities use to the Governing Board by College Presidents.

Pay While on FMLA Leave Recommendation

The Panel considered the District's process for stopping special services employments pay when employees are on leave under the Family Medical Leave Act. The Panel heard a presentation on the District's process for stopping pay and offered no recommendations for improvement.

Concluding Remarks

The enhancement of internal controls never ends. The Panel recommends that the District's Audit and Finance Committee assume future responsibility for ensuring regular reviews of internal controls are scheduled within the District to institute continuous improvements.

COMMUNITY MEMBER BLUE RIBBON PANEL

MEMBERS INCLUDE:

Linda Blessing, Ph.D., CPA, Chair, Executive Director Emerita for the Arizona Board of Regents (ABOR), (including supervising internal audit). Blessing is also the former Director of the Arizona Department of Economic Security, and the former Deputy Auditor General for the Office of the Arizona Auditor General.

Timothy R. Baughman, Vice President of Northern Trust Bank, specializing in Trust and Fiduciary Administration. Baughman is the Vice Chair of the Community Board of the Chandler Regional Hospital and is a member of both the Mesa Hohokams and the Scottsdale Rotary Club.

Mark Landy, CPA, Partner with Miller, Allen & Company, which has audited most of Arizona's community colleges on behalf of the Office of the Arizona Auditor General. Landy is also a member of the Technical Standards Subcommittee for the American Institute of Certified Public Accountants.

Dennis Mitchem, retired CPA, part-time Director of Corporate Relations at Northern Arizona University, retired partner with Arthur Andersen with a focus on Governmental organizations.

Nancy Roach, CPA, Executive Director, Ronald McDonald House. Roach is past Chair of the Arizona Society of Certified Public Accountants, Treasurer of the Endowment Board of the Arizona Society of Certified Public Accountants and a Member-at-Large of the Durrant Corporation's Scholarship Endowment Fund.

Jaimie Soulvie, CPA, Deputy Administrator for Financial Services at the Department of Economic Security. As the Manager of Professional Practice, Soulvie has done work for the Office of the Arizona Auditor General and is formerly a Practice Fellow for GASB (Governmental Accounting Standards Board).

Rick Wardrip, CPA, Corporate Auditor for Salt River Project. Wardrip is past president of the Phoenix Chapter of the Institute of Internal Auditors and currently serves on their Board of Directors.

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Report to the Maricopa Community Colleges Governing Board and Chancellor

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The Panel considered select internal controls in the Maricopa Community Colleges (the District) that were in effect as of November 17, 2006. The Panel made inquiries and observations after considering internal control policies, regulations and related documents. The work of the Panel was more limited than would be necessary to give an opinion on internal controls. Accordingly, the Panel is not expressing an opinion on internal controls or ensuring that all deficiencies in internal controls are disclosed. However, as a result of the Panel's work, a series of recommendations were developed and are described in this report.

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The Panel met four times: November 20, 2006, December 13, 2006, January 22, 2007 and February 15, 2007. The Panel extensively discussed numerous operational areas and internal controls. As background for the development of recommendations, the Panel considered the findings of numerous District internal audits and existing District policies and regulations. Specific areas of focus included:

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The following sections describe the recommendations in each of the areas reviewed by the Panel. As a general recommendation regarding implementation, the Panel suggests that the Maricopa Community Colleges Governing Board consider adopting newly proposed policies and regulations at an upcoming Board meeting.

Additionally, as a general recommendation, the Panel suggests that the Audit and Finance Committee for the District advance the work started by this Panel through scheduling of regular reviews of internal controls and the development of recommendations for improvements, as appropriate.

Ethics Policy and Training

The Panel surveyed many issues. Many of these issues had been raised previously in internal audits or other reviews conducted by the District. Many of the recommendations that follow provide more direction to District employees about specific policies and/or regulations that govern certain operations or activities. The Panel suggests that the overarching umbrella for all issues is ethics and ethical behavior. As such, the Panel recommends that the Governing Board consider a review of its Guiding Principles, or ethics statements and re-adoption of these or updated statements (Appendices A and B). Additionally, the Panel recommends mandatory public stewardship ethics training for all employees. The Panel recommends that new Board approved employees participate in training during their probationary period and that existing employees participate in training within two years of the adoption of this policy and every two years thereafter (Appendix C). The Panel recommends that the District consider ways of training temporary employees once initial training of Governing Board approved employees is complete.

Recommendations on Conflicts of Interest

The Panel considered existing policies or regulations that address or limit conflicts of interest. This includes policy on Conflict of Interest (financial or procurement), Hiring of Relatives/Nepotism and Special Services employments.

A. Conflicts of Interest Policy

The Panel acknowledges that the District's policy reflects the provisions of state law and revolves around financial conflicts (ARS 38-503).

The following recommendations are respectfully submitted to the Maricopa Community Colleges Governing Board and Chancellor:

1. The Panel recommends that the Governing Board require mandatory annual acknowledgement by every Board approved employee that they have read and understand the District's Conflict of Interest policy and have submitted a completed disclosure form.

The employee also would acknowledge the need to submit an updated disclosure form if personal circumstances change. (Appendix D) These recommendations are offered to strengthen awareness of and compliance with Conflict of Interest policies. The District is encouraged to pursue e-mail or on-line submissions and tracking to minimize costs.

2. The Panel recommends that the Governing Board consider mandatory training of every Board approved employee. It is recommended that this training include at least two integrated components. The first is mandated public stewardship ethics training. (Appendix C) All new employees shall participate in training within their probationary period of employment. All existing Board approved employees shall participate in training within the next two years and every two years thereafter. The second type of mandated training is to inform employees of the legal requirements of public sector employees. (Appendix D) This is designed to ensure that all employees understand and comply with such requirements. To accomplish this, it is recommended that all Governing Board approved employees be mandated to participate in an existing internal training module offered by the District entitled: **Legal Issues: Public Sector Training**.
3. The Panel understands that there may be certain employees working for the District who, while not being Governing Board approved, nonetheless may have responsibilities for recommending the purchase of goods or services or for recommendation of hiring of other non-Board approved staff. The Panel encourages the District Governing Board to direct the administration to implement methods of identifying these individuals and ensuring that they are subject to the same mandatory annual acknowledgements and mandatory training that Board approved employees must complete.
4. The Panel recommends annual reporting of employees with potential Conflicts of Interest to the Maricopa Community Colleges Governing Board.

B. Hiring of Relatives/Nepotism

The Panel considered the District's Hiring of Relatives policy. The following recommendations are respectfully submitted to the Maricopa Community Colleges Governing Board and Chancellor:

1. The Panel recommends mandatory annual acknowledgement by every Board approved employee that they have read the District's Hiring of Relatives/Nepotism Policy and submitted a completed disclosure form about relatives also employed by the District. The employee also acknowledges the need to submit an updated disclosure form if personal circumstances change. These recommendations are offered to strengthen awareness of and compliance with the District's Hiring of Relatives/Nepotism Policy. The District is encouraged to pursue e-mail or on-line submissions and tracking to minimize costs. (Appendix E)
2. The Panel endorses the changes to the existing Hiring of Relatives Policy that are proposed by the District to require that employees not be permitted to be employed where a relative is in the line of supervisory authority.
3. The Panel recommends that Section A13.2 be modified to give the Vice Chancellor for Human Resources the sole authority to determine who will be the supervisor of an employee if extraordinary circumstances arise in which relatives are in a line of supervisory authority. This will help ensure standardized approaches to this type of situation. The Panel further

recommends that all decisions and rationale be documented to create a clear record of these decisions to further ensure that the decisions are standardized to the extent possible, given the circumstances of each situation.

4. The Panel recommends that the Legal Services and Human Resources departments at the District Office work with the colleges and district divisions to establish and implement uniform procedures to routinely evaluate compliance with the current or future policy/regulation and to make any necessary changes to comply.

C. Special Services Employments

The Panel considered the District's practices on special services employments. The following recommendations are respectfully submitted to the Maricopa Community Colleges Governing Board and Chancellor:

1. The Panel recommends that the Governing Board codify all of the following requirements through a revision to the existing Board policy on special services employments. This is suggested to formalize internal controls and coordinated reviews around the award of special services contracts to ensure consistency in awards and better ensure that additional work is more likely to be completed. (Appendices F and G)
2. Amend the instructions regarding existing Special Services Employment to:
 - a) require the identification of specific deliverables for each contract and an estimation of the work hours per week or in total over a period of specific time. This is suggested to ensure that the work product is specifically identified and a clear measure of the time required for the work is established as part of the employment.
 - b) require a statement explaining how this assignment is not a part of the employee's regular duties or a part of any other special services employment the employee has. This is suggested to clarify how the special services employment provides pay for additional duties. Since this is available in advance, it provides reviewers with more information to determine if approval should be granted.
 - c) require the employee to list all other special services employments in place at the time this employment is proposed. The form also should be amended to specify the type of project and the person requesting the work or project. This is suggested to allow the employee to self-report and to allow a check against the college/district division's review of employments. Since this is provided in advance, it provides reviewers with more information to determine if approval should be granted.
3. It is recommended that employees and supervisors be required to verify the conditions of work performed under Special Services Employments. It is recommended that the District Human Resources work with the colleges and other district office divisions to develop a recommended process to verify completion of work as required.
4. The District's Human Resources division, in conjunction with other concerned departments such as Legal and Academic Affairs as well as college or employee group representatives, should commence a review to determine the maximum number of contracts or contract hours that should be awarded to any employee at any time or to determine and set in place any other

controls to ensure that employees are not working an excessive number of hours. The suggested deadline is July 1, 2007. This suggestion is offered to ensure that employees work no more than a reasonable number of hours on a regular basis and that controls are in place to ensure that the additional work is more likely to be completed.

5. Require that the college or district office units granting special services employments review all other existing special services employments (from all district colleges and locations) to determine that the employee reasonably can be expected to complete the work as scoped and in the timeframe that is set. This suggestion is offered to ensure that employees do not work more than the maximum number of hours that is set for Special Services employments and regular employment. It further ensures that controls are in place to ensure that the additional work is more likely to be completed.
6. It is recommended that the District Human Resources division, in conjunction with the colleges, conduct a review of employees currently holding special services employments to determine if there are any issues with the volume or scope of work and recommend changes as may be appropriate. This is suggested to determine if there are any areas of risk at this time and then to take corrective action.

Recommendations on Employment Standards (No Tolerance) Policy

The Panel considered some of the issues raised in recent audits about disciplinary actions. The following recommendations are respectfully submitted to the Maricopa Community Colleges Governing Board and Chancellor:

1. The Panel recommends that the Governing Board adopt a new Employment Standards policy. The District started developing such a standard some time ago. The Panel supports this effort as it would define certain actions that might result in disciplinary action up to termination. Examples include fraud or illegal acts. The Panel also recommends that falsification of records be added as an action that could result in employee discipline, including termination. This policy might help employees and supervisors to better define, understand and act appropriately on certain actions. The policy also assigns to the Vice Chancellor for Human Resources final judgment on the disciplinary action to be recommended. (Appendix H)
2. The Panel recommends that the District notify law enforcement where appropriate.

Recommendations on Enrollment Irregularities

The Panel considered the Maricopa District's practices on enrollment irregularities. The following recommendations are respectfully submitted to the Maricopa Community Colleges Governing Board and Chancellor:

1. The Panel recommends that the Governing Board adopt a new administrative regulation (Appendix I) that would:
 - a) Prohibit employees from enrolling in their own courses, prohibit faculty from enrolling relatives in their courses and prohibit employees from enrolling in a course and withdrawing for the sole purpose of having the class "go" or have sufficient students to not be closed. This is suggested to avoid a potential conflict of interest and potential for overstatement of enrollment.

- b) Require declarations to the Vice Presidents of Academic Affairs and Student Affairs by both the faculty member teaching a course and any faculty member or staff member enrolling in a course taught within the department or division they work. The declarations would be submitted in advance of the start of the course and approval to take the course would be subject to approval of the Vice Presidents for Academic Affairs and Student Affairs, after consultation with the respective President of the college. This is suggested to avoid any potential for favoritism to close colleagues and any potential for overstatement of enrollment.
 - c) Direct reviews by each college each semester of employee and dependent tuition waivers to determine that employees or dependents have not enrolled in courses taught by departmental members for which they submitted a tuition waiver request. This is suggested as an independent verification of employee declarations.
2. The Panel otherwise recommends the Governing Board adopt a new Employment Standards Policy in an effort to clearly describe actions that might result in disciplinary action, up to termination. The Panel recommends that one such action be falsification of records including falsification of enrollment.

Recommendations on Whistleblower Policy/Ombudsperson Office

The following recommendations are respectfully submitted to the Maricopa Community Colleges Governing Board and Chancellor:

1. The Panel recommends that the Governing Board consider amending the Whistleblower policy to require quarterly summary reporting on Whistleblower activity to the Governing Board and the Audit and Finance Committee. (Appendix J)
2. The Panel recommends the establishment of an internal ombudsperson or similar function as deemed appropriate by the District to report to a senior level administrator in the district office, which is the case of the external ombudsperson. This position would serve as one avenue for the review of complaints from employees and would work to make referrals to address complaints. The person also would be responsible for follow-up to ensure that there was a resolution to the issue. Currently, the District has an ombudsperson that assists the external community with questions, requests for information and public records and resolution of issues. The Panel expressly acknowledges that these recommendations are in addition to statutory Whistleblower protections or processes and they reflect an effort to offer District employees an additional neutral option to voice concerns and seek resolution.
3. The Panel recommends that the District explore the costs and benefits of implementing a 24 hour hotline for employees to use to submit complaints or concerns (anonymous or otherwise). This will strengthen the Ombudsperson function by providing employees with another mechanism for submitting complaints.
4. The Panel recommends that the Chancellor notify Maricopa Community Colleges employees of the creation of this position, the name of the person holding the position, his/her role and responsibilities and how to contact the person. The Panel recommends that considerable and regular efforts be made to market this position effectively.

5. The Panel recommends the creation of a Triage Team comprised of the Internal Ombudsperson (or other similar title as deemed appropriate by the district), General Counsel, the Vice Chancellor for Human Resources and the Director of Internal Audit. The Ombudsperson would convene the Triage Team to review internal complaints in which the appropriate action and responsible party are not apparent. The Team would then recommend a course of action to resolve the complaint.
6. The Panel recommends that sufficient authority be vested in the new Ombudsperson or similarly titled position to ensure that complaints are addressed adequately.
7. The Panel recommends that the person employed in this new position have prior experience in the field and/or receive appropriate training as may be required by national or other professional standards.
8. The Panel recommends that the person employed in the position meet regularly with the Chancellor to brief him or her on any issues that are brought forward and to advise of the status of reviews.

Recommendations on Internal Audit

The following recommendations are respectfully submitted to the Maricopa Community Colleges Governing Board and Chancellor:

1. The Panel recommends the hiring of additional internal auditors. Furthermore, the Panel recommends the adjustment of staff resources as appropriate based on staff evaluations of the planned scope and schedule of audits compared to staff resources. This will regularly ensure that Internal Audit Management Advisory Services (IAMAS) is able to effectively complete the adopted Audit Plan and to carry out the IAMAS mission. The panel further supports exploration of efforts to have other parts of the organization take responsibility for risk management. Recommendations include:
 - a) Referral of special requests that are human resources issues to the Vice Chancellor for Human Resources.
 - b) Increased use of risk assessment and mitigation tools developed through the Maricopa Integrated Risk Assessment (MIRA) project.
 - c) Offering control self-assessment assistance to allow college and district office personnel the opportunity to play a key role in the review of their operations.
 - d) Training and supervision by IAMAS of college fiscal staff to perform unannounced cash counts at college locations.
2. The Panel recommends that the Audit and Finance Committee be chaired by a community member and that the Vice Chair be a Maricopa Community Colleges' Governing Board member.
3. The Panel respectfully proposes that the District Governing Board adopt a policy on Internal Control. (Appendix K) The purpose of this policy is to clarify that management across the District is responsible for the establishment of internal controls to ensure good stewardship of

public resources. This policy would require the signatures of the Chair of the Audit and Finance Committee, the District Audit Director, the Chancellor for the Maricopa Community Colleges, Vice Chancellors and all College Presidents, as well as other members of the Chancellor's Executive Council indicating their commitment and obligation to ensuring the appropriate support for and administration of the policy.

4. The Panel recommends approval of changes to the existing Administrative Regulation on Internal Audit. (Appendix L) These changes are designed to further clarify and strengthen the authority and access afforded to the District's Internal Audit Department.
5. The Panel endorses and recommends several changes to the Internal Audit charter. (Appendix M) These changes are designed to clarify and strengthen the mission, scope of work, accountability, reporting relationships and independence, and responsibilities and standards of audit practice of IAMAS and its director. Notable changes include:
 - a) a recommendation to require auditees to present to the Audit and Finance Committee if adequate progress in implementing actions to correct findings is not being made. If the Audit and Finance Committee does not find that the auditee's response is adequate, it will so notify the Chancellor and Governing Board. This is recommended in an effort to help implement needed corrective actions.
 - b) an amendment to the IAMAS charter to formalize the process for commencing special request audits. Specific changes amend the current IAMAS charter provision concerning special audits, for example, to contain language that would include required use of an intake form to request the audit. (Appendix N) This intake form is recommended to elicit comprehensive information about the request to make a judgment about whether or not an audit is needed or some other action may be appropriate. Review and a decision on whether to proceed with the special request audit by the Audit and Finance Committee is recommended to help balance competing priorities and to ensure that the most critical audits, whether part of the Audit Plan or a special request, are addressed first during any given fiscal year.
 - c) that the Audit Director regularly meet with the Maricopa Community Colleges Chancellor to discuss the status of the audit plan and matters of concern. It also recommends that the Audit Director regularly meet in Executive Session with the Audit and Finance Committee.
6. The Panel recommends that IAMAS routinely engage in a peer reviews process. This would provide the Director and staff auditors with opportunities to strengthen the operations of internal audit.
7. The Panel recommends that Audit and Finance Committee call special meetings by phone, e-mail or in person to review and support or reject a special audit request. This will allow the committee to function more dynamically and to amend the audit plan for changes resulting from the temporary suspension of a planned audit to conduct a more critical or urgent special audit.

Recommendation on Cash Handling

The Panel considered the findings of several audits in which there were instances of missing cash. The dollar amounts were small (generally under \$10,000); however, the audits found weak internal controls in some cases. The following recommendations are respectfully submitted to the Maricopa Community Colleges Governing Board and Chancellor:

1. The Panel recommends the District implement an administrative regulation on cash handling. (Appendix O) The purpose is to codify a set of internal controls (i.e., dual controls) and processes that must be followed at all District locations handling cash in an effort to better safeguard resources. (This would include but not be limited to cashier's offices, theaters, athletics events, etc.)
2. The Panel recommends that the District Audit staff train and supervise college fiscal staff to conduct unannounced cash counts at other college locations in order to leverage resources.

Recommendations on Travel

The Panel considered existing and draft policies and regulations on domestic and international travel that were provided by the Maricopa Community Colleges. The Panel noted that it had few comments or recommendations to improve the District's existing or proposed changes to its travel regulation. (Appendix P) Several Panel members noted that good procedures with solid internal controls are needed for travel. Travel reimbursements can be small and the potential for abuse is more limited and therefore excessive controls may result in administrative costs in excess of potential savings. The Panel noted that its greater contribution would be to comment on the District's policy perspective on international travel as a means of advancing international education for the students it serves.

The following recommendations are respectfully submitted to the Maricopa Community Colleges Governing Board and Chancellor:

1. The Panel supports a new policy (Appendix Q) on international travel to clearly define the circumstances and purposes under which employees may travel internationally. At the request of the Panel, this initially was drafted as criteria for evaluating the appropriateness and educational benefits of international travel. (Appendix R)
2. The Panel recommends that the Chancellor direct the College Presidents and District Vice Chancellors to report quarterly on international travel of all employees. The District proposes to include the name of the traveler, the purpose of travel and intended outcomes such as curriculum changes, destination, status of outcomes of travel and benefits to the community and students, time in travel status and cost of travel. The Panel recommends that the Governing Board require that summary reports shall be submitted no less than annually to the Governing Board.
3. The Panel endorses any necessary streamlining of existing travel request or other forms for travel in an effort to ensure the inclusion of all information needed to properly justify and approve travel requests. Forms to request permission to travel on business or to request reimbursement for travel expenses already exist. However, the Panel recommends that when revisions occur, the District test its travel forms to ensure that they include adequate space for

employees to inform reviewers of answers to the following questions:

- a) Who is traveling?
- b) What is the purpose of the travel?
- c) Why is the travel a benefit to the college or district?
- d) When is the travel?
- e) What is the destination?

These questions focus on information needed to properly justify and approve travel requests.

4. The Panel supports the District's efforts to offer and require more training on the travel regulation as well as other training around travel. This will help address and mitigate issues that arise because of improper implementation and interpretation of the travel regulation.
5. The Panel affirmed the District's practice of reimbursing employees for meals and incidental expenses based on limited per diem rates without collecting receipts. Panel members noted that per diems work effectively for small dollar reimbursements. If the per diems are a reasonable amount and abuse is less likely, the administrative costs of requiring receipts might exceed the amount of potential savings. The District clarified that it uses the per diem for meals and incidental expenses that is set by the Arizona State Department of Administration.
6. The Panel recommended that the District ensure that when a trip is canceled, the refund goes to the District or the District purchasing card that was used. This is to ensure that the District receives the refund, not the person who planned to travel.

Recommendations on Use of Facilities

The District has both a Governing Board adopted policy on Rental Fee Rates and an Administrative Regulation on the use of college facilities to strengthen controls over the use of District facilities. The following recommendations are respectfully submitted to the Maricopa Community Colleges Governing Board and Chancellor:

1. The Panel recommends the modification of the Administrative Regulation to require each college president to provide four reports each fiscal year to the Vice Chancellor for Business Services that documents all facilities use agreements during the year and provides explanation for waivers of rentals. (Appendix S) The Vice Chancellor for Business Services shall report this to the Chancellor and Governing Board.
2. The Panel recommends that the District revise the Administrative Regulation to redefine the instances which MCCCDC is a co-sponsor of an activity to include that MCCCDC not only be an announced and publicized co-sponsor, but add that MCCCDC must actively participate in the activity, and that the participation has been approved in advance at the Vice President level or above. (Appendix S)
3. The Panel recommends changes to the existing Administrative Regulation that modify the language to clarify that it is the activity itself and whether it directly benefits MCCCDC that determines whether a waiver or reduction in rent is appropriate. It is not the nature of the entity using the facility. (Appendix S)

4. The Panel recommends changes to the existing Administrative Regulation Appendix FM-6, Use of MCCCCD Facilities Rental Rate Guidelines, to make it consistent with the Administrative Regulation by eliminating the classes and subclasses of types of renters currently set forth in the appendix. (Waiver or reduction of rent under the Administrative Regulation depends not on the type of renter, but on how the renter and its activities link to and specifically benefit MCCCCD and its educational mission. (Appendix T)

FMLA While on Leave

The Panel considered the District's process for stopping special services employments pay when employees are on Family Medical Leave Act leave. The Panel heard a presentation on the District's process for stopping pay; it offered no recommendations for improvement.

Concluding Remarks

The enhancement of internal controls never ends. The Panel recommends that the District's Audit and Finance Committee assume future responsibility for ensuring regular reviews of internal controls are scheduled within the District to institute continuous improvements.



APPENDIX A

EXISTING LANGUAGE

APPENDIX A

Maricopa Guiding Principles

Maricopa's most notable hallmark has been one of commitment to serving students and community well - this is the reason Maricopa exists. Beyond that noble mission, however, what are the values that establish Maricopa's climate and culture, that drive decision-making, and determine how people behave toward one another on a daily basis? What are the models for leadership? Is there a clear set of behaviors for students to emulate, and for community members and employees alike to expect throughout the Maricopa system?

In 2000, Institute for Global Ethics founder and president Dr. Rushworth Kidder conducted a 2-day code-building exercise that included all Governing Board members, the Chancellor, representative members of the Chancellor's Executive Council, key faculty, and leaders of the various Maricopa employee policy groups. A comprehensive draft of Maricopa Guiding Principles resulted. The group proposed that the draft of the code be distributed to the campuses for discussion and feedback, and a "final" draft document be submitted to the Board for adoption. Accordingly, focus groups and related discussions were held at each campus and at the District Office at the direction of each College President. While many questions and comments were forthcoming, and ideas shared upon which future discussions are planned, no recommendations were made to modify the initial draft in a manner that would substantially alter the initial intent. Clarification was made that the Guiding Principles would NOT replace the existing Maricopa Values, but would serve to reinforce these by applying behavioral standards and definitions (i.e., the "how" we value diversity, or value students, or value community . . . by acting with honesty responsibility, fairness, respect, caring, and freedom). It is anticipated that the initial set of Guiding Principles will serve as a basic declaration of expectations; that its adoption will foster continuing conversations about ethical practices at all levels of Maricopa and will create opportunities for behavioral standards to be considered over time.



APPENDIX B

EXISTING LANGUAGE

APPENDIX B

Maricopa Community Colleges Guiding Principles

Adopted June 25, 2002 by the Maricopa Community College District Governing Board

Maricopa Ethics and Values Initiative

Respect

- Encourage and support the development of all to meet their potential.
- Listen actively to various opinions.
- Embrace and support diversity.
- Treat all people with dignity.
- Maintain the confidentiality of interpersonal communication.

Honesty

- Speak truthfully and candidly.
- Act with integrity.
- Represent information accurately.
- Demonstrate consistency between what is said and what is done.

Responsibility

- Respond to the educational needs of our communities.
- Honor the public trust.
- Be accountable for appropriate, efficient, and effective use of resources.
- Meet performance expectations for personal and professional conduct.
- Foster a safe environment.

Fairness

- Treat everyone equitably, without favoritism or prejudice.
- Practice unbiased assessments of issues and individuals.
- Establish and maintain realistic performance expectations.

Caring

- Nurture a culture of mutual appreciation.
- Cultivate empathy and a compassionate response to others.
- Practice positive intervention and appropriate resolution.
- Support the development of the individual as a whole person.

Freedom

- Maintain academic freedom and a free exchange of views.
- Ensure the opportunity to exercise choices.
- Encourage innovation, risk-taking, and creativity.
- Create a culture devoid of fear, retaliation, or revenge.



APPENDIX C

APPENDIX C

RECOMMENDED ACTION: ADOPTION OF NEW POLICY; TO BE PLACED IN THE BOARD AUXILIARY SECTION OF GOVERNANCE POLICIES AS WELL AS IN THE ALL EMPLOYEE MANUAL.

POLICY TYPE: BOARD AUXILIARY
POLICY TITLE: PUBLIC STEWARDSHIP/ETHICS

THE GOVERNING BOARD OF THE MARICOPA COMMUNITY COLLEGE DISTRICT RECOGNIZES THE RESPONSIBILITY TO DEMONSTRATE ETHICAL AND PROFESSIONAL CONDUCT. IN ORDER TO DEMONSTRATE THIS COMMITMENT TO PUBLIC TRUST AND ACCOUNTABILITY TO THE COMMUNITIES THAT WE SERVE, ALL BOARD APPROVED EMPLOYEES SHALL BE REQUIRED TO PARTICIPATE IN TRAINING THAT FOCUSES ON PUBLIC STEWARDSHIP AND INSTITUTIONAL ETHICS. SUCH TRAINING SHALL BE RIGOROUS, PRACTICAL AND APPLICATION BASED. NEWLY HIRED BOARD APPROVED EMPLOYEES SHALL BE REQUIRED TO PARTICIPATE IN TRAINING DURING THEIR PROBATIONARY PERIOD AND EVERY TWO YEARS THEREAFTER. EXISTING BOARD APPROVED EMPLOYEES SHALL BE REQUIRED TO PARTICIPATE IN TRAINING WITHIN TWO YEARS OF THE ADOPTION OF THIS POLICY AND EVERY TWO YEARS THEREAFTER. THE DISTRICT ALSO SHALL CONSIDER WAYS OF TRAINING TEMPORARY EMPLOYEES ONCE INITIAL TRAINING OF GOVERNING BOARD APPROVED EMPLOYEES IS COMPLETE.



APPENDIX D

APPENDIX D

RECOMMENDED ACTION: PROPOSED AMENDMENT TO SECTION 1.9.1 OF THE PROCUREMENT OF GOODS AND SERVICES ADMINISTRATIVE REGULATION

1.9.1 PROCUREMENT CONFLICT OF INTEREST POLICY

A. POLICY STATEMENT

Pursuant to ARS 38-503, Governing Board members and employees who or whose relatives have a substantial interest in any decision of the district or who have a substantial interest in any contract, sale, purchase or service to the district shall make known such interest by filing a disclosure statement. A governing board member or employee disclosing such an interest shall refrain from voting upon or otherwise participating in any manner in such decision, contract, sale, purchase or service.

B. The Chancellor or his/her designee is directed to inform employees of the contents of this policy and to designate an appropriate office with the responsibility for overseeing a process for monitoring and maintaining records and compliance.

C. ALL GOVERNING BOARD APPROVED EMPLOYEES SHALL ANNUALLY COMPLETE AND SUBMIT A CONFLICT OF INTEREST FORM AND SHALL SUBMIT AN ACKNOWLEDGEMENT THAT THEY HAVE READ AND UNDERSTAND THE DISTRICT'S CONFLICT OF INTEREST POLICY. UPDATED DISCLOSURES SHALL BE MADE DURING THE YEAR BY THE EMPLOYEE AS NEEDED IF CIRCUMSTANCES CHANGE.

D. ALL BOARD APPROVED EMPLOYEES SHALL BE REQUIRED TO TAKE A COURSE CURRENTLY ENTITLED: LEGAL ISSUES: PUBLIC SECTOR EMPLOYMENT OR ITS SUCCESSOR COURSE OFFERED BY THE DISTRICT EMPLOYEE ORGANIZATION AND LEARNING TEAM OR ITS SUCCESSOR OFFICE.



APPENDIX E

APPENDIX E

RECOMMENDED ACTION: PROPOSED AMENDMENT TO EXISTING ALL EMPLOYEE POLICY

POLICY TITLE: HIRING OF RELATIVES

- A13.1** ~~No employee of the Maricopa County Community College District may hire, appoint, review, supervise, direct, promote, evaluate, or participate in any key decision involving a relative. A relative of any employee of the Maricopa County Community College District (DISTRICT) may apply for, be considered without prejudice for, and hired into any employment position. However, no employee of the Maricopa County Community College District may~~ **BE EMPLOYED WHERE A RELATIVE IS WITHIN THE LINE OF SUPERVISORY AUTHORITY. ALSO, NO EMPLOYEE OF THE DISTRICT MAY BE INVOLVED IN ANY KEY DECISION INVOLVING A RELATIVE.** ~~participate in any way in any aspect of the hiring process regarding a relative.~~
- A13.2** Responsibility for any key decision regarding a relative of an employee shall generally be assigned to ~~an alternate~~ a manager or supervisor who is not related to either the relative or the employee and who is higher in managerial or supervisory authority than both the employee and the relative, **except in extraordinary circumstances. as determined by THE Vice Chancellor for Human Resources IS THE SOLE AUTHORITY TO DETERMINE EXTRAORDINARY CIRCUMSTANCES AND THE APPROPRIATE COURSE OF ACTION TO BE TAKEN. THE VICE CHANCELLOR FOR HUMAN RESOURCES WILL RETAIN APPROPRIATE DOCUMENTATION OF SUCH DECISION.** ~~Under extraordinary circumstances, responsibility for a key decision regarding a relative of an employee may be assumed by a person, as designated by the Vice Chancellor for Human Resources, who is equal in managerial or supervisory authority to either the employee or the relative, but in no event shall such responsibility be given to a person whose own evaluation will be approved by either the employee or the relative.~~
- A13.3** **IN SUCH CASES WHERE AN INDIVIDUAL IS CURRENTLY EMPLOYED WHERE A RELATIVE IS WITHIN THE LINE OF SUPERVISORY AUTHORITY, A TRANSFER OR RESIGNATION OF ONE OF THE PARTIES SHALL BE REQUIRED (EFFECTIVE WITH THE ADOPTION OF THIS PROCEDURE).**
- A.13.4** **ANNUALLY, EVERY BOARD APPROVED EMPLOYEE SHALL FILE A DISCLOSURE NAMING ANY RELATIVES WHO ALSO ARE AN EMPLOYEE OF THE DISTRICT. UPDATES WILL BE MADE DURING THE YEAR IF PERSONAL CIRCUMSTANCES CHANGE. ANNUALLY, EVERY BOARD APPROVED EMPLOYEE ALSO WILL FILE AN ACKNOWLEDGEMENT THAT THEY HAVE READ THE DISTRICT'S HIRING OF RELATIVES POLICY.**
- A.13.5** **Definitions**
- A13.35.1** A “relative” includes a parent, step-parent, parent-in-law, brother, stepbrother, sister, stepsister, spouse, son, stepson, daughter, stepdaughter, brother-in-law, sister-in-law, son-in-law, daughter-in-law, grandparent, great-grandparent, grandchild, great-grandchild, aunt, uncle, niece and nephew of the employee or the employee’s spouse. A “relative” also includes a domestic partner of an employee who is claimed as a dependent by the employee for insurance purposes, and a relative (as that term is defined herein) of such domestic partner.

- A13.35.2** A “key decision” includes any decision involving the hire, renewal, retention, supervision, promotion, probationary review, initial salary determination, discipline, evaluation, or compensation of a relative. A key decision does not include a decision that incidentally affects a relative among other employees.
- A13.35.3** “Supervise” means to make day-to-day decisions regarding the employment of a person employed by the Maricopa County Community College District, such as work assignments, change in responsibilities, work schedule, and other decisions in direction of such person.
- A13.35.4** “Employee” means a person employed by the Maricopa County Community College District, and includes, but is not limited to, any governing board-approved employee, student employee, and person employed under a special service employment.



APPENDIX F

APPENDIX F

RECOMMENDED ACTION: AMENDMENT TO EXISTING POLICY

POLICY TYPE: BOARD AUXILIARY

POLICY TITLE: SPECIAL SERVICES EMPLOYMENTS

- A. Limited, temporary special services employments allowing for additional compensation to Management, Administrative & Technological (MAT) or Residential Faculty employees for work beyond their normal hours of employment may be made upon the recommendation of a college president or, for the District office, a vice chancellor, and the approval of a Vice Chancellor for Human Resources where one of the following conditions exists:
1. The employee possesses specialized knowledge or skills needed by an operating unit of the District which is not the employee's regular place of employment, and where the employee's workload does not permit "loaning" of services to the other unit during regular work hours; or
 2. The employee is part of a special project or contract between the District or a college and a corporate or government client and the client requests a temporary change of schedule to accommodate a special need; or
 3. The employee is part of a highly specialized program and possesses special skills which are not readily available elsewhere, the employer has additional assignments which are critical to the further development or maintenance of the specialized program, and the special assignment is not sufficient to warrant a full-time employee and requires skills that cannot be readily acquired on less than a full-time basis.
- B. Every special services employment created pursuant to this policy shall be for a specified term, which shall not exceed twelve months. Work performed under such a special services employment shall be performed outside the employee's normal work hours or hours of accountability, and shall not be within the scope of the employee's normal full-time employment.
- C. EMPLOYEES AND SUPERVISORS PROPOSING SPECIAL SERVICES EMPLOYMENTS ARE REQUIRED TO PROVIDE SPECIFIC, DETAILED INFORMATION ABOUT THE SCOPE OF WORK, OBJECTIVES AND OUTCOMES OF THE EMPLOYMENT AND THE PERSON AND TITLE OF PERSON FOR WHOM THE WORK IS PERFORMED.**
- D. SUPERVISORS ARE REQUIRED TO VERIFY ALL EXISTING SPECIAL SERVICES EMPLOYMENTS TO DETERMINE THAT THE EMPLOYEE REASONABLY CAN PERFORM THEIR NORMAL WORK RESPONSIBILITIES AS WELL AS WORK TO BE PERFORMED UNDER SPECIAL SERVICES EMPLOYMENTS. THE VICE CHANCELLOR FOR HUMAN RESOURCES MAY SET FORTH CERTAIN LIMITS ON THE NUMBER OF HOURS OF WORK PERFORMED UNDER SPECIAL SERVICES EMPLOYMENTS IN ORDER TO ENSURE THAT WORK CAN REASONABLY BE PERFORMED AND EMPLOYEES AND SUPERVISORS SHALL OBSERVE THESE LIMITS WHEN ESTABLISHING SPECIAL SERVICES EMPLOYMENTS.**
- E. SPECIAL SERVICES EMPLOYMENTS SHALL NOT BE PUT INTO EFFECT ON A RETROACTIVE BASIS.**
- F. EMPLOYEES WILL BE REQUIRED TO SUBMIT IN WRITING A STATEMENT DETAILING HOW THE OBJECTIVES OF THE EMPLOYMENT WERE MET; THIS IS TO BE SIGNED BY THE SUPERVISOR AND OTHERWISE ADMINISTERED PURSUANT TO GUIDELINES ESTABLISHED BY THE VICE CHANCELLOR FOR HUMAN RESOURCES.**
- G. Paragraphs 11.4 (regarding shift differentials) and 19.3 (regarding overtime pay and/or compensatory time) of the MAT policy manual shall not apply to the calculation of compensation for a special services employment under this policy.

- H. This policy shall in no way diminish the rights of residential faculty regarding assignments beyond the regular contract as provided under the Residential Faculty policy manual.
- I. The Vice Chancellor for Human Resources, Vice Chancellors or College Presidents may delegate their responsibilities under this policy. Delegations shall be in writing and may not be delegated below the dean level or, for the District office, the director level.



APPENDIX G

APPENDIX G

RECOMMENDED ACTION: AMENDMENT TO EXISTING FORM

Department ID: <DEPT. ID #>
Account No.: <ACCOUNT #>



MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT
2411 West 14th Street, Tempe, AZ 85281-6942

SPECIAL SERVICES EMPLOYMENT

The Maricopa County Community College District ("MCCCD") agrees to hire <EMPLOYEE NAME> ("Employee") commencing <MONTH/DATE>, 20XX, and ending <MONTH/DATE>, 20XX, to perform the following duties ("Duties"):

DESCRIPTION OF PROJECT (NAME/TYPE OF SERVICES TO BE PERFORMED/PURPOSE)

NAME AND TITLE OF PERSON FOR WHOM WORK IS PERFORMED

SPECIFY THE EXACT DELIVERABLES FOR THIS ASSIGNMENT AND THE WORK TIME REQUIRED PER WEEK AND IN TOTAL OVER A SPECIFIED PERIOD OF TIME.

SPECIFY HOW THIS ASSIGNMENT IS OUTSIDE THE SCOPE OF THE EMPLOYEES REGULAR WORK DUTIES AND OTHER SPECIAL SERVICES EMPLOYMENTS.

EMPLOYEE MUST LIST ALL OTHER SPECIAL SERVICES EMPLOYMENTS IN PLACE AT THE TIME THIS CONTRACT IS PROPOSED AND FOR WHOM THE WORK WAS/IS BEING PERFORMED.

Employee will perform the Duties according to the following:

on:
of the Week:
hours:
Rate:

Prefix:
No.:
No.:
hours:

MCCCD will compensate Employee in the total amount of \$<AMOUNT>.

Employee understands that his/her employment is "at-will." This means MCCCD may terminate his/her employment at any time during the term of this employment with or without cause. Employee understands and accepts that this employment is not continuing in nature and nothing contained in this document shall be

construed to mean employment will continue beyond the ending date specified above. Employee understands that any instruction assignment depends upon sufficient enrollment and administrative decision to continue assignment.

Employee understands that Special Services Employment for a governing board-approved employee must be performed outside the Employee's normal work hours or hours of accountability. Employee further understands Special Services Employment may not include duties within the scope of his/her board-approved employment. In the event the additional assignments occur during normal work hours or hours of accountability, the Employee must claim vacation or another form of absence in order to complete the assignment.

MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT: EMPLOYEE:

Signature: _____ Signature: _____

Printed Name/Title: _____ Printed Name: _____

Fiscal Representative: _____ Employee ID No.:

Date: _____ Date: _____

Under MCCC'D's Board Policy on Special Services Employment, the following signatures are required before a current MCCC'D MAT employee or residential faculty may undertake additional work under this form.**

RECOMMENDATION OF COLLEGE PRESIDENT OR VICE CHANCELLOR:

Signature: _____ Printed Name: _____ Date: _____

OR, if applicable, the Dean or Director delegated authority:

Signature*: _____ Printed Name: _____ Date: _____

APPROVAL OF VICE CHANCELLOR FOR HUMAN RESOURCES:

Signature: _____ Printed Name: _____

_____ Date: _____

OR, for Residential Faculty only, the President or, if applicable, the Dean delegated authority from the President:

Signature*: _____ Printed Name: _____

Date: _____

* These signers may not be the same person.

** Authority may not be delegated below the level of Dean (colleges) or Director (District Office).



APPENDIX H

APPENDIX H

RECOMMENDED ACTION: ADOPTION OF NEW POLICY; TO BE PLACED IN THE BOARD AUXILIARY SECTION OF GOVERNANCE POLICIES AS WELL AS IN THE ALL EMPLOYEE MANUAL.

**POLICY TYPE: BOARD AUXILIARY
POLICY TITLE: EMPLOYMENT STANDARDS**

THE FOLLOWING CONSTITUTES GROUNDS FOR DISCIPLINARY ACTION, UP TO AND INCLUDING TERMINATION OF ANY MARICOPA COMMUNITY COLLEGES (MCCCD) EMPLOYEE AS OUTLINED BY THE RESPECTIVE POLICY MANUALS:

- 1. WILLFUL AND INTENTIONAL VIOLATION OF ANY STATE OR FEDERAL LAW, APPLICABLE ORDINANCE, MCCCD GOVERNING BOARD POLICY, OR MCCCD ADMINISTRATIVE REGULATION THAT AFFECTS THE EMPLOYEE'S ABILITY TO PERFORM HIS OR HER JOB.**
- 2. MAKING A FALSE STATEMENT OF OR FAILING TO DISCLOSE A MATERIAL FACT IN THE COURSE OF SEEKING EMPLOYMENT OR RE-ASSIGNMENT OF POSITION AT MCCCD.**
- 3. WILLFUL AND INTENTIONAL FAILURE TO PERFORM JOB DUTIES THAT HAVE FIRST BEEN COMMUNICATED TO AN EMPLOYEE AND ARE WITHIN THE EMPLOYEE'S SCOPE OF EMPLOYMENT.**
- 4. WILLFUL AND INTENTIONAL COMMITMENT OF ACTS OF FRAUD, THEFT, EMBEZZLEMENT, MISAPPROPRIATION, FALSIFICATION OF RECORDS OR MISUSE OF MCCCD FUNDS, GOODS, PROPERTY, SERVICES, TECHNOLOGY OR OTHER RESOURCES.**
- 5. CONVICTION OF A FELONY OR MISDEMEANOR THAT ADVERSELY AFFECTS AN EMPLOYEE'S ABILITY TO PERFORM JOB DUTIES OR HAS AN ADVERSE EFFECT ON MCCCD IF EMPLOYMENT IS CONTINUED.**
- 6. FIGHTING WITH A FELLOW EMPLOYEE, VISITOR, OR STUDENT, EXCEPT IN SELF-DEFENSE. COMMITTING ACTS OF INTIMIDATION, HARASSMENT OR VIOLENCE, INCLUDING (BUT NOT LIMITED TO) ORAL OR WRITTEN STATEMENTS, GESTURES, OR EXPRESSIONS THAT COMMUNICATE A DIRECT OR INDIRECT THREAT OF PHYSICAL HARM.**
- 7. REPORTING TO WORK UNDER THE INFLUENCE OF ALCOHOL AND/OR ILLEGAL DRUGS OR NARCOTICS; THE USE, SALE, DISPENSING, OR POSSESSION OF ALCOHOL AND/OR ILLEGAL DRUGS OR NARCOTICS ON MCCCD PREMISES, WHILE CONDUCTING MCCCD BUSINESS, OR AT ANY TIME WHICH WOULD INTERFERE WITH THE EFFECTIVE CONDUCT OF THE EMPLOYEE'S WORK FOR THE MCCCD; THE USE OF ILLEGAL DRUGS; OR TESTING POSITIVE FOR ILLEGAL DRUGS. THE EXCEPTION WOULD INCLUDE THE CONSUMPTION OF ALCOHOL AT A RECEPTION OR SIMILAR**

EVENT AT WHICH THE EMPLOYEE'S PRESENCE IS CLEARLY WITHIN THE SCOPE OF EMPLOYMENT.

- 8. POSSESSING FIREARMS OR OTHER WEAPONS ON MCCCC PROPERTY, EXCEPT AS MAY BE REQUIRED BY THE JOB.**
- 9. INTENTIONAL DESTRUCTION OR THREAT OF DESTRUCTION OF MCCCC PROPERTY.**
- 10. PERFORMING ACTS OR EXECUTING JOB RESPONSIBILITIES IN A RECKLESS MANNER THAT POSE A THREAT TO THE PHYSICAL SAFETY OF THE EMPLOYEE OR ANOTHER PERSON.**
- 11. FAILURE TO NOTIFY APPROPRIATE LAW ENFORCEMENT AUTHORITIES OF ANY POTENTIAL THEFT OF DISTRICT FUNDS OR ASSETS.**

THE VICE CHANCELLOR FOR HUMAN RESOURCES IS RESPONSIBLE FOR REVIEWING DOCUMENTED VIOLATIONS OF EMPLOYMENT STANDARDS, ESTABLISHING PROCEDURES FOR THE REVIEW OF RECOMMENDED DISCIPLINARY ACTION TO BE TAKEN, AND DETERMINING WHETHER THE RECOMMENDED DISCIPLINARY ACTION IS CONSISTENT WITH THE DOCUMENTED VIOLATIONS OF THE EMPLOYMENT STANDARDS. THE VICE CHANCELLOR FOR HUMAN RESOURCES SHALL HAVE FINAL AUTHORITY TO RECOMMEND DISCIPLINARY ACTION UNDER THIS POLICY AND SHALL DOCUMENT THE RATIONALE FOR ALL DECISIONS. TO THE EXTENT THAT THE RECOMMENDATION FOR DISCIPLINARY ACTION BY THE VICE CHANCELLOR FOR HUMAN RESOURCES DIFFERS FROM THE RECOMMENDATION OF THE EMPLOYEE'S COLLEGE PRESIDENT OR VICE CHANCELLOR OR OTHER CHANCELLOR'S EXECUTIVE COUNCIL MEMBER, THE CHANCELLOR SHALL BE CONSULTED AND SHALL MAKE THE FINAL RECOMMENDATION ON DISCIPLINARY ACTION. THE VICE CHANCELLOR FOR HUMAN RESOURCES SHALL MAKE RECOMMENDATIONS THAT INVOLVE THE CHANCELLOR.

ANNUALLY, A SUMMARY REPORT SHALL BE SUBMITTED TO THE GOVERNING BOARD ON DISCIPLINARY ACTIONS TAKEN PURSUANT TO THIS POLICY.



APPENDIX I

APPENDIX I

RECOMMENDED ACTION: ADOPTION OF NEW ADMINISTRATIVE REGULATION FOR PLACEMENT IN THE "INSTRUCTION" SECTION:

ENROLLMENT IRREGULARITIES

POLICY TYPE: BOARD AUXILIARY

POLICY NAME: ENROLLMENT IRREGULARITIES

SCOPE OF COVERAGE

THIS REGULATION COVERS ALL MCCCD COLLEGES, CENTERS, AND OFFICES. ENROLLMENT IRREGULARITIES ARE ENROLLMENT PRACTICES THAT MIGHT REFLECT FALSIFIED ENROLLMENT OR MIGHT REFLECT NEPOTISM. EXAMPLES MIGHT INCLUDE RESIDENTIAL OR ADJUNCT FACULTY MEMBERS ENROLLING IN COURSES THEY INSTRUCT; EMPLOYEES ENROLLING IN MULTIPLE COURSES TAUGHT AT THE SAME TIME THAT ARE NOT OPEN ENTRY/OPEN EXIT COURSES; ENROLLMENT IN MULTIPLE COURSES TAUGHT THAT OVERLAP IN TIME AND THAT ARE NOT OPEN ENTRY/OPEN EXIT COURSES; EMPLOYEES ENROLLING IN A COURSE TAUGHT BY A RELATIVE; EMPLOYEES ENROLLING IN A COURSE FOR THE SOLE PURPOSE OF MAKING IT "GO" (I.E., NOT BE CLOSED).

GENERAL STANDARDS

A. AS A STEWARD OF PUBLIC FUNDS, THE DISTRICT MUST PROTECT AGAINST FALSIFIED ENROLLMENTS OR QUESTIONABLE ENROLLMENTS BY ITS EMPLOYEES.

B. ENROLLMENTS THAT ARE NOT PERMITTED BY EMPLOYEES INCLUDE THE FOLLOWING: ENROLLMENT IN A COURSE TAUGHT BY ONESELF; ENROLLMENT IN MULTIPLE COURSES TAUGHT AT THE SAME TIME THAT ARE NOT OPEN ENTRY/OPEN EXIT COURSES; ENROLLMENT IN MULTIPLE COURSES TAUGHT THAT OVERLAP IN TIME AND THAT ARE NOT OPEN ENTRY/OPEN EXIT COURSES; ENROLLMENT IN A COURSE TAUGHT BY A RELATIVE; ENROLLMENT AND SUBSEQUENT WITHDRAWAL FOR THE SOLE PURPOSE OF MAKING A CLASS "GO" (I.E., NOT BE CLOSED).

C. WHEN EMPLOYEES ARE ENROLLING IN A COURSE IN THE DEPARTMENT OR DIVISION IN WHICH THEY WORK, EMPLOYEES AND THE FACULTY MEMBER TEACHING THE COURSE MUST SUBMIT DECLARATIONS TO THE VICE PRESIDENTS OF ACADEMIC AFFAIRS AND STUDENT AFFAIRS. THE DECLARATIONS SHALL BE SUBMITTED IN ADVANCE OF THE START OF THE COURSE. APPROVAL TO TAKE THE COURSE SHALL BE SUBJECT TO APPROVAL OF THE VICE PRESIDENTS FOR ACADEMIC AFFAIRS AND STUDENT AFFAIRS, AFTER CONSULTATION WITH THE RESPECTIVE PRESIDENT OF THE COLLEGE.

D. EACH COLLEGE SHALL PREPARE WRITTEN PROCEDURES TO CHECK THAT QUESTIONABLE ENROLLMENTS ARE NOT OCCURRING. THESE SHALL BE SUBMITTED TO THE CHANCELLOR. PROCEDURES SHALL INCLUDE REVIEWS BY EACH COLLEGE EACH SEMESTER OF EMPLOYEE AND DEPENDENT TUITION WAIVERS IN ORDER TO DETERMINE THAT EMPLOYEES AND THEIR DEPENDENTS HAVE NOT ENROLLED IN COURSES TAUGHT BY DEPARTMENTAL MEMBERS.

E. EACH COLLEGE PRESIDENT SHALL ANNUALLY SUBMIT TO THE CHANCELLOR A REPORT THAT DOCUMENTS ITS WRITTEN PROCEDURES AND COMPLIANCE WITH THE TERMS OF THIS REGULATION. THE CHANCELLOR SHALL ANNUALLY SHARE THESE REPORTS WITH THE GOVERNING BOARD.

F. VIOLATION OF THIS REGULATION COULD LEAD TO DISCIPLINARY ACTION, INCLUDING TERMINATION.

G. DEFINITIONS

A. "RELATIVE" INCLUDES A PARENT, STEP-PARENT, PARENT-IN-LAW, BROTHER, STEPBROTHER, SISTER, STEPSISTER, SPOUSE, SON, STEPSON, DAUGHTER, STEPDAUGHTER, BROTHER-IN-LAW, SISTER-IN-LAW, SON-IN-LAW, DAUGHTER-IN-LAW, GRANDPARENT, GREAT-GRANDPARENT, GRANDCHILD, GREAT-GRANDCHILD, AUNT, UNCLE, NIECE AND NEPHEW OF THE EMPLOYEE OR THE EMPLOYEE'S SPOUSE. A "RELATIVE" ALSO INCLUDES A DOMESTIC PARTNER OF AN EMPLOYEE WHO IS CLAIMED AS A DEPENDENT BY THE EMPLOYEE FOR INSURANCE PURPOSES, AND A RELATIVE (AS THAT TERM IS DEFINED HEREIN) OF SUCH DOMESTIC PARTNER.

B. "EMPLOYEE" MEANS A PERSON EMPLOYED BY THE MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT, AND INCLUDES, BUT IS NOT LIMITED TO, ANY GOVERNING BOARD-APPROVED EMPLOYEE, STUDENT EMPLOYEE, AND PERSON EMPLOYED UNDER A SPECIAL SERVICES EMPLOYMENT.



APPENDIX J

APPENDIX J

RECOMMENDED ACTION: AMENDMENT TO EXISTING POLICY

POLICY TYPE: BOARD AUXILIARY

POLICY TITLE: WHISTLEBLOWER PROTECTION

In response to a legislative directive, the Governing Board has adopted the following policy:

1. Pursuant to A.R.S. §38-532, no adverse personnel action will be taken against an employee of the Maricopa County Community College District in retaliation or reprisal for written disclosure of information of a public concern to a public body concerning an alleged violation of law, mismanagement, gross waste of monies or abuse of authority (collectively referred to herein as "alleged wrongful conduct").
2. "Public Body" is defined as the Arizona Attorney General, the Arizona Legislature, the Governor of Arizona, the Maricopa County Attorney, a federal, state or local law enforcement agency, or the Maricopa County Community College District Governing Board.
3. It is prohibited personnel practice for an employee who has control over personnel actions, to knowingly take an adverse personnel action against an employee in retaliation for disclosing alleged wrongful conduct to a public body. Any District employee found to have so retaliated is subject to dismissal subject to termination procedures as set forth in District policy and a civil penalty of up to five thousand dollars (\$5,000).
4. This policy may not be used as a defense by an employee who is being or has been disciplined for legitimate reasons or cause under District policy, and it shall not be a violation of this policy to take an adverse personnel action towards an employee whose conduct or performance warrants discipline.
5. Any District employee who knowingly makes false allegations of alleged wrongful conduct to a public body shall be subject to discipline, up to and including termination of employment subject to termination procedures as set forth in District policy and a civil penalty of up to twenty-five thousand dollars (\$25,000).
6. An adverse personnel action under this policy is defined as one of the following if the reason for the action was prior disclosure of alleged wrongful conduct to a public body:
 - Termination of employment
 - Demotion with salary reduction
 - Imposition of suspension without pay
 - Receipt of written reprimand
 - Failure to appoint, promote or reemploy
 - Negative performance evaluation
 - Withholding of appropriate salary adjustments
 - Involuntary transfer or reassignment
 - Elimination of the employee's position absent a reduction in force, reorganization or by reason of a decrease or lack of sufficient funding, monies or workload
 - Significant change in duties or responsibilities which is inconsistent with the employee's salary or grade level

7. An employee or former employee (an employee who has been dismissed) who believes he or she has been subjected to an adverse personnel action based on prior disclosure of alleged wrongful conduct may protest the action by filing a claim of retaliation and having it considered in accordance with the following procedures:
 - a. A written complaint setting forth the basis for the claim or retaliation must be filed with the Chancellor or designee within 10 days of the effective date of the action taken against him/her.
 - b. The Chancellor or his/her designee shall name within five working days after receipt of a complaint described in paragraph (a), a Whistleblower Hearing Committee to hear the complaint.
 - c. The committee shall be composed of three persons not associated with the incident or allegations. The make-up of the committee shall be as follows: One college president from a college not related to the alleged violation to be named by the Chancellor; One district employee named by the complainant; One district employee named by the individual who is accused of committing a prohibited personnel practice.
 - d. The committee shall make an initial determination of jurisdiction over the subject matter within 10 working days after receipt of the complaint by the Chancellor. This means that, based upon the contents of the written complaint and any additional information the parties desire to submit, the committee will decide whether (1) the complainant did, in fact, disclose information to a public body as defined by the law and policy and (2) whether an adverse personnel action as set forth in Paragraph 6 took place. If the answer to either (1) or (2) is "no," no further action will take place.
 - e. If the answers to (1) and (2) in Paragraph 7 (d) are yes, the committee will accept jurisdiction and set a hearing date no later than 30 calendar days after receipt of the complaint by the Chancellor.
 - f. At the hearing, a determination of whether the adverse personnel action was retaliation for the disclosure or whether it was based upon other supportable reasons will be determined. Also, the issue of whether the complainant knowingly made false allegations to a public agency as described in Paragraph 5 will be decided if raised.
 - g. All parties at the hearing may be represented by counsel.
 - h. The hearing will be open to the public except where the complainant requests a confidential hearing. The hearing will not be subject to the technical rules of evidence except the rule of privilege recognized by the court. Each side will have the opportunity to call witnesses, present evidence, and cross-examine the other party's witnesses. The hearing will be recorded and transcribed upon the request of either party. The requesting party will bear the cost of transcription.
 - i. The committee will issue findings of fact within 15 days after the conclusion of the hearing. The committee's findings are final. These findings will be forwarded to the Governing Board along with the committee's recommendation for appropriate discipline, if applicable. The Governing Board shall make the final decision with regard to imposition of discipline or fine.
 - j. Complaints against the Governing Board or an appeal of the decisions made in accordance with this policy must be filed in Superior Court.
8. **QUARTERLY, THE CHANCELLOR SHALL SUBMIT TO THE GOVERNING BOARD AND DISTRICT AUDIT AND FINANCE COMMITTEE SUMMARY INFORMATION ON THE NUMBER OF WHISTLEBLOWER COMPLAINTS IN THE DISTRICT. SUCH REPORT SHALL PROTECT THE IDENTITY OF WHISTLEBLOWERS.**



APPENDIX K

APPENDIX K

RECOMMENDED ACTION: ADOPTION OF NEW POLICY

POLICY TYPE: EXECUTIVE DUTIES AND RESPONSIBILITIES
POLICY TITLE: POLICY ON INTERNAL CONTROL

WHILE THE BOARD HAS IDENTIFIED THE CHANCELLOR AS THE SINGLE OFFICIAL LINK TO THE OPERATING ORGANIZATION, UNDER THE MARICOPA GOVERNANCE STRUCTURE WITHIN THIS MULTI-COLLEGE DISTRICT, THE CHANCELLOR SHALL ALSO DIRECT MANAGEMENT TO OPERATE WITHIN A SYSTEM OF INTERNAL CONTROL.

A. DEFINITION:

THE TERM "MANAGEMENT" MEANS:

MEMBERS OF THE FOLLOWING EMPLOYEE GROUPS: THE CHANCELLOR'S EXECUTIVE COUNCIL (CEC), MANAGEMENT, ADMINISTRATIVE & TECHNOLOGY (MAT), DIVISION CHAIRS AND DEPARTMENT CHAIRS.

B. MANAGEMENT RESPONSIBILITY

MCCCD MANAGEMENT IS CHARGED WITH THE RESPONSIBILITY FOR ESTABLISHING A SYSTEM OF INTERNAL CONTROLS, RISK MANAGEMENT AND ORGANIZATIONAL PROCESSES OVER THE OPERATIONS OF MCCCD IN A MANNER WHICH PROVIDES THE MCCCD GOVERNING BOARD REASONABLE ASSURANCE THAT:

1. RISKS ARE APPROPRIATELY IDENTIFIED AND MANAGED.
2. INTERACTION WITH THE VARIOUS ORGANIZATIONAL GROUPS OCCURS AS NEEDED.
3. SIGNIFICANT FINANCIAL, MANAGERIAL, OPERATIONAL INFORMATION IS ACCURATE, RELIABLE AND TIMELY.
4. EMPLOYEES' ACTIONS ARE IN COMPLIANCE WITH POLICIES, STANDARDS, PROCEDURES AND APPLICABLE LAWS AND REGULATIONS.
5. RESOURCES ARE ACQUIRED ECONOMICALLY, USED EFFICIENTLY AND PROTECTED ADEQUATELY.
6. PROGRAMS, PLANS AND OBJECTIVES ARE ACHIEVED.
7. SIGNIFICANT LEGISLATIVE OR REGULATORY ISSUES IMPACTING MCCCD ARE RECOGNIZED AND ADDRESSED APPROPRIATELY.

THE SYSTEM OF INTERNAL CONTROLS OVER THE OPERATIONS IS A FUNCTION OF MANAGEMENT AND IS AN INTEGRAL PART OF THE OVERALL PROCESS OF MANAGING OPERATIONS. AS SUCH, IT IS THE RESPONSIBILITY OF MANAGERS AT ALL LEVELS OF THE ORGANIZATION TO:

1. IDENTIFY AND EVALUATE THE EXPOSURES TO LOSS WHICH RELATE TO THEIR OPERATIONS.
2. SPECIFY AND ESTABLISH POLICIES, PLANS AND OPERATING STANDARDS, PROCEDURES, SYSTEMS, AND OTHER DISCIPLINES TO BE USED TO MINIMIZE, MITIGATE AND/OR LIMIT THE RISKS ASSOCIATED WITH THE EXPOSURES IDENTIFIED.
3. ESTABLISH PRACTICAL SYSTEMS OF INTERNAL CONTROL PROCESSES THAT REQUIRE AND ENCOURAGE EMPLOYEES TO CARRY OUT THEIR DUTIES AND RESPONSIBILITIES IN A MANNER THAT ACHIEVES THE SEVEN (7) CONTROL OBJECTIVES OUTLINED IN THE PRECEDING PARAGRAPH.
4. MAINTAIN THE EFFECTIVENESS OF THE SYSTEMS OF INTERNAL CONTROL PROCESSES THAT THEY ARE RESPONSIBLE FOR.

C. AUDIT AND FINANCE COMMITTEE

THE AUDIT & FINANCE COMMITTEE'S PURPOSE IS TO ASSIST THE MCCCC GOVERNING BOARD'S BROAD OVERSIGHT AND MONITORING RESPONSIBILITIES FOR:

1. THE RELIABILITY, INTEGRITY AND TRANSPARENCY OF FINANCIAL REPORTING AND DISCLOSURE, AND OTHER FINANCIAL INFORMATION.
2. THE ESTABLISHMENT AND ONGOING MONITORING PROCESSES TO ASSURE ADEQUATE FUNCTIONING OF THE SYSTEMS OF INTERNAL CONTROL.
3. THE ESTABLISHMENT AND ONGOING MONITORING PROCESSES OF THE MCCCC ETHICS INITIATIVE; COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS AND MCCCC POLICIES; INCLUDING THE RESULTS OF ETHICS VIOLATIONS AND VIOLATIONS OF LAWS, REGULATIONS AND MCCCC POLICIES.
4. THE RISK MANAGEMENT POLICIES AND PROCESSES AND ONGOING MONITORING EFFORTS.
5. THE INDEPENDENCE AND PERFORMANCE OF THE INTERNAL AND EXTERNAL AUDITORS.
6. THE AUDIT AND FINANCE COMMITTEE SHALL BE CHAIRED BY A MEMBER OF THE COMMUNITY SERVING ON THE COMMITTEE AND THE VICE CHAIR SHALL BE A MARICOPA COMMUNITY COLLEGES GOVERNING BOARD MEMBER WHO SERVES ON THE COMMITTEE.
7. AT LEAST ANNUALLY, THE AUDIT AND FINANCE COMMITTEE SHALL MEET IN EXECUTIVE SESSION WITH THE EXTERNAL AUDITOR AND OR INTERNAL AUDIT DIRECTOR. EXECUTIVE SESSIONS SHALL EXCLUDE THOSE COMMITTEE MEMBERS WHO ARE DIRECTLY EMPLOYED BY THE MARICOPA COMMUNITY COLLEGES, EXCEPT THE INTERNAL AUDIT DIRECTOR.

D. INTERNAL AUDIT RESPONSIBILITY

MCCCD'S INTERNAL AUDIT AND MANAGEMENT ADVISORY SERVICES DEPARTMENT (IAMAS) IS CHARGED WITH THE RESPONSIBILITY FOR ASCERTAINING THAT MCCCD'S SYSTEMS OF INTERNAL CONTROLS, RISK MANAGEMENT, AND ORGANIZATIONAL PROCESSES, AS DESIGNED AND REPRESENTED BY MANAGEMENT, ARE ADEQUATE AND FUNCTIONING. IAMAS IS ALSO RESPONSIBLE FOR REPORTING TO MANAGEMENT AND THE AUDIT AND FINANCE COMMITTEE OF THE GOVERNING BOARD ON THE ADEQUACY AND EFFECTIVENESS OF THE ORGANIZATION'S SYSTEMS OF INTERNAL CONTROL, TOGETHER WITH IDEAS, COUNSEL, AND RECOMMENDATIONS TO IMPROVE THE SYSTEMS.

THE POLICY STATEMENT ON INTERNAL CONTROL WAS REVIEWED AND APPROVED:

CHAIR OF THE AUDIT & FINANCE COMMITTEE

DATE

CHANCELLOR

DATE

DIRECTOR OF INTERNAL AUDIT

DATE

COLLEGE PRESIDENT (CGCC)

DATE

COLLEGE PRESIDENT (EMCC)

DATE

COLLEGE PRESIDENT (GWCC)

DATE

COLLEGE PRESIDENT (GCC)

DATE

COLLEGE PRESIDENT (MCC)

DATE

COLLEGE PRESIDENT (PVCC)

DATE

COLLEGE PRESIDENT (PC)

DATE

COLLEGE PRESIDENT (RSC)

DATE

COLLEGE PRESIDENT (SCC)

DATE

COLLEGE PRESIDENT (SMCC)

DATE

VC / BUSINESS SERVICES

DATE

VC / HUMAN RESOURCES

DATE

VC / ACADEMIC AFFAIRS

DATE

VC/STUDENT DEVELOPMENT &
COMMUNITY AFFAIRS

DATE

OTHER CHANCELLOR'S EXECUTIVE
COUNCIL MEMBER (CEC)

DATE



APPENDIX L

APPENDIX L

RECOMMENDED ACTION: AMENDMENT TO EXISTING ADMINISTRATIVE REGULATION 1.13 INTERNAL AUDIT

1.13.1 Internal Audit Authority

The Internal Audit & Management Advisory Services (IAMAS) Department is granted the authority for TO:

- ∞ ~~assessing~~ **ASSESS** all MCCCDC functions, programs and control systems, and is responsible to advise **THE AUDIT AND FINANCE COMMITTEE AND** management concerning the condition of reviewed functions, programs and systems.
- ∞ **ALLOCATE RESOURCES, SET FREQUENCIES, SELECT SUBJECTS, DETERMINE SCOPES OF WORK, AND APPLY THE TECHNIQUES REQUIRED TO ACCOMPLISH AUDIT OBJECTIVES.**
- ∞ **OBTAIN THE NECESSARY ASSISTANCE OF PERSONNEL IN UNITS OF THE ORGANIZATION WHERE THEY PERFORM AUDITS, AS WELL AS OTHER SPECIALIZED SERVICES FROM WITHIN OR OUTSIDE THE ORGANIZATION.**

THE IAMAS DEPARTMENT IS NOT AUTHORIZED TO:

- ∞ **PERFORM ANY OPERATIONAL DUTIES FOR THE ORGANIZATION.**
- ∞ **INITIATE OR APPROVE ACCOUNTING TRANSACTIONS EXTERNAL TO THE INTERNAL AUDIT DEPARTMENT.**
- ∞ **DIRECT THE ACTIVITIES OF ANY ORGANIZATION EMPLOYEE NOT EMPLOYED BY THE INTERNAL AUDIT DEPARTMENT, EXCEPT TO THE EXTENT SUCH EMPLOYEES HAVE BEEN APPROPRIATELY ASSIGNED TO ASSIST THE INTERNAL AUDITORS.**

~~Internal Audit is a staff function, and as such will assume no direct authority over reviewed activities. Performances of audit reviews will not relieve respective management of any assigned responsibilities.~~

1.13.2 Internal Audit Access

In the performance of audits, members of the IAMAS team are granted unlimited accessibility to all MCCCDC activities, records, property, and employees, within the limits of the law, and are charged with maintaining stringent accountability of safekeeping and confidentiality. They are granted unrestricted access to the Chancellor, all Vice Chancellors, all College Presidents and Provosts, the MCCCDC Governing Board, and the Audit & Finance Committee.

See Appendix H **FM-1**, which contains the IAMAS Department's mission statement, accompanied by explanatory sections on ~~authority~~, **SCOPE OF WORK, ACCOUNTABILITY**, reporting relationships **AND INDEPENDENCE**, and **RESPONSIBILITY, AND STANDARDS OF AUDIT PRACTICE**.



APPENDIX M

APPENDIX M

RECOMMENDED ACTION: AMENDMENT TO EXISTING ADMINISTRATIVE REGULATION APPENDIX ITEM FOR:

INTERNAL AUDIT & MANAGEMENT ADVISORY SERVICES DEPARTMENT CHARTER

MISSION

The mission of the Internal Audit & Management Advisory Services (IAMAS) Department is twofold: to support the vision, mission and values of the Maricopa County Community College District (MCCCD) and its colleges and centers by providing independent and objective ASSURANCE, management evaluation, consultation, and reporting services; and to help ensure the efficient and effective use of resources, program operations, and stewardship over assets. THE IAMAS DEPARTMENT HELPS THE MCCCD ACCOMPLISH ITS OBJECTIVES BY BRINGING A SYSTEMATIC, DISCIPLINED APPROACH TO EVALUATE AND IMPROVE THE EFFECTIVENESS OF RISK MANAGEMENT, CONTROL AND GOVERNANCE PROCESSES.

All IAMAS Department services will be provided in accordance with the *Standards for the Professional Practice of Internal Auditing* promulgated by the Institute of Internal Auditors (IIA).

AUTHORITY

In the performance of audits, members of the IAMAS Department team are granted unlimited accessibility to all MCCCD activities, records, property and employees, within the limits of the law, and are charged with maintaining stringent accountability of safekeeping and confidentiality. They are granted unrestricted access to the Chancellor, all Vice Chancellors, all College Presidents and Provosts, the MCCCD Governing Board, and the Audit & Finance Committee.

Internal Audit is a staff function and has no direct authority over the activities reviewed. Performance of audit reviews does not relieve respective management of any assigned responsibilities.

SCOPE OF WORK

THE SCOPE OF WORK OF IAMAS IS TO DETERMINE WHETHER THE ORGANIZATION'S NETWORK OF RISK MANAGEMENT, CONTROL AND GOVERNANCE PROCESSES, AS DESIGNED AND REPRESENTED BY MANAGEMENT, IS ADEQUATE AND FUNCTIONING IN A MANNER TO ENSURE:

- ∞ RISKS ARE APPROPRIATELY IDENTIFIED AND MANAGED.
- ∞ INTERACTION WITH THE VARIOUS GOVERNANCE GROUPS OCCURS AS NEEDED.
- ∞ SIGNIFICANT FINANCIAL, MANAGERIAL, AND OPERATING INFORMATION IS ACCURATE, RELIABLE AND TIMELY.
- ∞ EMPLOYEES ACTIONS ARE IN COMPLIANCE WITH POLICIES, STANDARDS, PROCEDURES AND APPLICABLE LAWS AND REGULATIONS.
- ∞ RESOURCES ARE ACQUIRED ECONOMICALLY, ARE USED EFFICIENTLY AND ARE ADEQUATELY PROTECTED.

- ∞ PROGRAMS, PLANS AND OBJECTIVES ARE ACHIEVED.
- ∞ QUALITY AND CONTINUOUS IMPROVEMENT ARE FOSTERED IN MCCCD'S CONTROL PROCESS.
- ∞ SIGNIFICANT LEGISLATIVE OR REGULATORY ISSUES IMPACTING THE ORGANIZATION ARE RECOGNIZED AND ADDRESSED PROPERLY.

ACCOUNTABILITY

THE DIRECTOR OF IAMAS IN THE DISCHARGE OF HIS/HER DUTIES SHALL BE ACCOUNTABLE TO MANAGEMENT AND THE AUDIT AND FINANCE COMMITTEE TO:

- ∞ PROVIDE ANNUALLY AN ASSESSMENT ON THE ADEQUACY AND EFFECTIVENESS OF MCCCD'S PROCESSES FOR CONTROLLING ITS ACTIVITIES AND MANAGING ITS RISKS IN THE AREAS SET FORTH UNDER THE MISSION AND SCOPE OF WORK.
- ∞ REPORT SIGNIFICANT ISSUES RELATED TO THE PROCESSES FOR CONTROLLING THE ACTIVITIES OF THE MCCCD, INCLUDING POTENTIAL IMPROVEMENTS TO THOSE PROCESSES, AND PROVIDE INFORMATION CONCERNING SUCH ISSUES THROUGH RESOLUTION. THIS WOULD INCLUDE INFORMING AND ADVISING THE AUDIT & FINANCE COMMITTEE OF THE GOVERNING BOARD AND MANAGEMENT ON THE AREAS EXAMINED, AND DISCHARGING THE RESPONSIBILITIES IN A MANNER THAT IS CONSISTENT WITH THE INSTITUTE OF INTERNAL AUDITORS (IIA) CODE OF ETHICS.
- ∞ PROVIDE COPIES OF COMPLETED AUDITS TO THE AUDIT & FINANCE COMMITTEE AND GOVERNING BOARD MEMBERS. THE AUDIT DIRECTOR EXECUTIVE AND STAFF WILL LEAD THE DISCUSSION ON AUDIT REPORTS WITH THE AUDIT & FINANCE COMMITTEE. THE AUDIT & FINANCE COMMITTEE MAY CHOOSE TO SEND A LETTER TO THE AUDITEE REQUESTING THE STATUS AND CORRECTIVE ACTION TAKEN ON SIGNIFICANT FINDINGS. AUDITS WITH SIGNIFICANT FINDINGS WILL BE REFERRED TO THE APPROPRIATE VICE CHANCELLOR FOR FOLLOW-UP WITH THE AUDITEE. THIS IS IN ADDITION TO THE IAMAS FOLLOW UP THAT WILL OCCUR THREE MONTHS AFTER THE AUDIT IS COMPLETED. THIS WILL SERVE TO ENSURE TIMELY IMPLEMENTATION OF FINDINGS. IF PROGRESS ON FINDINGS IS UNCLEAR AS TO A PLAN OF ACTION TO ADDRESS THE FINDINGS WITHIN SIX MONTHS, THE AUDIT AND FINANCE COMMITTEE WILL REQUIRE THE AUDITEE TO ATTEND THE NEXT AUDIT & FINANCE COMMITTEE MEETING TO REVIEW THE STATUS OF THE AUDIT FINDINGS. IF THE AUDIT AND FINANCE COMMITTEE DOES NOT FIND THAT THE AUDITEE'S RESPONSE IS ADEQUATE, IT WILL SO NOTIFY THE CHANCELLOR AND GOVERNING BOARD.

REPORTING RELATIONSHIPS AND INDEPENDENCE

Reporting relationships will be maintained in a manner that supports departmental independence and promotes comprehensive audit coverage ~~while assuming appropriate consideration of audit recommendations.~~ **TO PROVIDE FOR THE INDEPENDENCE OF IAMAS, ITS PERSONNEL REPORT TO THE DIRECTOR OF IAMAS, WHO REPORTS ADMINISTRATIVELY TO THE VICE CHANCELLOR FOR BUSINESS SERVICES.** ~~The IAMAS Department reports to the Vice Chancellor for Business Services for administrative purposes while operating under the direction of the Audit & Finance Committee.~~ **THE DIRECTOR OF IAMAS WILL PERIODICALLY REPORT TO THE AUDIT & FINANCE COMMITTEE IN A MANNER OUTLINED IN THE SECTION ON ACCOUNTABILITY. PERIODICALLY, IT WILL INCLUDE AS PART OF ITS REPORTS TO THE AUDIT & FINANCE**

COMMITTEE A REGULAR REPORT ON INTERNAL AUDIT PERSONNEL. THE AUDIT DIRECTOR WILL MEET REGULARLY WITH THE MARICOPA COMMUNITY COLLEGES' CHANCELLOR TO DISCUSS THE STATUS OF THE AUDIT PLAN AND MATTERS OF CONCERN.

THREE-YEAR AUDIT PLAN RESPONSIBILITY

THE DIRECTOR OF IAMAS HAS RESPONSIBILITY TO:

- ∞ **DEVELOP A FLEXIBLE ANNUAL AUDIT PLAN USING APPROPRIATE RISK-BASED METHODOLOGY, INCLUDING ANY RISKS OR CONTROL CONCERNS IDENTIFIED BY MANAGEMENT, AND SUBMIT THAT PLAN TO THE AUDIT & FINANCE COMMITTEE FOR REVIEW AND APPROVAL. THE AUDIT PLAN IS APPROVED AT THE BEGINNING OF EACH FISCAL YEAR.** Annually, the Audit & Finance Committee formally authorizes the three-year audit plan. This plan is used in planning and budgeting audit assignments and is annually reevaluated using a risk assessment process. Input obtained from the district office, college administrators, and the auditor general's office is instrumental in developing this plan. The audit plan is considered a guide to distribute internal audit coverage across MCCCDC but remain flexible enough to accommodate unexpected changes. ~~At the beginning of each fiscal year, the audit & finance committee approves the audit plan to be used during the fiscal year.~~
- ∞ **IMPLEMENT THE ANNUAL AUDIT PLAN, AS APPROVED, INCLUDING, AND AS APPROPRIATE, ANY SPECIAL REVIEWS OR PROJECTS REQUESTED BY MEMBERS OF THE CHANCELLOR'S EXECUTIVE COUNCIL (CEC) AND THE GOVERNING BOARD. AN AUDIT INTAKE FORM WILL BE COMPLETED BY A CEC OR GOVERNING BOARD MEMBER AND SUBMITTED TO IAMAS FOR REVIEW. IAMAS, THE CHANCELLOR AND VICE CHANCELLOR FOR BUSINESS SERVICES WILL REVIEW THESE REQUESTS AND SUBMIT THEIR RECOMMENDATIONS TO THE AUDIT AND FINANCE COMMITTEE FOR AUTHORIZATION.**

SPECIAL REQUESTS PROJECTS

~~Written authorizations for special request projects are normally received in writing from a member of the Chancellor's Executive Council (CEC) or governing board.~~

- ∞ **MAINTAIN A PROFESSIONAL AUDIT STAFF WITH SUFFICIENT KNOWLEDGE, SKILLS, EXPERIENCE AND PROFESSIONAL CERTIFICATIONS TO MEET THE REQUIREMENTS OF THIS CHARTER.**
- ∞ **ESTABLISH A QUALITY ASSURANCE PROGRAM BY WHICH THE DIRECTOR OF IAMAS ASSURES THE OPERATIONS OF INTERNAL AUDITING ACTIVITIES.**
- ∞ **PERFORM CONSULTING SERVICES, BEYOND IAMAS' ASSURANCE SERVICES, TO ASSIST MANAGEMENT IN MEETING ITS OBJECTIVES. EXAMPLES MAY INCLUDE FACILITATION, PROCESS DESIGN, TRAINING AND ADVISORY SERVICES.**
- ∞ **EVALUATE AND ASSESS SIGNIFICANT NEW FUNCTIONS, CHANGING SERVICES, PROCESSES, OPERATIONS AND CONTROL PROCESSES COINCIDENT WITH THEIR DEVELOPMENT, IMPLEMENTATION AND/OR EXPANSION.**
- ∞ **ISSUE PERIODIC REPORTS TO THE AUDIT & FINANCE COMMITTEE AND MANAGEMENT SUMMARIZING RESULTS OF AUDIT ACTIVITIES.**

- ∞ **KEEP THE AUDIT & FINANCE COMMITTEE INFORMED OF EMERGING TRENDS AND SUCCESSFUL PRACTICES IN INTERNAL AUDITING.**
- ∞ **PROVIDE A LIST OF SIGNIFICANT MEASUREMENT GOALS AND RESULTS TO THE AUDIT & FINANCE COMMITTEE.**
- ∞ **ASSIST IN THE INVESTIGATION OF SIGNIFICANT SUSPECTED FRAUDULENT ACTIVITIES WITHIN THE ORGANIZATION AND NOTIFY MANAGEMENT AND THE AUDIT AND FINANCE COMMITTEE OF THE RESULTS.**
- ∞ **CONSIDER THE SCOPE OF WORK OF THE AUDITOR GENERAL'S OFFICE AND REGULATORS, AS APPROPRIATE, FOR THE PURPOSE OF PROVIDING OPTIMAL AUDIT COVERAGE TO THE MCCCD AT A REASONABLE OVERALL COST.**

SCOPE OF RESPONSIBILITIES

~~To foster and protect objectivity, the practice of line responsibilities is limited for internal auditors and is an essential consideration in the selection of personnel for audit assignments. The IAMAS Department is granted the authority for assessing the various MCCCD functions, programs and control systems, and is responsible to advise management concerning the condition of reviewed functions, programs and systems. The fulfillment of this accountability is not confined to, but may include, the following:~~

- ~~▪ Appraising the soundness, effectiveness, and application of MCCCD administrative and financial controls and the reliability of data that is developed therein.~~
- ~~▪ Evaluating sufficiency of, and adherence to, MCCCD plans, policies, and procedures, and compliance with governmental laws and regulations.~~
- ~~▪ Ascertaining the adequacy of controls for safeguarding MCCCD assets, and when appropriate, verifying the existence of assets.~~
- ~~▪ Performing special reviews requested by MCCCD management or by the Governing Board.~~
- ~~▪ Conducting appraisals of effectiveness and efficiency in the use of MCCCD resources and making appropriate recommendations to management.~~
- ~~▪ Coordinating audit planning; scheduling activities with MCCCD management and the independent auditors.~~
- ~~▪ Informing and advising management and the Audit & Finance Committee of the Governing Board on the areas examined, and discharging this responsibility in a manner that is consistent with the IIA Code of Ethics.~~

STANDARDS OF AUDIT PRACTICE

THE IAMAS WILL MEET OR EXCEED THE STANDARDS FOR THE PROFESSIONAL PRACTICE OF INTERNAL AUDITING OF THE INSTITUTE OF INTERNAL AUDITORS

NOTE: BELOW IS A FORMAL SIGN OFF OF THE INTERNAL AUDIT CHARTER BY THE AUDIT & FINANCE COMMITTEE CHAIR, CHANCELLOR, VICE CHANCELLOR FOR BUSINESS SERVICES AND THE DIRECTOR OF INTERNAL AUDIT.

CHAIR OF THE AUDIT & FINANCE COMMITTEE

DATE

CHANCELLOR

DATE

VICE CHANCELLOR FOR BUSINESS SERVICES

DATE

DIRECTOR OF INTERNAL AUDIT

DATE



APPENDIX N

APPENDIX N

**RECOMMENDED ACTION: AMENDMENT TO EXISTING ADMINISTRATIVE REGULATION
APPENDIX ITEM:**

**Maricopa County Community College District
Internal Audit & Management Advisory Services
Audit Intake Form**

REQUESTED BY: _____ *(MUST BE CEC OR BOARD MEMBER)*

DAY PHONE: () _____

CELL PHONE: () _____

WHAT IS THE ISSUE? (PLEASE PROVIDE A DETAILED DESCRIPTION WITH THE REASON FOR AND NATURE OF YOUR CONCERN)

WHAT TYPE OF SERVICE IS NEEDED?

___ **REVIEW OF A DEPARTMENT'S SIGNIFICANT OPERATING PROCESSES AND ASSOCIATED INTERNAL CONTROLS FOR POTENTIAL RISKS. (INTERNAL CONTROL REVIEW – WE GIVE RECOMMENDATIONS FOR MANAGING AND MITIGATING THE RISKS. THE REVIEW WILL ALSO INCLUDE COMPLIANCE REVIEW AND MAY INCORPORATE SOME TESTING).**

___ **INVESTIGATE POSSIBLE FRAUD OR MISAPPROPRIATION, OR ALLEGED VIOLATIONS OF LAWS OR POLICIES AND PROCEDURES THAT COULD RESULT IN PROSECUTION AND/OR DISCIPLINARY ACTION. (SPECIAL REQUEST –THEFT, MISAPPROPRIATION OF ASSETS AND CONFLICTS OF INTEREST ARE EXAMPLES OF REASONS FOR SPECIAL REQUESTS).**

___ **ADDRESS THE INTERNAL CONTROL ENVIRONMENT OF INFORMATION SYSTEMS AND HOW PEOPLE USE THOSE SYSTEMS (INFORMATION SYSTEMS (IS) AUDITS – WE GIVE RECOMMENDATIONS TO ENSURE THE ADEQUACY AND RELIABILITY OF THE CONTROLS AND TO ENSURE THE INTEGRITY OF DATA PROCESSING).**

___ **OTHER: _____ (SEE REVERSE SIDE FOR OTHER TYPES OF SERVICES)**

PLEASE DESCRIBE AND EXPLAIN THE LEVEL OF URGENCY:

AUDIT CONTACT(S):

DAY PHONE: () _____

CELL PHONE: () _____

OTHER ISSUES OR COMMENTS:

DISPOSITION: AUDIT? YES _____ NO _____
TYPE: _____
AUDITOR: _____
DATE STARTED: _____
DATE CLOSED: _____

**Maricopa County Community College District
Internal Audit & Management Advisory Services
Audit Intake Form**

OTHER TYPES OF INTERNAL AUDITS AND MANAGEMENT ADVISORY SERVICES

COMPLIANCE AUDITS AND REVIEWS ARE DESIGNED TO REVIEW AND EVALUATE A DEPARTMENT'S OR AREA'S LEVEL OF COMPLIANCE WITH ESTABLISHED GUIDELINES – FEDERAL AND STATE LAWS AND REGULATIONS, INSTITUTIONAL POLICIES AND PROCEDURES, AND TERMS OF CONTRACTS. RECOMMENDATIONS TYPICALLY CALL FOR IMPROVEMENTS IN PROCESSES AND CONTROLS INTENDED TO ENSURE COMPLIANCE WITH REGULATIONS.

FINANCIAL REVIEWS INVOLVE AN EVALUATION AND ANALYSIS OF ACCOUNTING AND FINANCIAL TRANSACTIONS TO DETERMINE IF COMMITMENTS, AUTHORIZATIONS AND RECEIPT AND DISBURSEMENT OF FUNDS ARE PROPERLY AND ACCURATELY RECORDED AND REPORTED. THIS TYPE OF REVIEW ALSO DETERMINES IF THERE ARE SUFFICIENT CONTROLS OVER CASH AND OTHER ASSETS AND THAT ADEQUATE PROCESS CONTROLS EXIST OVER THE ACQUISITION AND USE OF RESOURCES. UNLIKE EXTERNAL FINANCIAL AUDITS, INTERNAL FINANCIAL REVIEWS DO NOT PREPARE OR EXPRESS PROFESSIONAL OPINIONS ON THE FINANCIAL STATEMENTS' FAIRNESS.

MANAGEMENT AUDITS ASSESS THE QUALITY OF THE DECISION-MAKING PROCESS AND THE INFORMATION ENVIRONMENT.

COST-BENEFIT AUDITS EVALUATE THE ECONOMY, EFFICIENCY AND EFFECTIVENESS OF A PROGRAM OR ACTIVITY. THE AUDITOR WILL CONCENTRATE ON THE INPUTS AND OUTPUTS FOR A SPECIFIC PROGRAM. THE PURPOSE MAY OVERLAP WITH INTERNAL CONTROL REVIEWS, AND COMPLIANCE AND MANAGEMENT AUDITS.

CONSULTING SERVICES INTEND TO ADD VALUE TO GOVERNANCE, RISK MANAGEMENT, AND CONTROL PROCESSES WITHOUT THE AUDITOR ASSUMING MANAGEMENT RESPONSIBILITIES. CONSULTING SERVICES MAY INCLUDE CONSULTATION, RESEARCH ASSISTANCE, AND FACILITATION.

NOTE: THE PURPOSES OF THE TYPES OF INTERNAL AUDITS AND MANAGEMENT ADVISORY SERVICES MAY OVERLAP DEPENDING ON THE SITUATION. FOR EXAMPLE, AN INTERNAL CONTROL REVIEW THAT CONCENTRATES ON VARIOUS PROCESSES SUCH AS CASH HANDLING, PAYROLL, EQUIPMENT INVENTORY AND ACCOUNTS PAYABLE WILL ALSO INCORPORATE ELEMENTS OF A COMPLIANCE AUDIT AND MAY INCLUDE FINANCIAL AND MANAGEMENT REVIEWS



APPENDIX O

APPENDIX O

RECOMMENDED ACTION: ADOPTION OF NEW ADMINISTRATIVE REGULATION, ON CASH HANDLING, FOR PLACEMENT IN THE FISCAL MANAGEMENT SECTION.

CASH HANDLING

SCOPE OF COVERAGE OF THIS REGULATION

THIS REGULATION COVERS ALL MARICOPA COMMUNITY COLLEGES (MCCCD) OFFICES (INCLUDING, BUT NOT LIMITED TO: CASHIERS OFFICES, PERFORMING ARTS CENTERS, ATHLETIC FACILITIES, PROGRAM OFFICES, ETC.) THAT ACCEPT PAYMENT FOR ANY MCCCD SERVICES (INCLUDING, BUT NOT LIMITED TO: TUITION, FEES, DUES, EVENT TICKETS, ETC.). CASH IS DEFINED AS COINS, CURRENCY, CHECKS, MONEY ORDERS, CREDIT CARDS, ELECTRONIC FUNDS TRANSFERS, AND ALL CASH EQUIVALENTS (INCLUDING, BUT NOT LIMITED TO: TOKENS, GIFT CARDS, TUITION WAIVERS, PARKING TICKETS, STAMPS).

GENERAL STANDARDS

- A. TO ENSURE STRONG INTERNAL CONTROLS OVER CASH HANDLING, TO SAFEGUARD AGAINST LOSS AND TO MEET OUR OBLIGATION TO THE COMMUNITY AS STEWARDS OF PUBLIC RESOURCES, THE FOLLOWING ELEMENTS OF INTERNAL CONTROLS MUST BE ADHERED TO:**
- 1. PROPER SEGREGATION OF DUTIES (I.E., DUAL CONTROLS)**
 - 2. ADEQUATE SAFEGUARDS FOR HANDLING, TRANSPORTING AND STORING CASH**
 - 3. ADEQUATE SAFEGUARDS FOR DEPOSITS**
 - 4. INDEPENDENT RECONCILIATION OF DEPOSIT DOCUMENTS TO RECEIPTS**
 - 5. MANAGEMENT OVERSIGHT AND REVIEW OF CASH HANDLING PROCESSES AND PERSONNEL**
- B. EACH COLLEGE AND THE DISTRICT OFFICE ARE REQUIRED TO ESTABLISH WRITTEN PROCEDURES THAT ENSURE COMPLIANCE WITH ALL OF THE REQUIRED INTERNAL CONTROL ELEMENTS IDENTIFIED IN A.**
- C. THE DISTRICT'S BUSINESS SERVICES DIVISION WILL REVIEW SUCH WRITTEN PROCEDURES FOR POTENTIAL AREAS OF CONCERN RELATING TO THE REQUIRED INTERNAL CONTROL ELEMENTS. SUCH CONCERNS WILL BE NOTED AND COMMUNICATED BACK TO THE APPLICABLE COLLEGE/DISTRICT OFFICE FOR FURTHER ACTION.**
- D. ON OR ABOUT JANUARY 1ST OF EACH YEAR, EACH COLLEGE AND THE DISTRICT OFFICE ARE TO REVIEW THE WRITTEN PROCEDURES RELATING TO CASH HANDLING. IF SIGNIFICANT CHANGES ARE REQUIRED, SUCH CHANGES ARE TO BE REVIEWED BY THE DISTRICT'S BUSINESS SERVICES DIVISION AS IN C. ABOVE.**
- E. THE DISTRICT'S INTERNAL AUDIT AND MANAGEMENT ADVISORY SERVICES DEPARTMENT MAY TEST THE WRITTEN PROCEDURES FOR COMPLIANCE IN ACCORDANCE WITH THEIR ESTABLISHED AUDIT PLAN.**
- F. IF INAPPROPRIATE ACTIVITY IS SUSPECTED OR DETERMINED (I.E., A PATTERN OF CASH SHORTAGES, FORGERY OR ALTERATIONS OF CHECKS, MISAPPLICATION OF**

TUITION WAIVERS, LOSS OR DAMAGE TO SECURITIES, COMPUTER FRAUD, ETC.), THE COLLEGE OR DISTRICT OFFICE STAFF SHOULD IMMEDIATELY NOTIFY THEIR APPROPRIATE VICE PRESIDENT OR VICE CHANCELLOR, WHO SHOULD THEN NOTIFY RISK MANAGEMENT AND INTERNAL AUDIT AND MANAGEMENT ADVISORY SERVICES OF ANY REAL OR POTENTIAL LOSSES. TIMELY NOTIFICATIONS ARE CRITICAL AS MCCCCD HAS A LIMITED DISCOVERY PERIOD IN WHICH TO REPORT SUCH ACTIVITY TO OUR INSURANCE CARRIER.

G. ANNUALLY, EACH EMPLOYEE RESPONSIBLE FOR HANDLING CASH WILL BE REQUIRED TO COMPLETE AN ACKNOWLEDGEMENT THAT THEY HAVE READ AND AGREE TO ABIDE BY ESTABLISHED PROCEDURES FOR PROPER HANDLING OF CASH.



APPENDIX P

APPENDIX P

RECOMMENDED ACTION: AMENDMENT OF EXISTING TRAVEL ADMINISTRATIVE REGULATION.

1.15.1 AUTHORITY

Pursuant to A.R.S. §15-1406, a community college district may establish procedures and amounts for travel for a district purpose by a board member, member-elect, officer or employee. Such procedures and amounts may authorize reimbursement for lodging, subsistence, and travel expenses. The statewide travel policy as issued by the Arizona Department of Administration, is adopted by the MCCCDC Governing Board as the principal authority for travel by Board members, members-elect, officers and employees. In addition, the MCCCDC travel regulation has been designed to qualify as an accountable plan under regulations established by the Internal Revenue Service (IRS).

Funds shall be properly budgeted and total travel amounts shall be specifically approved by the Governing Board at the time of annual budget adoption, or as legally changed during the fiscal year.

1.15.2 DEFINITIONS

- a. **Annual Travel Acknowledgement Form:** A form signed by authorized travelers establishing ~~agreement~~ ACKNOWLEDGEMENT ~~to~~ OF the terms and conditions of authorized business travel.
- b. **Approved Travel Status** - For a College/District traveler to be in approved travel status, the person must be conducting official College/District business with authorization as stated in section 1.15.3.

If expenses are to be incurred and/or paid, a travel authorization form must be approved prior to travel. A conference brochure (or equivalent detailed document) should accompany conference-related travel requests. When travel expenses are not incurred or are paid for by another agency or individual, colleges may still require that a travel authorization form be filled out. FOR IN-COUNTY TRAVEL REQUIRED FOR ROUTINE DISTRICT BUSINESS PURPOSES, A TRAVEL REQUEST FORM IS NOT REQUIRED.

- c. **Conference Designated Lodging** - The hotel where the conference is being held or the hotel(s) specified in the conference brochure (or equivalent detailed documents). Accommodations at alternate hotels in the immediate vicinity of the conference may be considered as conference designated lodging when no vacancies exist at the recommended hotel(s) AND MAY BE REIMBURSED AT THE CONFERENCE RATE OR LESS.
- d. **Commute Miles** - The distance between an individual's residence and his or her duty post.
- e. **Duty Post:**
Employee - The place an officer or employee spends the largest portion of his or her regular working time or the place to which they return on completion of a special assignment. An employee who has more than one place of work on a regular basis is deemed to have multiple duty posts. A duty post may also be a geographical area, such as, different campuses or teaching locations or where the same routes are traveled frequently on one-day trips.

Others - The duty post for members of boards, commissions, authorities, councils, and committees who are not full-time employees of the College/District served by the board, commission, authority, council, or committee shall be deemed to be their place of residence.
- f. **Governing Authority** - ~~is defined as~~ the individual or individuals authorized to approve travel. (See approval section 1.15.3)

- g. GROUP TRAVEL – STUDENTS TRAVELING TOGETHER FOR A COMMON EVENT OR PURPOSE

WITH AT LEAST ONE MCCCC EMPLOYEE, FOR WHICH ONLY ONE TRAVEL AUTHORIZATION FORM IS REQUIRED. A LIST OF EMPLOYEES AND STUDENTS PARTICIPATING IN THE TRIP MUST ACCOMPANY THE TRAVEL AUTHORIZATION FORM FOR GROUP TRAVEL. A GROUP OF MCCCC EMPLOYEES IN APPROVED TRAVEL STATUS AT THE SAME LOCATION OR EVENT IS NOT CONSIDERED GROUP TRAVEL.

- h. **In-County Trips** - ~~In county trips include travel within Maricopa County on official business and between MCCCC locations.~~ TRAVEL WITHIN MARICOPA COUNTY ON OFFICIAL BUSINESS AND BETWEEN MCCCC LOCATIONS. GENERALLY, MEALS AND INCIDENTAL EXPENSES ARE NOT REIMBURSED FOR IN-COUNTY TRAVEL.
- i. **In-State Travel** - ~~In state travel may include travel on official business into adjoining states, provided that such travel is performed entirely within an area not to exceed, at any point, one hundred (100) miles from the Arizona border.~~ TRAVEL ON OFFICIAL BUSINESS OUTSIDE MARICOPA COUNTY BUT WITHIN ARIZONA. IN-STATE TRAVEL CAN ENCOMPASS ADJOINING STATES, PROVIDED THAT SUCH TRAVEL IS PERFORMED ENTIRELY WITHIN AN AREA NOT TO EXCEED, AT ANY POINT, ONE HUNDRED (100) MILES FROM THE ARIZONA BORDER.
- j. **Local GROUND Transportation** - Tolls, taxi, shuttle bus, limousine, and streetcar use to and from airports, train stations or bus terminals AS NEEDED IN ORDER TO CONDUCT BUSINESS is classified as local transportation.
- k. **Meals and Incidental Expenses (M&IE)** - The cost of meals TO SUPPLEMENT SUSTENANCE and AS WELL AS ANY incidental expenses, including gratuity, laundry, tips, etc. while in travel status. Reimbursement is calculated using a per diem rate in accordance with the MCCCC travel regulation.
- l. **OFFICIAL FUNCTION** – AN ACTIVITY OR ITEM THAT APPEARS TO BE OUTSIDE OF THE ORDINARY AND NECESSARY FUNCTION OF MCCCC AS A PUBLIC EDUCATIONAL INSTITUTION, BUT THAT PROVIDES A TANGIBLE BENEFIT AND LINKS DIRECTLY TO MCCCC’S EDUCATIONAL MISSION AND IS REASONABLE AND COMMENSURATE IN VALUE TO THE TANGIBLE BENEFIT THAT MCCCC WILL RECEIVE. EXPENSES INCURRED BY A TRAVELER FOR ACTIVITIES OR EVENTS THAT ARE AN OFFICIAL FUNCTION MUST COMPLY WITH THE OFFICIAL FUNCTIONS ADMINISTRATIVE REGULATION (1.16). [EDITOR’S NOTE – IMBED LINK TO OFFICIAL FUNCTION REGULATION]
- m. **Out-of-Country Travel** - Travel outside of the parameters of the United States, ~~excluding possessions of the United States~~ OR ITS POSSESSIONS OR TERRITORIES.
- n. **Out-of-State Travel** - Travel within the parameters of the United States other than Arizona, including possessions of the United States such as Guam and Puerto Rico. TRAVEL OUTSIDE OF ARIZONA, BUT STILL WITHIN THE PARAMETERS OF THE UNITED STATES, INCLUDING U.S. POSSESSIONS OR TERRITORIES.
- o. **PER DIEM RATE** – THE DAILY AMOUNT USED TO REIMBURSE MEALS AND INCIDENTAL EXPENSES, ESTABLISHED BY THE STATE OF ARIZONA AND ACCESSIBLE AT THE FOLLOWING WEB SITE: [HTTP://WWW.GAO.STATE.AZ.US/TRAVEL/](http://www.gao.state.az.us/travel/)
NOTE: THE AMOUNT ALLOWED FOR MEALS IS NOT INTENDED TO COVER THE ENTIRE COST OF A MEAL TAKEN WHILE IN TRAVEL STATUS. THE AMOUNT IS CALCULATED TO COMPENSATE THE TRAVELER FOR THE ESTIMATED DIFFERENCE BETWEEN THE COST OF A MEAL TAKEN ON THE ROAD AND COST OF A MEAL PREPARED AT HOME.
- p. **PROFESSIONAL DEVELOPMENT FUNDS**: MONEY MADE AVAILABLE BY THE DISTRICT TO SUPPORT DEVELOPMENT ACTIVITIES OF ITS EMPLOYEES. CRITERIA UNDER WHICH PROFESSIONAL DEVELOPMENT FUNDS ARE AWARDED MAY DIFFER BY EMPLOYEE GROUP, AND ARE OUTSIDE THE SCOPE OF THIS REGULATION. HOWEVER, ALL AWARDS AS PART OF PROFESSIONAL DEVELOPMENT FUND INITIATIVES ARE SUBJECT TO THE REGULATIONS AND PROCEDURES OUTLINED IN THIS POLICY.

- q. **Residence** - The actual dwelling place of the individual without regard to any other legal or mailing address. Individual(s) required to reside away from their primary residence due to official travel away from their duty post may continue to claim such domicile as their residence if said residence is either inhabited by their dependents, or is held vacant at tangible expense. No reimbursement for lodging or other expenses shall be allowed on the premises of an individual's residence.
- r. **Traveler** - Every District Governing Board member, employee, non-employee and student of the College/District who is in approved travel status.
- s. **VALID Receipts** – AN ORIGINAL PROOF OF PAYMENT THAT INCLUDES SUFFICIENT DETAIL TO IDENTIFY THE SERVICES AND/OR ITEMS PURCHASED. ~~Receipts are required for all expenditures greater than \$25.00, per travel expense claim form (except M&IE per diems and mileage), and for expenditures less than \$25.00 for purchases of gas for rental car vehicles and communication expenses. Required receipts must be originals, issued in the name of MCCCCD or the traveler, and reflect proof of payment.~~ FOR AIRFARE, CAR RENTALS, HOTELS AND REGISTRATION FEES, THE RECEIPT MUST BE IN THE TRAVELER'S NAME.

1.15.3 APPROVAL AUTHORITY

Travel for the MCCCCD District Governing Board, its employees and representatives must be authorized by the appropriate governing authority or its designee(s). When travel expenses are not incurred or are paid for by another agency or individual, colleges may still require that the travel authorization form be filled out.

In order for travel to be approved, the Annual Travel Acknowledgement Form must also be on file. All district travelers must complete the Annual Travel Acknowledgement Form.

Travel approval is delegated to each College President, and each Vice Chancellor, or their designees, for all employees under their areas of jurisdiction. Travel approval for the Governing Board members, College Presidents, Vice Chancellors, in addition to direct staff personnel to the Chancellor, shall be by the Chancellor or his or her designee. A Vice Chancellor will countersign for the Chancellor's travel.

All out-of-country travel must be pre-approved by the Chancellor, or designee (as expressly identified and named by the Chancellor).

Traveler's expense ~~reimbursement~~ claimS shall be approved by the College/District fiscal office. COLLEGE PRESIDENTS' AND VICE CHANCELLORS' EXPENSE CLAIMS ARE TO BE APPROVED BY THE CHANCELLOR OR DESIGNEE. VICE PRESIDENTS' CLAIMS ARE TO BE APPROVED BY THE COLLEGE PRESIDENT. Governing Board members' and the Chancellor's expense claims will be approved by a Vice Chancellor or designee. REIMBURSEMENT EXCEPTIONS MAY BE GRANTED IN EXTENUATING CIRCUMSTANCES UPON REVIEW BY THE CHANCELLOR OR VICE CHANCELLOR FOR BUSINESS SERVICES.

When an individual is to remain in approved travel status for longer than 30 days, the Governing Board must approve the claiming of lodging and M&IE, which may be less than the maximum established rate.

The Vice Chancellor of FOR Business Services may approve hotel stays for certain conference formats that are held ~~in-county~~ LOCALLY.

No district obligation exists to reimburse any employee for travel costs unless ~~proper authorization was issued~~ TRAVELER IS IN AN APPROVED TRAVEL STATUS prior to trip departure.

TRIPS SUPPORTED BY PROFESSIONAL DEVELOPMENT FUNDS ADMINISTERED BY THE VARIOUS MCCCCD EMPLOYEE GROUPS ARE SUBJECT TO THE RULES AND REQUIREMENTS STATED IN THIS POLICY. IN SOME CASES, THE PROFESSIONAL DEVELOPMENT FUND GUIDELINES MAY BE MORE RESTRICTIVE THAN THIS REGULATION. EXCEPT FOR THE DIFFERENCES OUTLINED IN THOSE PROGRAMS, THIS REGULATION SHALL BE APPLIED CONSISTENTLY TO ALL EMPLOYEE GROUPS AND TO EXPENSES PAID FROM ANY SOURCE OF MCCCCD FUNDS. CASES THAT HAVE RESTRICTIVE STANDARDS, SUCH AS EXTERNAL GRANTS, THE PROVISIONS OF THE GRANT SHALL BE FOLLOWED.

EXPENSES INCURRED BY A TRAVELER FOR ACTIVITIES OR EVENTS THAT ARE AN OFFICIAL FUNCTION MUST COMPLY WITH THE OFFICIAL FUNCTIONS ADMINISTRATIVE REGULATION (1.16)

1.15.4 LIMITATIONS

TRAVEL OUT-OF-COUNTRY IS PROHIBITED IN INSTANCES WHERE EITHER THE LEARNING OR PROFESSIONAL GROWTH OPPORTUNITY EXISTS IN THE UNITED STATES OR ITS TERRITORIES.

ReimbursementS ~~expenses~~ are limited to those travelers in approved travel status. If expenses are to be incurred and/or paid, a travel authorization form must be approved prior to travel. FOR GROUP TRAVEL, THE TRAVEL AUTHORIZATION FORM MUST INCLUDE A LIST OF EMPLOYEES AND STUDENTS PARTICIPATING IN THE TRIP. For travel involving conferences, a conference brochure (or equivalent detailed documents) must accompany the travel ~~request~~ AUTHORIZATION. FOR TRAVEL NOT INVOLVING A CONFERENCE FORMAT, DOCUMENTATION TO SUPPORT ESTIMATED COSTS MUST ACCOMPANY THE TRAVEL AUTHORIZATION FORM.

Blanket purchase orders for travel agencies should only be used for approved travelers. Travel expenses for companions of employees should not be included in Maricopa funding requests, regardless of intent to reimburse.

Reimbursement is also limited to expense of travel by the most direct and usually traveled route; by the most economical means of transport. WHEN DETERMINING THE MOST ECONOMICAL MEANS, BOTH COST AND TRAVELER'S TIME MUST BE CONSIDERED. That portion of travel that is by indirect route, which is not in the best interest of the College/District, or is for personal business, will not be reimbursed. **Excess travel time will be charged to annual leave.**

Travel reimbursement requests must be submitted within 30 calendar days (or by June 30th of the current fiscal year, whichever comes first), after completion of the trip. If a trip concludes during the last half of June, special efforts must be taken to submit reimbursement requests by June 30th of the fiscal year for which the travel occurred. All reimbursement requests made after this timeframe require approval by the college president or designee AND FROM THE FUNDING ENTITY IF PROFESSIONAL GROWTH FUNDS ARE USED.

WHEN THE TOTAL EXPENSE OF THE TRIP EXCEEDS THE ESTIMATED TOTAL COST, REIMBURSEMENT OF THE ADDITIONAL EXPENSE WILL BE AT THE DISCRETION OF THE GOVERNING AUTHORITY THAT APPROVED THE TRAVEL AUTHORIZATION FORM.

Mileage reimbursement requests must be submitted within 30 calendar days after the end of each calendar month or by June 30th of the current fiscal year, whichever comes first.

Any amounts paid to or on behalf of a traveler that have not been substantiated with an expense claim or required receipts within 60 days of completion of travel will be deducted from the traveler's wages.

Cash advances for travel purposes will be approved only in limited instances. Such instances include academic, group or team travel, i.e., EXTENDED STAYS, class trips, student clubs and organizations, or athletic teams. Supporting documentation that outlines how the advance amount was determined should be included as part of the travel ~~request~~ AUTHORIZATION. Every effort should be made to use established travel procedures, i.e., pre-pay known expenses, charge expenses to a Procard or issue purchase orders to vendors who will accept them.

RECEIPTS ARE REQUIRED FOR ALL EXPENDITURES GREATER THAN \$25.00, PER EXPENSE CLAIM (EXCEPT M&IE PER DIEMS AND MILEAGE), AND FOR EXPENDITURES LESS THAN \$25.00 FOR PURCHASES OF GAS FOR RENTAL CAR VEHICLES AND COMMUNICATION EXPENSES. ALL RECEIPTS MUST BE VALID. WHEN CLEARING ADVANCES, SPECIFIC EXPENSES FOR ALCOHOLIC BEVERAGES WILL NOT BE ALLOWED.

TRAVEL EXPENSES FOR NON-EMPLOYEES THAT ARE SERVING OR ACTING AS AGENTS ON BEHALF OF MCCCD ARE REIMBURSED ACCORDING TO POLICIES/REGULATIONS APPLICABLE TO MCCCD EMPLOYEES.

1.15.5 TRANSPORTATION

Allowable expenses are for ~~common carrier fares~~ AIRFARE, privately-owned motor vehicle mileage, bridge and road tolls, necessary taxi, shuttle, LIGHTRAIL, SUBWAY, TRAIN/RAILROAD, bus or streetcar fares, motor vehicle rental, and necessary parking fees.

Reimbursement will be made only for the method of transportation that is in the best interest of the College/District considering the travel expense as well as the traveler's time. When more than one traveler uses the same privately owned vehicle, only one claim for mileage reimbursement will be allowed AND OTHER TRAVELERS SHOULD BE IDENTIFIED. Reimbursement rates are set by the Arizona Department of Administration and are incorporated by reference.

a. Driver's License/Insurance

Before any employee of the College/District operates a motor vehicle while engaged in any work phase of their employment, either assigned or implied, they must first possess a valid Arizona driver's license and have read the MCCCD Administrative Regulation 4.14 for Motor Vehicle Usage.

The operator of a non-district privately owned motor vehicle shall have in force a personal automobile insurance policy consisting of bodily injury and property damage liability limits which complies with Arizona Revised Statutes. Such personal automobile insurance policy shall provide primary coverage. The District's insurance program may be considered excess coverage for operators of privately-owned motor vehicles in approved travel status once primary coverage has been exhausted.

The District's insurance program provides coverage to authorized drivers of College/District vehicles when on official College/District business. Passengers must be on official College/District business. Personal property stolen or damaged in an accident in any vehicle is not covered by the District's insurance program.

b. College/District-Owned Motor Vehicles

- 1) College/District-owned motor vehicles should be used in place of privately-owned motor vehicles whenever possible.
- 2) The use of College/District motor vehicles for transporting individuals not essential to the purpose for which the vehicle was dispatched is prohibited.

c. Privately Owned Motor Vehicle

- 1) Travelers are encouraged to first use College/District vehicles. If none are available, mileage may be reimbursed for conducting College/District business. A traveler using a privately owned motor vehicle for College/District business with supervisory approval AND APPROPRIATE FUNDING may receive mileage reimbursement regardless of eligibility for lodging or M & IE reimbursement IF PREVIOUSLY APPROVED ON TRAVEL AUTHORIZATION.
- 2) When the travel begins or ends at the individual's residence, mileage shall be computed from the residence or the designated duty post, whichever is the shorter distance.

Commute mileage is to be based on no more than one round trip to duty post per day.

- 3) When an individual is required to report to a duty post outside of normal working hours, reimbursement for mileage from residence to designated duty post and return is allowable.

A privately-owned motor vehicle may be used for out-of-state travel with supervisory approval. Reimbursement for mileage is limited to no more than the lowest cost mode of transportation and should be documented prior to travel.

- 4) When a privately-owned motor vehicle is authorized for travel, reimbursement will be at the rate set by the Arizona Department of Administration computed by odometer readings or official state highway maps. ~~Map mileage may only be used between cities and towns.~~ If map mileage is used, enter "map mileage" in place of odometer readings. Commute miles must be deducted from ~~map~~

~~mileage~~ MILEAGE CLAIM, when applicable. The use of internet mapping programs to determine mileage is permissible provided that a printout of the program showing the addresses and the calculation is included with the travel claim.

- 5) If a traveler driving a privately-owned vehicle is involved in an accident and found to be at fault, his or her personal automobile carrier is responsible to the limits of the policy. If the claim exceeds that coverage, the district's insurance program will at that time cover the amount over the policy limits if the traveler was acting within the course and scope of his or her employment. If a traveler driving his or her own motor vehicle on College/District business is involved in an accident, regardless of fault, the College/District will not reimburse the traveler for any physical damage to the motor vehicle.

d. **Rented Motor Vehicles**

- 1) Rented motor vehicles may be authorized when other means of travel cannot be used economically. Use of rented automobiles shall be limited to instances where it is to the advantage of the College/District and not for the personal convenience of the traveler. ~~A College/District department head or designee~~ THE GOVERNING AUTHORITY is responsible for determining if the advantages of using a rented motor vehicle outweigh the costs of other modes of transportation, as well as the type of vehicle rented. REIMBURSEMENT OF MOTOR VEHICLE RENTALS MUST BE SUBSTANTIATED BY A VALID RECEIPT.
- 2) Travelers using rented vehicles will not be allowed to claim mileage. Reasonable gasoline purchases will be reimbursable if receipts are provided.
- 3) ~~Itemized commercial receipts are required for reimbursement of motor vehicle rental.~~

e. **Airlines**

Airfare should be purchased via a purchase order with an approved travel agency, with a valid procurement card, or as a reimbursement after travel has taken place. Reimbursement for commercial airfare may exceed the lowest fare only if seats are unavailable at the lowest fare and travel is imperative. In all cases, the decision to pay a higher fare must take into consideration the best interest of the College/District.

Flight insurance purchased by the traveler is not reimbursable.

~~2) Airfare should be purchased via a purchase order with an approved travel agency, with a valid procurement card, or as a reimbursement after travel has taken place.~~

IF A TRIP IS CANCELLED, EVERY EFFORT MUST BE MADE TO RECOVER THE CREDIT. THE FOLLOWING SITUATIONS DESCRIBE THE FACTORS TO CONSIDER WHEN REIMBURSING FOR CANCELLATIONS:

- 1) WHEN THE CANCELLATION OF THE TRIP WAS WITHIN THE TRAVELER'S CONTROL AND:
 - a. NO CREDIT IS ISSUED – THE TRAVELER MUST REIMBURSE THE DISTRICT/COLLEGE FOR THE COST OF THE TICKET.
 - b. A CREDIT IS ISSUED – THE CREDIT MUST BE USED FOR MCCCC BUSINESS TRAVEL OR THE TRAVELER MUST REIMBURSE THE DISTRICT/COLLEGE.
- 2) WHEN THE CANCELLATION OF THE TRIP WAS OUTSIDE OF THE TRAVELER'S CONTROL AND:
 - a. NO CREDIT IS ISSUED – THE DISTRICT/COLLEGE WILL COVER THE COST OF THE TICKET.
 - b. A CREDIT IS ISSUED – THE CREDIT MUST BE USED FOR MCCCC BUSINESS TRAVEL

OR THE TRAVELER CAN "BUY" THE CREDIT FROM THE DISTRICT/COLLEGE FOR PERSONAL USE. IF THE CREDIT CAN'T BE USED, THE DISTRICT WILL ABSORB THE COST OF THE TICKET.

CHANGE FEES CAN BE REIMBURSED IF THE CHANGE WAS DUE TO A CIRCUMSTANCE OR EVENT OUTSIDE THE CONTROL OF THE TRAVELER, OR IF THE CHANGE ENABLED THE TRAVELER TO DECREASE THE COST OF THE TRIP BY RETURNING EARLIER THAN ORIGINALLY PLANNED. THE PURPOSE OF THE CHANGE FEE MUST BE CLEARLY DOCUMENTED FOR IT TO BE REIMBURSED.

- f. **Railroads and Buses** - Railroad or bus travel may be used when convenient or economical and if excessive travel time ~~does~~ AND ADDITIONAL EXPENSES DO not result.
- g. **Local GROUND Transportation** - Tolls, taxi, parking, shuttle ~~bus~~, limousine, LIGHTRAIL, SUBWAY, TRAIN, ~~and~~ streetcar AND NON-AIRPORT PARKING ~~use~~ are classified as local GROUND transportation and can be claimed without receipts up to \$25.00 per expense claim form. Amounts claimed above \$25.00 require receipts for all amounts claimed. THE PURPOSE FOR THE GROUND TRANSPORTATION CLAIMED MUST BE IDENTIFIED. The most economical means of transportation shall be used in traveling to and from airports, train stations or bus terminals. Local GROUND transportation for personal activities, such as sightseeing or travel to restaurants, is not reimbursable.

~~When departing Arizona, storage or parking for privately owned motor vehicles at airports, train stations or bus terminals is allowed only if less than shuttle fare to and from the airport.~~

~~For out of state destinations, the most economical combination of means of local transportation that can accomplish College/District business must be used. WHEN TRAVELING TO AND FROM AIRPORTS, TRAIN STATIONS OR BUS TERMINALS, THE MOST ECONOMICAL AND REASONABLE MEANS OF TRANSPORTATION SHALL BE USED. To determine the most economical means of local GROUND transportation, all factors such as car rental costs, parking, taxi fares, and/or available shuttle or limousine services must be considered.~~

WHEN DEPARTING ARIZONA, STORAGE OR PARKING FOR PRIVATELY-OWNED MOTOR VEHICLES AT AIRPORTS, TRAIN STATIONS OR BUS TERMINALS IS ALLOWED AT ECONOMY LOT RATES. If a traveler is dropped off at the airport, no parking is reimbursable. When the traveler is picked up at the airport, up to one hour of parking may be reimbursed. ~~All other allowable parking fees are subject to economy lot rates.~~

Tips for transportation and baggage handling, as well as storage charges are to be paid from the traveler's M&IE allowance.

h. INTERNATIONAL GROUND TRANSPORTATION – RECEIPTS ARE REQUIRED FOR GROUND TRANSPORTATION AMOUNTS CLAIMED ABOVE \$25.00. WHEN RECEIPTS ARE NOT AVAILABLE, THE DESTINATION AND EXPENSE SHOULD BE NOTED ON THE GROUND TRANSPORTATION LOG.

1.15.6 MEALS AND INCIDENTAL EXPENSES(M&IE) –IN-STATE AND OUT-OF-STATE

Each ~~department~~ COLLEGE is responsible for providing direction and information concerning travel to their personnel, subject to the limitation of the travel and expense allowances outlined within this regulation. To be eligible for M&IE the traveler must 1) be away from their residence or duty post substantially longer than an ordinary day's work; ~~and~~ OR 2) stop for substantive sleep or rest to properly perform their duties.

For purposes of this travel regulation, an employee's workday encompasses the hours actually worked on a given day, irrespective of his or her normal shift (workdays and travel days are applicable only in the context of interpreting the travel policy and are not to be applied to the calculation of the number of hours worked or for the computation of compensation or benefits).

a. **Meal Allowances**

Regardless of any circumstance or condition, a traveler may not claim more than three (3) meals in any single calendar day or in any period of twenty-four (24) consecutive hours. Meals and incidental expenses shall not exceed those amounts allowed by travel regulation. To claim any meal expense, the traveler must show where and when the trip begins and ends.

- 1) **Rates** —rates for per diem allowances can be found at www.dist.maricopa.edu/business/ap/travel, WWW.GAO.STATE.AZ.US/TRAVEL FOR DOMESTIC TRAVEL AND WWW.STATE.GOV/M/A/ASL/PRDM/ FOR INTERNATIONAL TRAVEL. No receipts are required. NOTE: THE AMOUNTS ALLOWED FOR MEALS ARE NOT INTENDED TO COVER THE ENTIRE COST OF A MEAL TAKEN WHILE IN TRAVEL STATUS. THE AMOUNTS ARE CALCULATED TO COMPENSATE THE TRAVELER FOR THE ESTIMATED DIFFERENCE BETWEEN THE COST OF A MEAL TAKEN ON THE ROAD AND THE COST OF A MEAL PREPARED AT HOME.

THE RATE USED FOR A MEAL SHOULD BE BASED ON THE CITY IN WHICH THE MEAL WAS CONSUMED, AND NOT THE TRAVELER'S FINAL DESTINATION.

- 2) **Full-Day Allowance** - Except as may be otherwise provided, a travel day of fourteen (14) or more hours shall be considered a full day and entitle the traveler to reimbursement for up to three (3) meals. Exceptions include circumstances under which the traveler is by some other means (such as meals served at a conference or on a plane) provided one or more meals during the course of a day. Reimbursement shall not exceed the daily per diem.

- 3) **Partial-Day Allowances** - When the travel day is less than a full day as described above, the following guidelines shall be applied to amounts for meals:

- A) Breakfast - when departure is prior to 7:00 a.m. and/or return is after 9:00 a.m.
- B) Lunch - when departure is prior to 11:30 a.m. and/or return is after 1:30 P.M.
- C) Dinner - when departure is prior to 5:00 p.m. and/or return is after 7:00 p.m.

DEPARTURE AND RETURN ARE MEASURED FROM THE TIME THE TRAVELER LEAVES AND RETURNS TO THEIR HOME AND DUTY POST, WHICHEVER IS CLOSER. PARTIAL DAY ALLOWANCES FOR DOMESTIC TRAVEL IS DETERMINED WITHIN THE RATE INDEX, WHILE INTERNATIONAL TRAVEL PER DIEM IS REIMBURSED AT PERCENTAGES CONSISTENT WITH THOSE ESTABLISHED BY THE ARIZONA DEPARTMENT OF ADMINISTRATION.

- 4) **Meals Provided** - Whenever meals are provided at no additional cost to the traveler, regardless of THE MENU OR whether the traveler participated in the meal, (including meals on planes, and meals included in conference registration fees AND MEALS REIMBURSED TO ANOTHER TRAVELER), the traveler shall not be entitled to any per diem for those particular meals. REGARDLESS OF MENU, CONTINENTAL BREAKFAST IS CONSIDERED A PROVIDED MEAL. A ~~C~~conference brochure (or equivalent detailed document) must be provided for documentation of meals included in conference registration. IT IS THE OBLIGATION OF THE TRAVELER TO MAKE ANY NECESSARY ARRANGEMENTS FOR SPECIAL DIETARY NEEDS.

- 5) **Meals for Groups or Teams TRAVEL** – THE APPLIED PER DIEM AMOUNT FOR GROUP TRAVEL MAY BE LESS THAN THE PUBLISHED PER DIEM RATE. Whenever an employee (e.g., - advisor or coach) receives a ~~cash advance~~ FUNDING for group or team meals, the meal form must state how the ~~advance is~~ FUNDS ARE being distributed and be signed when the distribution occurs. If multiple distributions occur, then multiple forms must be signed. The use of prior signed meal forms is prohibited. VALID RECEIPTS ARE ALSO REQUIRED IN INSTANCES WHEN FUNDS ARE NOT DISTRIBUTED TO STUDENTS, BUT THE MEALS ARE PAID FOR THE GROUP AS A WHOLE, OR WHEN ALL MEALS ARE PAID FROM THE ADVANCE.

- 6) **MEALS FOR A GROUP OF EMPLOYEES** – WHEN A GROUP OF MCCCC EMPLOYEES ARE TRAVELING TOGETHER AND ONE EMPLOYEE PAYS THE TOTAL MEAL COST, THE REIMBURSEMENT FOR THE MEAL WILL BE ACTUAL COST, NOT TO EXCEED THE NUMBER OF EMPLOYEES MULTIPLIED BY THE

PRO-RATED PER DIEM AMOUNT FOR THE MEAL. AN EXCEPTION IS ALLOWED IF THE HOST HAS AN APPROVED "OFFICIAL FUNCTIONS" FORM THAT WAS SUBMITTED IN ADVANCE OF THE EVENT. THE "OFFICIAL FUNCTION" ACTIVITY WILL BE REIMBURSED SEPARATE FROM THE EMPLOYEE'S TRAVEL EXPENSE. IN EITHER CASE, A VALID RECEIPT AND LIST OF PARTICIPANTS MUST BE SUBMITTED TO SUBSTANTIATE THE COST OF THE MEAL. PARTICIPATING EMPLOYEES WHO DID NOT PAY SHALL NOT CLAIM UNDER THE PER DIEM RATE FOR THIS MEAL. OFFICIAL FUNCTION ACTIVITY SHALL BE LIMITED TO ONE MEAL PER TRIP.

b. Incidental Expenses

- 1) Incidental expenses include, but are not limited to, gratuities, laundry, baggage handling, and tips.
- 2) Allowance will be reimbursed at the per diem rates per meal. No receipts are required. Amounts for incidental expenses are not over and above the partial day meal per diem allowances and are included in the daily per diem rate.

1.15.7 LODGING - IN-STATE AND OUT-OF-STATE

The traveler must be in approved travel status to be reimbursed for lodging costs. Lodging costs incurred will be reimbursed only if traveler is REQUIRED TO BE away from his or her residence or duty post substantially longer than an ordinary day's work, and ~~requires a stop for substantive sleep or rest to properly perform his or her duties~~ WOULD NOT BE ABLE TO RETURN TO THEIR HOME OR DUTY POST BY 9:00 P.M. Other lodging costs incurred may be reimbursed if an emergency exists and the appropriate governing authority approves as designated in section 1.15.3.

The Vice Chancellor of FOR Business Services may approve local hotel stays for certain conference formats. Reimbursement requires prior approval. Lodging must be at a commercial establishment and the traveler is required to request the lowest available rate (government, commercial, corporate, conference, etc.). ~~The Arizona Department of Administration Rate Index shall be used to determine current and future changes in the allowances provided for travel related lodging reimbursements.~~

a. Receipts:

~~In general, the commercial establishment's original itemized lodging receipt reflecting payment is required. The lodging receipts must be itemized and must include the name, address and telephone number of the establishment.~~ A VALID RECEIPT IS REQUIRED FOR REIMBURSEMENT. It is the traveler's obligation, upon checking into the establishment, to assure that the establishment can provide a receipt containing the required information on the establishment's letterhead or invoice.

b. Reimbursement Amounts:

- 1) The reimbursement amount includes room charges and applicable taxes, AND SHOULD NOT EXCEED THE ARIZONA DEPARTMENT OF ADMINISTRATION RATE INDEX. THE RATES PUBLISHED IN THE ARIZONA DEPARTMENT OF ADMINISTRATION RATE INDEX ARE LIMITS FOR ACTUAL EXPENSES AND ARE NOT MEANT AS A PER DIEM FOR LODGING EXPENSES. IF A SITUATION EXISTS THAT MAKES COMPLIANCE WITH THE MAXIMUMS IMPRACTICAL, AND THE GOVERNING AUTHORITY APPROVES, ACTUAL LODGING COSTS IN EXCESS OF THE DEPARTMENT OF ADMINISTRATION'S RATE INDEX MAY BE REIMBURSED.
- 2) ~~Travelers may be reimbursed actual lodging cost, in excess of the listed maximums, plus tax included in the rate index, provided the cost (including transport from hotel to conference and back) does not exceed the conference designated hotel cost and a brochure of the conference accompanies the travel authorization form. Parking fees that are required by the hotel will be reimbursed.~~ FOR CONFERENCE TRAVEL, REIMBURSEMENTS MAY BE MADE AT CONFERENCE LODGING COSTS. IN THESE INSTANCES, THE REIMBURSEMENT AMOUNT WILL BE THE ACTUAL LODGING, COST PLUS TAX, OF THE CONFERENCE DESIGNATED HOTEL. IF THE TRAVELER CHOOSES TO STAY IN A HOTEL OTHER THAN THE

CONFERENCE DESIGNATED HOTEL, THE TRAVEL WILL BE REIMBURSED THE ACTUAL LODGING COST PLUS TAX, PROVIDED THE COST (INCLUDING TRANSPORT FROM HOTEL TO CONFERENCE AND BACK) DOES NOT EXCEED THE CONFERENCE DESIGNATED HOTEL COST. A BROCHURE OF THE CONFERENCE MUST ACCOMPANY THE TRAVEL AUTHORIZATION FORM. IF APPLICABLE, PARKING FEES ASSESSED BY THE HOTEL MAY BE REIMBURSED IF FUNDING IS AVAILABLE.

- 3) ~~If a situation exists that makes compliance with the maximums impractical, and the governing authority approves, actual lodging costs may be reimbursed.~~
- 4) ~~When lodging is shared, reimbursement will be made to the traveler who paid.~~
- 5) WHEN LODGING IS SHARED WITH ANOTHER INDIVIDUAL ON COLLEGE/DISTRICT BUSINESS, REIMBURSEMENT WILL BE MADE TO THE TRAVELER WHO PAID. When lodging is shared with an individual not on College/ District business (such as a spouse) reimbursement shall not exceed the single room rate plus tax.
- 6) Reimbursement shall not exceed the actual amount of travel-related expenses.
- 7) Travel expenses for non-employees are reimbursed according to policies/regulations applicable to MCCC employees.
- 8) BUSINESS COMMUNICATION CHARGES, INCLUDING TELEPHONE, INTERNET ACCESS, FAXES AND COPIES, ARE REIMBURSABLE. TRAVELERS SHOULD NOTE THE PARTY TO WHOM BUSINESS CALLS WERE MADE AND/OR PURPOSE. PERSONAL PHONE CALLS ARE NOT REIMBURSABLE.

1.15.8 MISCELLANEOUS TRAVEL ISSUES

- a. **Out-of-State Use of Equipment** - Any out-of-state use of College/District owned equipment including vehicles, must be specifically approved by the governing authority (as defined in 1.15.3). The guidelines set forth in the Off Premises Property Loan Administrative Regulation 1.11 also apply.
- b. ~~**Communication Expenses** – Business communication charges, including telephone, internet access, faxes and copies, are reimbursable. Travelers should note to whom business calls were made. Personal phone calls are not reimbursable.~~
- b. NON-REIMBURSABLE EXPENSES –
THE FOLLOWING ARE NOT REIMBURSABLE TRAVEL EXPENSES UNDER ANY CIRCUMSTANCES:
 - ∞ ALCOHOL
 - ∞ AIRLINE OR SOCIAL CLUB MEMBERSHIP DUES
 - ∞ BABYSITTING OR CHILDCARE COSTS
 - ∞ CAR REPAIRS/ROUTINE MAINTENANCE OR LOCKSMITH CHARGES
 - ∞ CLOTHING, LUGGAGE, BRIEFCASES
 - ∞ CREDIT CARD DELINQUENCY FEES/FINANCE CHARGES/ANNUAL FEES
 - ∞ EXPENSES FOR TRAVEL COMPANIONS/FAMILY
 - ∞ FREQUENT FLYER MILES
 - ∞ HEALTH CLUB FACILITIES, SAUNAS, MESSAGES
 - ∞ HELICOPTER SERVICES FOR AIRPORT TRANSFERS
 - ∞ KENNEL FEES AND PET CARE FOR PETS WHILE ON TRAVEL STATUS
 - ∞ LOSS/THEFT OF CASH
 - ∞ LOSS/THEFT OF PERSONAL PROPERTY (LOST BAGGAGE, ETC.)
 - ∞ MAGAZINES, BOOKS, NEWSPAPERS, OR MOVIES
 - ∞ OPTIONAL TRAVEL OR BAGGAGE INSURANCE

- ∞ PARKING OR TRAFFIC VIOLATION TICKETS
- ∞ PERSONAL ACCIDENT OR PROPERTY INSURANCE
- ∞ PERSONAL ENTERTAINMENT/GROOMING/GIFTS/SOUVENIRS
- ∞ PERSONAL SIGHTSEEING/TOURIST ACTIVITIES
- ∞ TRIP CANCELLATION INSURANCE

c. **Other** - Any travel issues that are not specifically addressed within this regulation require review by the Vice Chancellor of Business Services and/or the appropriate designee.

1.15.9 LODGING AND M&IE OUT-OF-COUNTRY

The appropriate governing authority has authorization to approve out-of-country travel (Section 1.15.3). U.S. Department of State allowances will be used for reimbursement amounts for ALL travel out-of-country, INCLUDING LODGING FOR WORK STUDY TRIPS. The listed amount includes allowances for both lodging and M&IE. Links to information regarding reimbursement amounts for foreign areas is available on the Accounts Payable website: www.dist.maricopa.edu/business/ap/travel [NOTE TO EDITOR: CONFIRM ACCURACY OF LINK]

a. **M&IE** - Please reference previous language within section 1.15.6a on allowable M&IE. THE DAILY TOTAL AMOUNT AVAILABLE FOR out-of-country M&IE should be OBTAINED FROM THE U.S. DEPARTMENT OF STATE'S WEBSITE (<http://www.state.gov/m/a/als/prdm/c16476.htm>) AND BE allocated between meals, when necessary, ~~in the same proportion as the in-country M&IE allowance. The breakdown for partial day M&IE for out of country can be done~~ using the following percentages (THESE PERCENTAGES INCLUDE ALLOCATING THE INCIDENTALS THAT THE U.S. DOS IDENTIFIES SEPARATELY):

BREAKFAST	20%
LUNCH	25%
DINNER	55%

b. **Lodging** - please reference previous language within section 1.15.7 on allowable lodging expenses.

c. **Receipts** - ~~required receipts must be originals and reflect proof of payment.~~ A VALID RECEIPT IS REQUIRED FOR REIMBURSEMENT. GROUND TRANSPORTATION CAN BE CLAIMED WITHOUT RECEIPTS UP TO \$25.00 PER EXPENSE CLAIM FORM. All OTHER expenses above \$25.00 require a receipt, except for allowable M&IE. ~~Conversion of foreign exchange should be completed prior to submitting reimbursement request. Conversion rates should be performed using the date each actual expense was paid. Information on conversion rates can be obtained by contacting the Treasury, Tax and Audit Department District Business Services or on their website at: www.dist.maricopa.edu/business/treasury/, TRAVELER MUST IDENTIFY ITEMIZED EXPENSES FOR RECEIPTS PRESENTED IN A FOREIGN LANGUAGE AND FOREIGN CURRENCY SHOULD BE CONVERTED TO U.S. DOLLARS.~~

d. **CONVERSION RATES:**
 CONVERSION OF FOREIGN EXCHANGE SHOULD BE COMPLETED PRIOR TO SUBMITTING THE REIMBURSEMENT REQUEST. CONVERSION MAY TAKE PLACE PRIOR TO LEAVING ARIZONA OR DURING TRAVEL WITH A RECEIPT FROM AN OFFICIAL BANKING ESTABLISHMENT SPECIFYING THE DATE, CONVERSION RATE AND AMOUNT CONVERTED. CONVERSION RATES MAY ALSO BE CALCULATED USING THE DATE EACH ACTUAL EXPENSE WAS PAID FROM AN OFFICIAL CONVERSION WEB SITE OF THE TRAVELER'S CHOICE. COPIES OF THE CONVERSION TABLE SHOULD BE ATTACHED TO THE TRAVEL EXPENSE CLAIM FORM. Information on conversion rates can be obtained by contacting the Treasury, Tax and Audit Department District Business Services or on their website at: www.dist.maricopa.edu/business/treasury/

e. GROUND TRANSPORTATION – PLEASE REFERENCE PREVIOUS LANGUAGE WITHIN SECTION 1.15.5

H ON INTERNATIONAL GROUND TRANSPORTATION.

1.15.10 TRAVEL AND M&IE FOR OUT-OF-STATE CANDIDATES AND FINALISTS FOR EMPLOYMENT

The Governing Board of the Maricopa County Community College District authorizes the reimbursement of travel and M&IE expenses for out-of-state finalists for employment for Management, Administrative and Technological positions Grade 18 and above; finalists for residential faculty positions; and candidates and finalists for Chancellor's Executive Council positions under the following circumstances:

- 1) The Chancellor, appropriate Vice Chancellor or college president verifies the need for an on-site interview and identifies appropriate funds to cover the costs of reimbursement; and
- 2) Reimbursement will be limited to actual expenses AND VALID RECEIPTS, ~~shall not exceed the rates established for employees traveling out of state. All expenses above \$25.00 require a receipt, except for per diem. Reimbursement for lodging and M&IE shall not exceed the maximum rates established in the state of Arizona's rate index for employees traveling out of state.~~ The most economical means of transportation that is available should also be used.



APPENDIX Q

APPENDIX Q

RECOMMENDED ACTION: ADOPTION OF NEW POLICY

POLICY TYPE: BOARD AUXILIARY
POLICY TITLE: INTERNATIONAL TRAVEL

- A. THE MCCCC GOVERNING BOARD ACKNOWLEDGES THAT THE MARICOPA COMMUNITY COLLEGES ARE COMMITTED TO INTERNATIONAL AND INTERCULTURAL EDUCATION AND GLOBALIZATION EFFORTS. THE MARICOPA COMMUNITY COLLEGES INCLUDE GLOBAL EDUCATION AS AN INTEGRAL COMPONENT OF THE DISTRICT'S MISSION, AND SEEK TO CREATE AN ENVIRONMENT WHERE TEACHING AND LEARNING IS AUGMENTED AND ENHANCED BY INTERNATIONAL STUDY AND WORK OPPORTUNITIES FOR FACULTY AND BY STUDENT-CENTERED EDUCATIONAL OPPORTUNITIES THAT PREPARE STUDENTS FOR SUCCESSFUL PARTICIPATION IN THE GLOBAL COMMUNITY. INTERNATIONAL TRAVEL IS JUST ONE OF THE WAYS IN WHICH THE MCCCC MISSION FOR GLOBAL EDUCATION IS ACCOMPLISHED.
- B. ALL INTERNATIONAL TRAVEL IS SUBJECT TO THE RULES AND REQUIREMENTS STATED IN THE EXISTING TRAVEL REGULATIONS (ADMINISTRATIVE REGULATION 1.15 TRAVEL).
- C. THE CHANCELLOR OF THE MARICOPA COMMUNITY COLLEGES HAS FINAL APPROVAL OF ALL INTERNATIONAL TRAVEL, REGARDLESS OF FUNDING SOURCE OR DESTINATION. COLLEGE PRESIDENTS HAVE FIRST LINE OF AUTHORITY FOR ALL INTERNATIONAL TRAVEL INVOLVING STUDENTS, FACULTY, AND STAFF AT THEIR COLLEGES. VICE CHANCELLORS HAVE FIRST LINE OF AUTHORITY FOR ALL INTERNATIONAL TRAVEL INVOLVING STAFF IN THEIR DIVISIONS. THE VICE CHANCELLOR FOR ACADEMIC AFFAIRS HAS AUTHORITY TO RECOMMEND FOR CHANCELLOR'S APPROVAL ANY PROPOSED STUDENT EDUCATION ABROAD AND FACULTY EXCHANGE OR CURRICULUM DEVELOPMENT INITIATIVE OR REJECT THE PROPOSALS BECAUSE OUTCOMES ARE NOT CLEAR, CRITERIA ARE NOT MET, OR PROGRAM IS NOT RIGOROUS ENOUGH.
- D. STUDENT EDUCATION ABROAD AND FACULTY EXCHANGE AND CURRICULUM DEVELOPMENT PROGRAMS ARE CONSIDERED MISSION CRITICAL AND WILL BE APPROVED AS LONG AS THE PROPOSED PROGRAMS MEET THE FOLLOWING CRITERIA:
- D.1. STUDENT EDUCATION ABROAD:
ALL COURSES OFFERED AS PART OF STUDENT EDUCATION ABROAD MUST BE APPROVED MCCCC COURSES AND MUST MEET ACADEMIC STANDARDS. ALL COURSES TAUGHT ABROAD WILL BE EQUAL TO OR SURPASS THE SAME ACADEMIC QUALITY AND EXCELLENCE OF A COURSE OFFERED LOCALLY AT ANY OF THE MCCCC COLLEGES. THE COURSE COMPETENCIES AND CONTENT OUTLINE MUST BE THE ONES THAT ARE OFFICIALLY APPROVED FOR THE COURSE AND PUBLISHED IN THE MCCCC COURSE BANK. THE COURSES MUST MEET THE MCCCC RULES CONCERNING THE LENGTH OF TIME A COURSE MUST MEET. THE PROPOSED STUDY ABROAD PROGRAM WILL NOT BE APPROVED IF COURSES ARE OFFERED

FOR RECREATIONAL OR TRAVEL PURPOSES ONLY.

THE PROPOSAL FOR A STUDY ABROAD PROGRAM SHOULD INCLUDE AT A MINIMUM:

- A. TITLE OF THE COURSE(S), COURSE DESCRIPTION, NUMBER OF CREDITS, COURSE COMPETENCIES, AND COURSE CONTENT OUTLINE.**
- B. DAILY SCHEDULE OF EVENTS, LOCALLY AND ABROAD, INDICATING ALL OF THE ACTIVITIES OF THE COURSE WHERE CONTACT HOURS ARE EARNED, INCLUDING PRE AND POST-TRIP CLASS MEETINGS. THE TOTAL NUMBER OF CONTACT HOURS AWARDED MUST BE EXACTLY THAT WHICH IS OFFICIALLY REQUIRED FOR THE COURSE (1 CREDIT REQUIRES AT LEAST 15 HOURS OF CLASSROOM OR OTHER SUPERVISED INSTRUCTION). CONTACT HOURS CANNOT BE AWARDED FOR A "VISIT" OR A "TOUR" UNLESS THOSE ACTIVITIES INCLUDE A LECTURE, DISCUSSION, OR OTHER INSTRUCTIONAL ACTIVITY.**
- C. JUSTIFICATION, INDICATING WHY IT IS IMPORTANT FOR THE COURSE TO BE OFFERED AT THE PROPOSED DESTINATION AND HOW THE LOCATION SUPPORTS THE SPECIFIC GOALS, OBJECTIVES, AND LEARNING OUTCOMES OF THE PROGRAM AS WELL AS THE MISSION OF THE MARICOPA COMMUNITY COLLEGES.**

AFTER THE PROGRAM OCCURS, THE FACULTY SPONSOR WILL SUBMIT A FULL WRITTEN REPORT TO THE DISTRICT AND COLLEGE ADMINISTRATION, INCLUDING HIS/HER EVALUATION OF THE PROGRAM AND EVALUATIONS FROM ALL STUDENT PARTICIPANTS. THE REPORT WILL BE USED TO EVALUATE THE PROGRAM AND ENSURE IT CONTINUES TO SERVE THE NEEDS OF THE STUDENTS AND THE COLLEGES. THIS EVALUATION WILL SERVE AS THE BASIS FOR CONTINUED SUPPORT OF THE PROGRAM AND FUTURE FUNDING. THIS INFORMATION WILL ALSO BE USED TO PREPARE AN ANNUAL REPORT FOR THE CHANCELLOR AND THE GOVERNING BOARD.

ALL MULTI-YEAR STUDENT EDUCATION ABROAD PROGRAMS THAT WERE APPROVED FOR IMPLEMENTATION BEFORE JANUARY 2007 WILL BE RE-EVALUATED TO ENSURE THAT THEY MEET THE CRITERIA SPECIFIED ABOVE.

- D.2 FACULTY EXCHANGES AND CURRICULUM DEVELOPMENT PROGRAMS:**
- EACH FACULTY MEMBER INTERESTED IN PARTICIPATING IN A FACULTY EXCHANGE OR CURRICULUM DEVELOPMENT PROGRAM WILL DEVELOP A PROPOSAL INDICATING HOW SHE/HE WILL APPLY IN HIS/HER JOB WHAT WAS LEARNED BY PARTICIPATION IN THE PROGRAM. THE PROPOSAL SHOULD ADDRESS AT A MINIMUM THE FOLLOWING:**
- ∞ HOW THE OBJECTIVES OF THE PROPOSED PROJECT RELATE TO THE PURPOSE OF THE PROGRAM**
 - ∞ HOW THE PROPOSED PROJECT CONTRIBUTES TO INTERNATIONAL LEARNING OUTCOMES AND GLOBAL COMPETENCE**
 - ∞ A CLEAR DESCRIPTION OF EXPECTED OUTCOMES AND BENEFITS TO THE STUDENTS AND THE COLLEGES. FOR EXAMPLE:**

- CURRICULUM CHANGES; E.G., MODIFICATIONS TO AN EXISTING COURSE, CREATION OF A NEW COURSE, DEVELOPMENT OF A NEW PROGRAM OR CERTIFICATE AND/OR
- POTENTIAL PARTNERSHIPS; E.G., DEVELOPMENT OF A NEW STUDY ABROAD PROGRAM
- ∞ DESCRIPTION OF HOW FACULTY MEMBER INTENDS TO SHARE THE LEARNING WITH A BROADER AUDIENCE:
 - PREPARATION OF A REPORT TO BE SHARED WITH DISTRICT AND COLLEGE ADMINISTRATORS DOCUMENTING THE EXPERIENCE AND RESULTING CONTRIBUTIONS TO THE DISTRICT AND THE COLLEGE AND/OR
 - PARTICIPATION IN ACTIVITIES TO MAKE THE LEARNING PUBLIC; E.G., PRESENTATIONS AT THE COLLEGE AND/OR DISTRICT-WIDE, PRESENTATION AT CONFERENCE, PUBLICATION OF ARTICLES IN NEWSLETTERS AND OTHER VENUES, ETC. AND/OR
 - DEVELOPMENT OF CURRICULUM MODELS THAT CAN BE SHARED WITH OTHER FACULTY FOR THEIR USE.

AT THE CONCLUSION OF THE PROGRAM, EACH PARTICIPATING FACULTY WILL SUBMIT A WRITTEN REPORT TO THE DISTRICT AND COLLEGE ADMINISTRATION, INCLUDING HIS/HER EVALUATION OF THE PROGRAM AND A PLAN OF ACTION TO APPLY WHAT WAS LEARNED. THE REPORT WILL BE USED TO EVALUATE THE PROGRAM AND ENSURE IT CONTINUES TO SERVE THE NEEDS OF THE STUDENTS AND THE COLLEGES. THIS EVALUATION WILL ALSO SERVE AS THE BASIS FOR CONTINUED SUPPORT OF THE PROGRAM AND FUTURE FUNDING. THIS INFORMATION WILL ALSO BE USED TO PREPARE AN ANNUAL REPORT FOR THE CHANCELLOR AND THE GOVERNING BOARD. AT THE END OF THE FOLLOWING ACADEMIC YEAR, EACH FACULTY MEMBER WILL BE ASKED TO SUBMIT A STATUS REPORT THAT DESCRIBES PROGRESS MADE MEETING THE EXPECTED OUTCOMES OUTLINED IN THE PROPOSAL.

- E. THE CHANCELLOR MAY CONSIDER REQUESTS ON A CASE-BY-CASE BASIS FOR PARTICIPATION IN EXCEPTIONAL OPPORTUNITIES THAT ARE NOT CONSIDERED MISSION CRITICAL. OTHER TYPES OF INTERNATIONAL TRAVEL (E.G., CONFERENCES, SEMINARS, INSTITUTES, OR BOARD MEETINGS SPONSORED BY A PROFESSIONAL ORGANIZATION OR ASSOCIATION) MAY BE CONSIDERED FOR APPROVAL BY THE CHANCELLOR IF THE FOLLOWING CRITERIA ARE MET:

THE EVENT PRESENTS A UNIQUE OPPORTUNITY FOR THE INDIVIDUAL AND THE INSTITUTION AND THE LEARNING OR PROFESSIONAL OPPORTUNITY DOES NOT EXIST IN THE UNITED STATES OR ITS TERRITORIES, OR IF THE INDIVIDUAL HAS A COMMITMENT TO PARTICIPATE AS A REPRESENTATIVE OF MARICOPA ON A BOARD, COUNCIL, OR COMMITTEE OF A PROFESSIONAL ASSOCIATION OR ORGANIZATION. INDIVIDUALS WILL SUBMIT A PROPOSAL TO ADDRESS AT A MINIMUM THE FOLLOWING:

- ∞ HOW THE PROPOSED TRAVEL IS LINKED TO THE INDIVIDUAL'S JOB RESPONSIBILITIES.

- ∞ **WHETHER OR NOT THE OPPORTUNITY, OR A SIMILAR ONE, IS AVAILABLE IN THE UNITED STATES OR ITS TERRITORIES.**
- ∞ **WHAT ROLE THE INDIVIDUAL WILL PLAY: KEYNOTE SPEAKER, CONFERENCE PRESENTER, SESSION/MEETING FACILITATOR, TRAINER, CONFERENCE PARTICIPANT, BOARD MEMBER, ETC.**
- ∞ **HOW PARTICIPATION IN THE EVENT OR MEETING BENEFITS THE INSTITUTION.**
- ∞ **HOW THE LEARNING WILL BE SHARED WITH OTHERS AT MCCCC.**

PARTICIPANTS WILL SUBMIT A WRITTEN REPORT DESCRIBING THE ACTIVITIES IN WHICH THEY ENGAGED, WHAT OUTCOMES WERE ACHIEVED, AND HOW THE LEARNING WILL BE SHARED WITH OTHERS AT MCCCC. THIS INFORMATION WILL ALSO BE USED TO PREPARE AN ANNUAL REPORT FOR THE CHANCELLOR AND THE GOVERNING BOARD.

- F. QUARTERLY, EACH COLLEGE PRESIDENT AND EACH VICE CHANCELLOR SHALL SUBMIT A DETAILED REPORT TO THE CHANCELLOR OF ALL INTERNATIONAL TRAVEL INCLUDING, BUT NOT LIMITED TO, NAME OF TRAVELER, DESTINATION, DATES OF TRAVEL, AMOUNT OF FUNDING, SOURCE(S) OF FUNDING, PURPOSE AND BENEFIT TO THE INSTITUTION, ACHIEVED OUTCOMES, AND PLAN TO DISSEMINATE INFORMATION LEARNED OR RESULTING PRODUCTS.**
- G. QUARTERLY, THE CHANCELLOR SHALL SUBMIT A SUMMARY REPORT TO THE GOVERNING BOARD ON ALL INTERNATIONAL TRAVEL.**



APPENDIX R

APPENDIX R

International Travel Addendum Criteria for Evaluation of Mission Critical International Travel Proposals

1. Student Education Abroad Programs

All courses offered as part of Student Education Abroad must be approved MCCCDC courses and must meet academic standards. All courses taught abroad will be equal to or surpass the same academic quality and excellence of a course offered locally at any of the MCCCDC colleges. The course competencies and content outline must be the ones that are officially approved for the course and published in the MCCCDC course bank. The courses must meet the MCCCDC rules concerning the length of time a course must meet. The proposed Study Abroad Program will not be approved if courses are offered for recreational or travel purposes only.

The proposal for a Study Abroad Program should include at a minimum:

- ∞ Title of the course(s), course description, number of credits, course competencies, and course content outline.
- ∞ Daily schedule of events, locally and abroad, indicating all of the activities of the course where contact hours are earned, including pre and post-trip class meetings. The total number of contact hours awarded must be exactly that which is officially required for the course (1 credit requires at least 15 hours of classroom or other supervised instruction). Contact hours cannot be awarded for a “visit” or a “tour” unless those activities include a lecture, discussion, or other instructional activity.
- ∞ Justification, indicating why it is important for the course to be offered at the proposed destination and how the location supports the specific goals, objectives, and learning outcomes of the program as well as the mission of the Maricopa Community Colleges.

After the program occurs, the faculty sponsor will submit a full written report to the district and college administration, including his/her evaluation of the program and evaluations from all student participants. The report will be used to evaluate the program and ensure it continues to serve the needs of the students and the colleges. This evaluation will serve as the basis for continued support of the program and future funding. This information will also be used to prepare an annual report for the MCCCDC Governing Board.

All multi-year Student Education Abroad programs that were approved for implementation before January 2007 will be re-evaluated in March 2007 to ensure that they meet the criteria specified above.

2. Faculty Exchanges and Curriculum Development Programs

Each faculty member interested in participating in a Faculty Exchange or Curriculum Development program will develop a proposal indicating how she/he will apply in his/her job what was learned by participation in the program. The proposal should address at a minimum the following:

- ∞ How the objectives of the proposed project relate to the purpose of the program
- ∞ How the proposed project contributes to international learning outcomes and global competence
- ∞ A clear description of expected outcomes and benefits to the students and the colleges. For example:
 - Curriculum changes; e.g., modifications to an existing course, creation of a new course, development of a new program or certificate
 - Potential partnerships; e.g., development of a new study abroad program
- ∞ Description of how faculty member intends to share the learning with a broader audience:
 - Preparation of a report to be shared with district and college administrators documenting the experience and resulting contributions to the district and the college and/or
 - Participation in activities to make the learning public; e.g., presentations at the college and/or district-wide, presentation at conference, publication of articles in newsletters and other venues, etc. and/or
 - Development of curriculum models that can be shared with other faculty for their use.

At the conclusion of the program, each participating faculty will submit a written report to the district and college administration, including his/her evaluation of the program and a plan of action to apply what was learned. The report will be used to evaluate the program and ensure it continues to serve the needs of the students and the colleges. This evaluation will also serve as the basis for continued support of the program and future funding. This information will also be used to prepare an annual report for the MCCCDC Governing Board. At the end of the following academic year, each faculty member will be asked to submit a status report that describes progress made meeting the expected outcomes outlined in the proposal.

3. Conferences, seminars, and meetings sponsored by professional associations and organizations

Faculty, administrators, and staff may submit a proposal to travel abroad to attend a conference, seminar, or official meeting sponsored by professional associations or organizations if the event presents a unique opportunity for the individual and the institution or if the individual has a commitment to participate as a representative of Maricopa on a board, council, or committee of a professional association or organization. The proposal should address at a minimum the following:

- ∞ How the proposed travel is linked to the individual's job responsibilities.
- ∞ Whether or not the opportunity, or a similar one, is available in the United States or its territories.
- ∞ What role the individual will play: keynote speaker, conference presenter, session/meeting facilitator, trainer, conference participant, board member, etc.
- ∞ How participation in the event or meeting benefits the institution.
- ∞ How the learning will be shared with others at MCCCDC.

Participants will be asked to submit a written report describing the activities in which they engaged, what outcomes were achieved, and how the learning will be shared with others at MCCCDC. This information will also be used to prepare a report for the Governing Board.



APPENDIX S

APPENDIX S

RECOMMENDED ACTION: AMENDMENT TO EXISTING ADMINISTRATIVE REGULATION Use of College Facilities

1.5.1 Definitions

1.5.2 Scope of Coverage of this Regulation

1.5.3 General Standards

1.5.4 Written Agreements Required

1.5.5 Insurance Requirements

1.5.6 Rent Required and Exceptions

1.5.1 Definitions

The term "facility" means MCCCCD buildings, other structures or land. It includes athletic fields, parking lots, and gymnasiums.

The term "non-MCCCCD activities" means any activity other than one in which MCCCCD is the sole sponsor, **IN WHICH MCCCCD EMPLOYEES STRICTLY PLAN AND MANAGE IT**, or is a co-sponsor, **AS DEFINED BELOW**.

THE TERM "CO-SPONSOR" MEANS ANY ACTIVITY IN WHICH MCCCCD IS AN ANNOUNCED AND PUBLICIZED CO-SPONSOR WITH ANOTHER ORGANIZATION OR ORGANIZATIONS. TO BE A CO-SPONSOR UNDER THIS REGULATION, MCCCCD PERSONNEL MUST ACTIVELY PARTICIPATE IN THE PLANNING AND MANAGING OF THE ACTIVITY, AND THE CO-SPONSORSHIP MUST BE APPROVED AT THE VICE PRESIDENT LEVEL OR ABOVE.

1.5.2 Scope of Coverage of this Regulation

This regulation covers use of MCCCCD facilities for personal, business or non-MCCCCD activities by non-MCCCCD parties or MCCCCD employees or Governing Board members. It excludes activities covered by the administrative regulation entitled "Solicitation." It also excludes use of facilities by the general public when attending an event, or of facilities open to the public such as libraries.

1.5.3 General Standards

A. Use of MCCCCD facilities is the use of a public resource. Therefore, facilities use by non-MCCCCD parties or MCCCCD employees or Governing Board members for personal, business or non-MCCCCD activities must be consistent with state law, Maricopa Governance policies and this administrative regulation. The following principles apply to facilities use:

1. MCCCCD is not obligated to permit facilities use for any activity that the Vice Chancellor of Business Services, college president, or that official's designee determines is contrary to public policy or the safety of persons or property, or is not in the best interest of the community or MCCCCD.

2. MCCCCD employees, Governing Board members, or their relatives or associates may not use MCCCCD facilities for personal or business purposes, or for non-MCCCCD activities, without complying with the standards and procedures specified in this administrative regulation applicable to non-MCCCCD parties. That includes compliance with the requirements for insurance coverage and the payment of rent. MCCCCD-sponsored programs for employees, such as health and fitness programs, are considered MCCCCD activities under this regulation. At the discretion of the Vice Chancellor of Business Services, college president or that official's designee, an MCCCCD employee or Governing Board member may use facilities for an event without complying with the rent or insurance requirements of this regulation where the event meets the following limited conditions:
 - a. The employee or Governing Board member actively participates in the event and is responsible for managing it; and
 - b. The event is for a professional organization in which the employee or Governing Board member actively participates, and whose objectives directly relate to the employee's work at MCCCCD or to the Governing Board member's MCCCCD responsibilities. The Vice Chancellor of Business Services or college president may establish guidelines for the use of MCCCCD facilities under this professional organization exception, including any reasonable reimbursement of expenses as appropriate.
3. Before using MCCCCD facilities, non-MCCCCD parties must submit certificates of insurance to MCCCCD covering that use. Arizona law requires that insurance coverage be provided.
4. Non-MCCCCD parties, including non-profit agencies or other public entities, must pay fair market rent unless the use relates directly to MCCCCD's stated mission. Reduced rent, or no charge, is appropriate only as specified in this regulation.
5. MCCCCD will not enter into a license or lease agreement, as defined in this regulation, where facilities use is strictly for personal or business purposes, or does not have some relationship to MCCCCD's mission of education and training.
6. MCCCCD classes, programs and activities for students have priority over all other activities, and other MCCCCD activities have priority over non-MCCCCD activities
7. MCCCCD has the right to approve any advertising concerning a non-MCCCCD party's use of MCCCCD facilities.
8. A non-MCCCCD party must obtain specific authorization from the Vice Chancellor of Business Services, college president or that official's designee to operate any concession activity at MCCCCD facilities.

9. A non-MCCCD party may not alter an MCCCD facility without the prior written approval of the Vice Chancellor of Business Services, a college president, or that official's designee.
- B. The Vice Chancellor of Business Services is responsible for administering this regulation and applicable laws and MCCCD policies relating to facilities use. The Vice Chancellor is also responsible for annually approving appropriate rent for MCCCD facilities under the Rental Rate Guidelines attached to this regulation. (Appendix FM-6)
- C. The legal services department is responsible for advising MCCCD on legal issues relating to facilities use, and for preparing agreements and forms for the use of MCCCD facilities. It is also responsible for ensuring compliance with applicable law and conformance with industry standards relating to insurance coverage.
- D. Rents charged to a non-MCCCD party for the use of MCCCD facilities will be credited to the account of the MCCCD college or entity where the facilities are located, and be available to them through approved budget procedures.

1.5.4 Written Agreements Required

- A. Any non-MCCCD party wishing to use MCCCD facilities must sign an MCCCD-generated agreement specifying the terms of that use. The non-MCCCD party must sign and comply with that agreement and the insurance requirements of this regulation regardless of whether MCCCD charges rent for that use.
- B. The MCCCD standard form entitled "FACILITIES USE AGREEMENT" must be signed if the MCCCD facility will be used one time, or for a limited period of time during a week and during a year. Under the "FACILITIES USE AGREEMENT" form, the user does not have exclusive use of the portion of the facility being rented (that is, the user will occupy the facility when MCCCD is not occupying it).
- C. A license, prepared by the legal services department, must be signed if the MCCCD facility will be used for a significant period of time during a year. Under a license agreement, the user does not have exclusive use of the portion of the facility being rented.
- D. A lease, prepared by the legal services department, must be signed if the MCCCD facility will be used for a significant period of time during a year. Under a lease, the user has exclusive use of the portion of the facility being rented. The Governing Board policy entitled "Asset Protection," paragraph 8-d, generally requires Governing Board approval of leases of MCCCD facilities.
- E. The Vice Chancellor of Business Services or the Vice Chancellor's designee must sign any agreement for the use of MCCCD facilities. However, the college

president or the president's designee may sign the "FACILITY USE AGREEMENT" form unless the non-MCCCD party has requested or made changes to the standard terms and conditions of that form. The legal services department must review any changes to the standard terms and conditions of the form.

1.5.5 Insurance Requirements

- A. Before any non-MCCCD party may use an MCCCD facility it must supply the MCCCD risk manager, college fiscal officer or that officer's designee with a certificate of insurance evidencing insurance coverage. The MCCCD risk manager may determine that the activity for which the facility will be used requires other types of insurance coverage, or that reduced levels of insurance are appropriate. A non-MCCCD party must provide a certificate of insurance regardless of whether it pays rent for the use of MCCCD facilities.
- B. The certificate must show insurance coverage from insurance companies licensed to do business in Arizona with a current A.M. Best Rating of A: VIII or better. The certificate must state that the insurance policy has been endorsed to name MCCCD, and its agents, officers, officials, employees, and volunteers as additional insureds, except for worker's compensation and employer's liability insurance.
- C. Unless the MCCCD risk manager changes the insurance coverage and limits required, the minimum coverage and limits required are:
 - 1. Commercial general liability insurance with a limit of not less than \$1,000,000 per occurrence for bodily injury, property damage, personal injury, products and completed operations, and blanket contractual coverage, including but not limited to, the liability assumed under the indemnification provisions of the rental, license or lease agreement;
 - 2. Automobile liability insurance with a combined single limit for bodily injury and property damage of not less than \$1,000,000 each occurrence with respect to outside party's owned, hired, and non-owned vehicles; and
 - 3. Workers' compensation insurance with limits statutorily required by any federal or state law and employer's liability insurance of not less than \$100,000 for each accident, \$100,000 disease for each employee, and \$500,000 disease policy limit.

1.5.6 Rent Required and Exceptions

- A. Non-MCCCD parties or MCCCD employees or Governing Board members using facilities for personal, business or non-MCCCD activities must be charged the rent specified below, unless the use qualifies for reduced rates or free use under paragraph B:

1. For facilities use under a "FACILITY USE AGREEMENT" form, the rent developed according to the rental rate guidelines attached to this regulation; or
 2. For facilities use under a license or lease agreement, a fair market rent, as initially determined by the college president or the president's designee and reviewed by the legal services department and MCCCCD director of financial services/controller.
- B. Before a college or other MCCCCD entity may waive or reduce rent below that required under this regulation for use of facilities for non-MCCCCD activities, the Vice Chancellor of Business Services, a College President or that official's designee must determine that the following conditions exist:
1. The activity for which the facility is to be used relates directly to MCCCCD's mission of education and training, and MCCCCD obtains a specific public benefit from the activity;
 2. The activity is not political; and
 3. The value or benefit that MCCCCD receives from the activity is substantially equivalent to the amount of rent that MCCCCD is foregoing.
- C. A college or other MCCCCD entity must document that the conditions specified in paragraph B exist before waiving or reducing rent. If the "FACILITY USE AGREEMENT" form is used, the college or other MCCCCD entity must specifically explain on the form, or on a separate document attached to the form, the conditions identified in paragraph B that make a waiver or reduction of rent appropriate. If the legal services department prepares the agreement, the college or other MCCCCD entity must provide that information to that department. **IT IS THE NATURE OF THE ACTIVITY ITSELF AND WHETHER IT DIRECTLY BENEFITS MCCCCD THAT DETERMINES WHETHER A WAIVER OR REDUCTION IN RENT IS APPROPRIATE. THE FACT THAT MCCCCD MAY GAIN SOME FINANCIAL GAIN FROM THE ACTIVITY OTHER THAN RENT, OR THAT THE ENTITY USING THE MCCCCD FACILITY IS ANOTHER PUBLIC ENTITY, INCLUDING A UNIVERSITY, OR A NON-PROFIT ORGANIZATION, DOES NOT QUALIFY THE ACTIVITY FOR A WAIVER OR REDUCTION IN RENT.**

1.5.7 ANNUAL REPORTING

A. FOUR TIMES PER YEAR (JANUARY, APRIL, JULY AND OCTOBER), EACH CHANCELLOR'S EXECUTIVE COUNCIL MEMBER SHALL SUBMIT A REPORT TO THE VICE CHANCELLOR FOR BUSINESS SERVICES THAT DOCUMENTS ALL FACILITIES USE DURING THE YEAR BY NON-MCCCCD PARTIES, OR MCCCCD EMPLOYEES OR GOVERNING BOARD MEMBERS USING FACILITIES FOR PERSONAL, BUSINESS OR NON-MCCCCD ACTIVITIES IN ACCORDANCE WITH REQUIREMENTS OUTLINED IN SECTION 1.5.3.A2. SUCH REPORT

SHALL INCLUDE THE NAME OF THE PERSON OR PARTY USING THE FACILITY, DATE(S) OF USE, RENT PAID OR WAIVED. IF RENT IS WAIVED, AN EXPLANATION DEMONSTRATING COMPLIANCE WITH THE CRITERIA FOR WAIVERS SHALL BE PROVIDED. THE VICE CHANCELLOR FOR BUSINESS SERVICES SHALL SUBMIT THESE REPORTS TO THE CHANCELLOR AND GOVERNING BOARD.



APPENDIX T

APPENDIX T

Maricopa Community Colleges Use of MCCCDC Facilities Rental Rate Guidelines

Appendix FM-6 Use of MCCCDC Facilities Rental Rate Guidelines

All use of MCCCDC facilities and rental rates must be consistent with state law, MCCCDC governance goals, policies, and administrative regulations.

These rental rate guidelines are applicable only to **Facilities Rentals** whereby facilities will be used one time, or for a limited period of time and the user will not have exclusive use of the portion of the facility being rented. These guidelines may be used for **licenses** (non-exclusive use for a significant period of time) or leases (exclusive use for a significant period of time) of MCCCDC facilities; however, such agreements must be reviewed and approved by the MCCCDC legal services department and/or the Governing Board.

Rental rates are determined by each college and reflect fair market rentals based on supply/demand throughout the district, availability of other facilities near the colleges, and peak/low times of facilities/classroom use at each campus. Annually, each college must submit a schedule of rental rates for review and approval by the Vice Chancellor for Business Services.

~~Rental Rate Structure should be divided into two classes of users approved by the Chancellor or appropriate Vice Chancellor/College President, or designee, as follows:~~

~~CLASS I:~~

- ~~a. Co-sponsors with MCCCDC of activities generally considered directly related to MCCCDC's mission of education and training~~
- ~~b. Non-profit, civic, professional, governmental, educational, or religious groups or organizations~~

~~CLASS II:~~

- ~~a. Commercial or for-profit entities~~

~~Each college may establish rental rate categories and a minimum number of hours charged for any category.~~ At a minimum, rental rates should be stated on an hourly basis for the following categories:

FACILITIES:

- Classrooms/lecture halls/labs
- Conference/meeting rooms
- Dining facilities
- Performing arts facilities
- Athletic facilities
- Parking lots

EQUIPMENT:

- Audio visual computers

PERSONAL PERSONNEL SERVICES:

- Maintenance/Custodial
- Security
- Technical Support (AV or Computer Technicians)

UTILITIES:

TAXATION ISSUES RELATED TO FACILITIES RENTAL INCOME INCLUDE:

1. State facilities rental tax (.5%) must be multiplied by the rental amount for facilities, equipment and personal services and added to the total amount charged to the user.
2. Unrelated Business Income Tax (UBIT) may have to be paid by the college/district on certain rental income net of related expenses. UBIT may be avoided or minimized as follows:
 - a. Rentals of facilities/utilities, equipment, or personal services for activities related to MCCCCD's exempt purpose or mission of education and training are exempt from UBIT.
 - b. Rentals of facilities only are exempt from UBIT whether the activities are related or unrelated to MCCCCD's exempt purpose or mission.
 - c. Mixed rentals of facilities and equipment for unrelated activities are exempt from ubit if the equipment rental is less than 10% of the total rental.
 - d. The equipment rental portion only of mixed rentals of facilities and equipment for unrelated activities is subject to UBIT if the equipment rental is less than 50% of the total rental. Otherwise, the total rental is subject to UBIT.
 - e. Provide no personal services as part of rentals for unrelated activities.

- f. Identify expenses incurred by the college/district related to the facility rental (e.g., utility costs, wages for personal service providers, depreciation on equipment, overhead).

NOTE: The ordinary provision of security and routine janitorial services in order to protect and maintain district property does not necessarily result in a taxable event.

Upon approval by the Chancellor or appropriate Vice Chancellor/College President, or designee, rental rates may be reduced or waived under either of the following conditions:

1. Facilities use is by an employee or Governing Board member responsible for and/OR participating in an activity or event for a professional organization whose objectives directly relate to the employee's or Governing Board member's MCCCCD responsibilities.
2. Facilities use is by AN ~~any Class I or Class II~~ organization/entity whose activity/event meets the following requirements:
 - a. It directly relates to MCCCCD's mission of education and training.
 - b. MCCCCD receives a specific public benefit from the activity/event and the value or benefit that MCCCCD receives FROM THE ACTIVITY/EVENT is substantially equivalent to the amount of rent foregone or waived.