

Frederick Community College
BOARD OF TRUSTEES
Regular Monthly Meeting

Wednesday, November 19, 2025 – 4:30 p.m.
Conference Center (E126AB)

Zoom Option:

<https://frederick-edu.zoom.us/j/83136104063?pwd=eB2Zd7HfR23q1dJkbmOCnjD2W0nrKq.1>

Call-in Option:

Phone Number: 301-715-8592 | Webinar ID: 831 3610 4063 | Passcode: 172066

I. Call to Order

II. Approval of Minutes

- A. October 15, 2025 Regular Meeting (**Enclosure 1**)

III. Declaration of Conflict of Interest

IV. Board & CEO Comments

V. Consent Agenda

None

VI. Required Approvals Agenda

- A. Approval of Recommendation to Award a Contract Modification to M&M Welding and Fabrication Inc. for the Central Plant Optimization Phase 2 Project (**Enclosure 2**)
- B. Approval of Piggyback Contract with Lumen for Internet and Network Service (**Enclosure 3**)
- C. Approval of Piggyback Contract with Astute for Managed Services to Support PeopleSoft Applications and the Oracle Cloud Computing Environment (**Enclosure 4**)

VII. Information/Discussion Items

- A. Fiscal Year-to-Date Financial Report through the Quarter Ending September 30, 2025 (**Enclosure 5**)

- B. Monitoring Board Performance

Policy Survey Results:

- 1. GP-6 Board Linkage with External Organizations (**Enclosure 6**)
- 2. GP-7 Board Planning Cycle and Agenda Control (**Enclosure 7**)

Policy Review:

3. GP-11 Special Rules of Order (**Enclosure 8**)
4. BCD-2 Accountability of the President (**Enclosure 9**)

VIII. Action Items

- A. Approval of CIP and County Capital Budget Request (FY 2027-FY 2032) (**Enclosure 10**)
- B. Monitoring CEO Performance
 1. Acceptance: EL-4 Financial Conditions and Activities Monitoring Report (**Enclosure 11**)
 2. Acceptance: EL-9 Asset Protection Monitoring Report (**Enclosure 12**)
 3. Acceptance: EL-10 Investments Monitoring Report (**Enclosure 13**)

IX. Meeting Content Review (Enclosure 14)

Consideration of areas for meeting content improvement: This item on the agenda provides the Board the opportunity to give the Board Chair and the President feedback on the quality of the content provided during this Board Meeting. We would appreciate receiving suggestions wherein you would like to see changes made to future Board meetings.

X. Adjournment

NEXT MEETINGS: Wednesday – December 3, 2025

- **9:00 a.m. – Board Retreat (full day)**

Thursday – December 4, 2025

- **9:00 a.m. – Board Retreat (half day)**

Wednesday – January 21, 2026

- **4:30 p.m. – Regular Monthly FCC Board Meeting**

Under the ADA and Section 504, Frederick Community College (FCC) makes every effort to accommodate individuals with disabilities for College-sponsored events and programs. For FCC employees needing accommodations, including interpreting, please email humanresources@frederick.edu. For students and others with accommodation needs or questions, please call 301-846-2408, or to request sign language interpreter services, please email Interpreting@frederick.edu. Sign language interpreters will not be automatically provided for College-sponsored events without a request for services. Requests must be made at least five workdays before a scheduled event to guarantee accommodations.

Approval of Minutes for October 15, 2025 Regular Meeting

Context: Minutes of the proceedings of every Board meeting shall be prepared by the College President (or the President's designee) with all motions accurately and completely recorded, noting the names of those who make motions, the nature of the motion, and those who vote 'yea' and 'nay.' The minutes of the prior Board Meeting will be provided to and considered by the Board as part of the subsequent board Meeting materials.

Board Policy Reference: [Bylaws of the Board of Trustees of Frederick Community College](#)

Background: The Board of Trustees held a regular meeting on October 15, 2025.

Attachment: Minutes of the October 15, 2025 regular meeting

**BOARD OF TRUSTEES
FREDERICK COMMUNITY COLLEGE**

**October 15, 2025
Regular Meeting**

The Board of Trustees of Frederick Community College met in **regular session** on Wednesday, October 15, 2025 in the Conference Center (E126AB). A virtual option to participate was provided. Participating in person were: Trustees Theodore Luck, Chair; Carolyn Kimberlin, Vice Chair; Tracey McPherson; Dr. William Reid; and Myrna Whitworth. Also attending in person were President Dr. Annesa Payne Cheek, Secretary/Treasurer of the Board; Janice Spiegel, Special Projects Manager/Budget Office Frederick County Government; and Edmund O'Meally, PK Law, College legal counsel. Trustee Dr. Carmen R. Hernandez was unable to attend.

Participating virtually was Trustee Jan H. Gardner.

CALL TO ORDER

The meeting was called to order by Chair Luck at 4:30 p.m.

APPROVAL OF MINUTES

Chair Luck called for approval of the minutes of the September 17, 2025 regular meeting.

On a motion made by Trustee Reid, the Board approved the September 17, 2025 regular meeting minutes 6-0-1, as presented, with Trustee Hernandez absent.

DECLARATION OF CONFLICT OF INTEREST

There were no conflicts of interest expressed by Trustees.

BOARD & CEO COMMENTS

Chair Luck announced that the next Board retreat has been scheduled for December, and that some of the Trustees and President Cheek will be attending the Association of Community College Trustees Leadership Congress next week.

President Cheek announced that FCC will welcome alumnus Diego Retana for a free public concert on October 24, 2025 in the Jack B. Kussmaul Theater, who will be joined by his original jazz-fusion band *Mixed State* and Baltimore-based Celtic folk band *The Pilgrims of Deep Run*, with donations supporting the FCC Music Program. She reported that the Maryland State Police recently graduated its 159th Trooper Class, the largest in five years, with 30 of the 48 new troopers earning their A.A.S. in Police Science from FCC through a 23-year partnership that has produced nearly 580 graduates. President Cheek commended FCC and Hood College Honors students for continuing their 14-year collaboration with The City of Frederick through a cleanup of Rock Creek. She highlighted the success of Frederick County College Night and the Fall 2025 Transfer Fair, which together drew more than 150 colleges and a record number of student participants, and she recognized the Recruitment and Admissions Team led by Jen Sealy, Jane Filler, and Jane Dibble for their coordination. Finally, President Cheek shared that she attended the Frederick Health Community Leader Summit with Dr. Cheryl Cioffi and her executive team, noting the productive discussion on shared community priorities, including workforce development, health equity, and economic resilience.

CONSENT AGENDA

There were no items.

REQUIRED APPROVALS AGENDA

On a motion made by Trustee Kimberlin, the Board approved the following item 6-0-1, as presented, with Trustee Hernandez absent:

- Piggyback Contract with Audio Video Group for the Audio-Visual Refresh of Selected Classrooms in the Student Center

INFORMATION/DISCUSSION ITEMS

Audited Financial Reports for the Year Ending June 30, 2025 – President Cheek reported that the College completed its annual independent financial audit for FY 2025, receiving an unmodified (clean) opinion for both the College’s financial statements and the CC4 financial report required by the Maryland Higher Education Commission. She noted that the College also underwent the federally required Single Audit, which identified one compliance finding related to the Return of Title IV process—a common issue among colleges nationwide. Corrective actions have already been implemented, and additional measures are being taken to strengthen oversight. President Cheek concluded by introducing Graylin Smith of SB & Company. Mr. Smith overviewed the results of the audit in detail with the Board.

MONITORING BOARD PERFORMANCE:

Policy Survey Results for BCD-1 Unity of Control – Chair Luck reported on the results of this survey.

Policy Survey Results for GP-10 Board Expenses – Chair Luck reported on the results of this survey.

Board Policy Review of GP-7 Board Planning Cycle and Agenda Control – The Board reviewed this policy for currency. There was discussion regarding the alignment of the review of the Ends policy with the budget development cycle. There was also discussion regarding limited deliberation on required approvals. Some Trustees expressed interest in revisiting the policy to clarify the Board’s ability to seek additional information on these items, while others emphasized maintaining adherence to the Policy Governance® model. It was decided that this topic will be revisited at the December retreat.

Board Policy Review of GP-5 Board Linkage with Ownership – The Board reviewed this policy for currency. There was discussion regarding adding a provision to require a qualified facilitator when meeting with the Ownership to guide discussions and distinguish owner input from stakeholder perspectives. There was agreement by some Trustees to include this language, while others expressed they were neutral or not opposed. It was noted that a facilitator might not always be necessary in the future. Proposed edits were not offered.

Board Policy Review of GP-6 Board Linkage with External Organizations – The Board reviewed this policy for currency. There was discussion regarding the current ways the Board engages with state and local governing bodies. Support was expressed for continued and expanded involvement. There were no suggested revisions.

ACTION ITEMS

Approval of Annual Board Self-Assessment Tool – The Board reviewed the proposed annual board self-assessment tool that was introduced at the July Board Retreat and discussed at its last two meetings. All feedback was incorporated. The Annual Board Self-Assessment Tool was submitted for approval.

On a motion made by Trustee Reid, the Board approved the Annual Board Self-Assessment Tool 6-0-1, as presented, with Trustee Hernandez absent.

The Annual Board Self-Assessment Tool will be implemented in the spring, with results used to help shape the agenda for the July Board retreat.

Acceptance of EL-1 Treatment of Students Monitoring Report – The Board was presented the first formal submission of performance monitoring reports, following the development and approval of all Board policies during FY 2024 and the acceptance of interpretations and baseline insight reports in FY 2025 while transitioning to full deployment of the Policy Governance® Model. Monitoring reports provide a structured process to assess compliance with Board policies, including Ends and Executive Limitations, and enable the Board to evaluate whether results align with intended outcomes.

President Cheek overviewed the monitoring report for EL-1 Treatment of Students and reported full compliance. Since the prior baseline insight report, all previously identified gaps have been addressed, including systematic curriculum inclusivity reviews, student focus groups and enhanced advising, formal review of the Continuity of Operations Plan, completion of Title IX training by all employees, implementation of a

Gramm-Leach-Bliley Act (GLBA) policy, incorporation of Health Insurance Portability and Accountability Act (HIPAA) compliance, and mandatory training verification for staff handling student data. Ongoing practices supporting compliance include safety reporting and drills, student communications, enforcement of expressive activity and conduct policies, and inclusive programming through the MOSAIC Center.

Trustees praised the monitoring reports for their thoroughness, clarity, and informative links, noting they provide valuable insight into College operations and reflect significant effort in preparation.

On a motion made by Vice Chair Kimberlin, the Board found evidence of compliance with a reasonable interpretation of the policy for EL-1 Treatment of Students 6-0-1, with Trustee Hernandez absent.

Acceptance of EL-2 Treatment of Employees Monitoring Report – President Cheek overviewed the monitoring report for EL-2 Treatment of Employees and reported full compliance. Since the prior baseline report, all previously identified gaps have been addressed, including formalizing the review of the Continuity of Operations Plan, fully implementing employee performance evaluations, launching an independent anonymous reporting system, and embedding professional development in evaluations. Ongoing practices supporting compliance include extensive professional learning opportunities, safety drills and inspections, compliance trainings, and accessible mental health services. The report demonstrates that the College maintains a workplace culture aligned with Board policy, emphasizing fairness, inclusion, and professional growth.

On a motion made by Trustee Whitworth, the Board found evidence of compliance with a reasonable interpretation of the policy for EL-2 Treatment of Employees 6-0-1, with Trustee Hernandez absent.

MEETING CONTENT REVIEW

Chair Luck led a discussion for the consideration of areas for meeting content improvement and the effectiveness of the meeting as it adheres to the principles of Policy Governance®. It was observed that while new Trustees may initially find the process challenging, experience and continued practice will support more effective participation in future meetings. The meeting was cited as an example of ongoing learning and improvement in Board operations.

CLOSED SESSION

At 5:42 p.m., the motion was made by Vice Chair Kimberlin to convene in closed session and approved by the Board 6-0-1, with Trustee Hernandez absent.

This action was taken in accordance with Maryland's Open Meetings Act, Section 3-305(b)(7) to consult with counsel to obtain legal advice; Section 3-305(b)(9) to conduct collective bargaining negotiations or consider matters that relate to the negotiations; and Section 3-305(b)(13) to comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter.

The Board convened in closed session in the Conference Center (E126AB) on October 15, 2025. A virtual option to participate was provided. Attending in person were: Trustees Theodore Luck, Chair; Carolyn Kimberlin, Vice Chair; Tracey McPherson; Dr.

William Reid; and Myrna Whitworth. Also attending in person were President Dr. Annesa Payne Cheek, Secretary/Treasurer of the Board; Avis Boyd, Chief of Staff to the President; Dr. Bridgette Cofield, Vice President (VP) for Talent and Culture; Dr. Anne Davis, Provost and VP for Teaching, Learning and Student Success; Scott McVicker, Chief Financial Officer (CFO) and VP for Administration; Pamela Murphy, Labor Relations Specialist; Edmund O'Meally, PK Law, College legal counsel; and Kari Melvin, Recording Secretary. Trustee Dr. Carmen R. Hernandez was unable to attend.

Participating virtually was Trustee Jan H. Gardner.

The Board reviewed closed session minutes from August 20, 2025.

On a motion made by Trustee McPherson, the Board approved the August 20, 2025 closed session minutes 5-0-1-1, as presented, with Trustee Hernandez absent and Trustee Gardner abstaining.

The Board obtained legal advice on matters related to collective bargaining strategy and potential positions.

On a motion made by Trustee Reid, the Board approved the FCC bargaining team 6-0-1, with Trustee Hernandez absent.

On a motion made by Vice Chair Kimberlin, the Board approved 6-0-1, with Trustee Hernandez absent, to authorize the Chief Negotiator to enter into collective bargaining negotiations on their behalf with United Academics of Maryland-AFT-AAUP, Frederick Community College Chapter.

On a motion made by Chair Luck, the Board approved 6-0-1, with Trustee Hernandez absent, for the Chief Negotiator to bargain up to a specified amount on fiscal items for FY 2027.

The meeting adjourned at 6:25 p.m.

NEXT MEETING

The next regular meeting of the Board will be held on Wednesday, November 19, 2025.

Dr. Annesa Payne Cheek
Secretary/Treasurer

Prepared by Kari Melvin
Office of the President
Frederick Community College

Recommendation to Award Contract Modification to M&M Welding and Fabrication Inc. for the Central Plant Optimization Phase 2 Project

Context: The recommended Contract Modification award to M&M Welding and Fabrication Inc. in the amount of \$435,266 (including 10% contingency) for Phase 2 of the Central Plant Optimization project is being presented to the Board via the Required Approvals Agenda. This document summarizes the capital project and is presented to the Board of Trustees by President Cheek, with preparation support provided by Scott McVicker, CFO and Vice President for Administration.

Board Policy References:

- [EL-4 Financial Conditions and Activities](#)
- [EL-6 Planning](#)
- [EL-9 Asset Protection](#)

Background:

- Pursuant to the Code of Maryland Regulations (COMAR) §21.05.07, the Board is required to approve any procurement exceeding \$100,000.

PHASE 1 (FY25/26): Central Plant (Building D)

The Board awarded the contract for Phase 1 in June 2024 in the amount of \$2,027,300 (including 10% contingency). The final actual cost of the project was \$1,899,629.

Phase 1 addressed three primary objectives:

- Replacement of end-of-life chilled and heating water pumps.
- Reconfiguration of piping following previous chiller and cooling tower replacements.
- Resolution of operational issues that required constant manual oversight and led to unnecessary energy consumption.

Combined with updates to the existing automated control system, these improvements enhanced both the energy efficiency and operational reliability of the central plant.

PHASE 2 (FY26/27): Buildings Supported by Central Plant (Building D)

Following the successful completion of Phase 1, which addressed the central plant's operational core, Phase 2 will focus on optimizing the distribution systems in buildings served by the plant.

- The scope of work includes decoupling the chilled water loop to establish true primary and secondary systems--enhancing system balancing, energy efficiency, and reliability.

- This project also advances compliance with Maryland’s Climate Solutions Now Act of 2022, which targets a 60% reduction in greenhouse gas emissions by 2031 and net-zero emissions by 2045.
- In addition to its operational and environmental benefits, the project is expected to qualify for EmPOWER Maryland program rebates. These rebates are calculated based on performance improvements across the entire chilled water system—including previously ineligible Phase 1 components—and represent a one-time incentive accompanied by ongoing annual energy savings.

	ENERGY REBATES	ENERGY SAVNGS			
		kWh	% Savings	Rate/kWh	Cost Savings*
Baseline Consumption (before work, 1 yr)	\$0	1,843,545	0.0%	\$0.12	-\$221,225
Added Savings - PHASE 2	\$30,000	502,847	27.3%	\$0.12	\$60,342
Initial Savings - PHASE 1	\$8,250	173,734	9.4%	\$0.12	\$20,848
TOTAL SAVINGS	\$38,250	676,581	36.7%	\$0.12	\$81,190

**NOTE: Savings is based on \$0.12/kWh rate which is the commercial average in Maryland; calculations may change based on actual rate.*

- The original design and construction teams demonstrated a high level of service, quality, and familiarity with the central plant systems. Continuing with this team provides significant technical, efficiency, and financial benefits to the College.
- The College recommends a contract modification to M&M Welding and Fabrication, Inc. in the amount of \$395,696, plus a 10% contingency (\$39,570) for unforeseen conditions, for a total project cost of \$435,266.
- This project is fully funded by the County through CIP systemics.
- Phase 2 will concentrate on the chilled water side of the secondary loop. The contractor has provided alternate pricing for the hot water side, which will be submitted for approval at a later date.

Attachment: None

Recommendation for Piggyback Contract with Lumen

Context: The three-year piggyback contract with Lumen to continue internet and network services is being presented to the Board for approval via the Required Approvals Agenda. This document summarizes the recommended piggyback contract and is presented to the Board of Trustees by President Cheek, with preparation support provided by Dr. Jerry DeSanto Chief Information Officer (CIO) and Vice President for Information Technology.

Board Policy Compliance Monitoring References:

- [EL-4 Financial Conditions and Activities](#)
- [EL-9 Asset Protection](#)

Background:

- Pursuant to the Code of Maryland Regulations §21.05.07, the Board is required to approve any procurement over \$100,000.
- The College utilizes Lumen for internet services and for network connectivity between the Main Campus and the Monroe Center.
- The prior agreement ran from July 8, 2024 to July 7, 2025. Since that time, we have been operating on a month-to-month agreement.
- The College recommends a new three-year contract with Lumen utilizing the MICTA – National eRate Government Master Service Agreement Contract #MT-TISA FBOS 2022.
- The total cost of the three-year agreement is \$101,613.93. With approval, this contract will commence on December 1, 2025, and run through November 30, 2028. The recurring monthly costs for these services are included in the FY 2026 budget.

Attachment: None

Recommendation for Piggyback Contract with Astute

Context: The piggyback contract with Astute for Managed Services to support PeopleSoft Applications and the Oracle Cloud Computing Environment is being presented to the Board for approval via the Required Approvals Agenda. This document summarizes the recommended piggyback contract and is presented to the Board of Trustees by President Cheek, with preparation support provided by Dr. Jerry DeSanto Chief Information Officer (CIO) and Vice President for Information Technology.

Board Policy Compliance Monitoring References:

- [EL-4 Financial Conditions and Activities](#)
- [EL-9 Asset Protection](#)

Background:

- Pursuant to the Code of Maryland Regulations §21.05.07, the Board is required to approve any procurement over \$100,000.
- The College presently contracts with Astute on an hourly basis for limited support of its PeopleSoft Enterprise Resource Management (Human Resources, Finance, and Campus Solutions) and Oracle Cloud systems. The hourly agreement will be terminated once the new contract takes effect.
- The College recommends entering into a new three-year agreement with Astute, utilizing the Midwest Higher Education Consortium Agreement (Contract #MHEC US-OMA-1164550), to provide 24/7 managed services that ensure the stability and performance of our PeopleSoft system. These managed services function as a form of IT staff augmentation, providing specialized expertise in areas such as server and storage management, patch control, and related technologies and contingencies.
- This managed-services model functions as a form of IT staff augmentation—leveraging external technical expertise to perform specialized functions that exceed current internal capacity. Such arrangements are increasingly common across higher education as institutions adapt to growing infrastructure complexity and challenges in recruiting and retaining skilled IT professionals.
- The total cost of the three-year agreement is \$567,450. With approval, this contract will commence on December 1, 2025, and run through November 30, 2028. The recurring quarterly costs for these services are included in the FY 2026 budget.

Attachment: None

Fiscal Year-to-Date Unaudited Financial Report for the Quarter Ending September 30, 2025

Context: Frederick Community College prepares and distributes fiscal year-to-date financial reports to the Board of Trustees on a quarterly basis. Attached is the unaudited financial report for the quarter ending September 30, 2025, which provides summary statements of revenues, expenditures, and fund balances for Board information and review.

Board Policy Reference:

- [EL-4 Financial Conditions and Activities](#)

Revenues

- With 25% of the fiscal year completed, the College has received 43% of its budgeted revenue, primarily due to tuition revenues exceeding projections by \$370,976 for the fall semester.
- Enrollment growth has contributed to an increase in tuition and fee revenue. Preliminary data show a 4% year-over-year rise in non-dual enrollment and a 1% uptick in dual-enrolled students compared to the previous fall semester.
- Continuing Education tuition and fee revenues are at 44% of the budgeted amount with only 25% of the year completed, reflecting strong demand and program engagement.

Expenses

- As of September 30, 2025, with 25% of the fiscal year elapsed, total expenditures represent 27% of the adopted annual budget.
- All functional areas except Student Services reported higher spending compared to the same period last year. This increase is primarily attributed to enrollment growth and a 3% cost-of-living adjustment (COLA) for employee salaries approved for FY 2026.
- Additional drivers of increased operating expenses include:
 - A 9% year-over-year increase in fringe benefit costs.
 - Higher professional conference registration fees and increased computer equipment purchases.
- As of September 30, 2025, 4% (\$88,873) of the \$2.3 million Strategic Reserve allocation has been utilized to support strategic planning, futureproofing and technology initiatives.

Fund Balance

- As of September 30, 2025, revenues exceeded expenses by \$12.7 million. This surplus is attributed to higher-than-anticipated enrollment and revenue outperforming budget projections.

Bookstore Auxiliary

- The College's lone auxiliary enterprise is the Bookstore.
- Year-to-date revenues (excluding College subsidy) increased by 1%.
- Cost of Goods Sold increased slightly by 2%, from \$303,939 to \$308,726.
- Operating expenses decreased overall by 5%, driven by a 30% decrease in Auxiliary part-time compensation costs.
- As of September 30, 2025, Bookstore revenues exceeded expenses by \$65,326, eliminating the need for a College operating subsidy during this period.

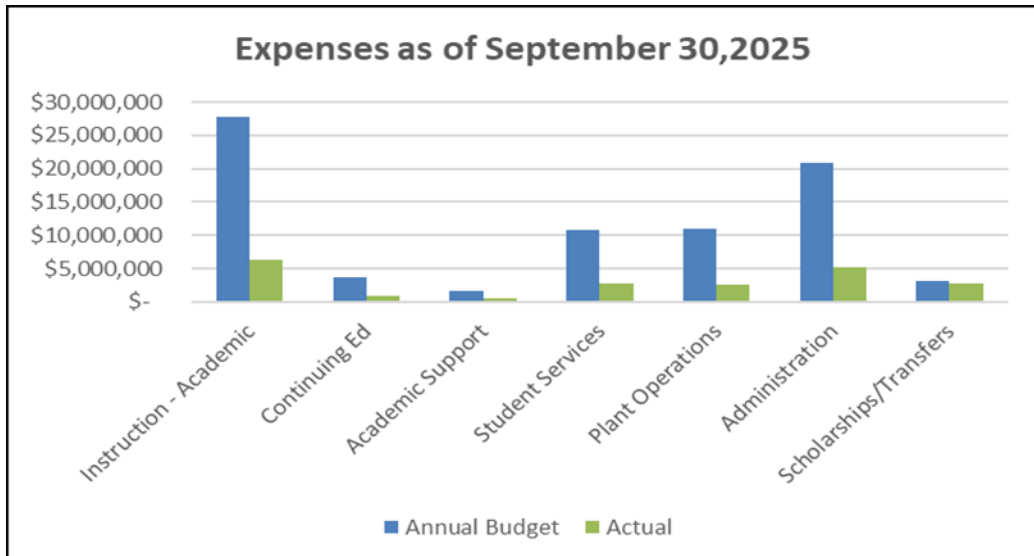
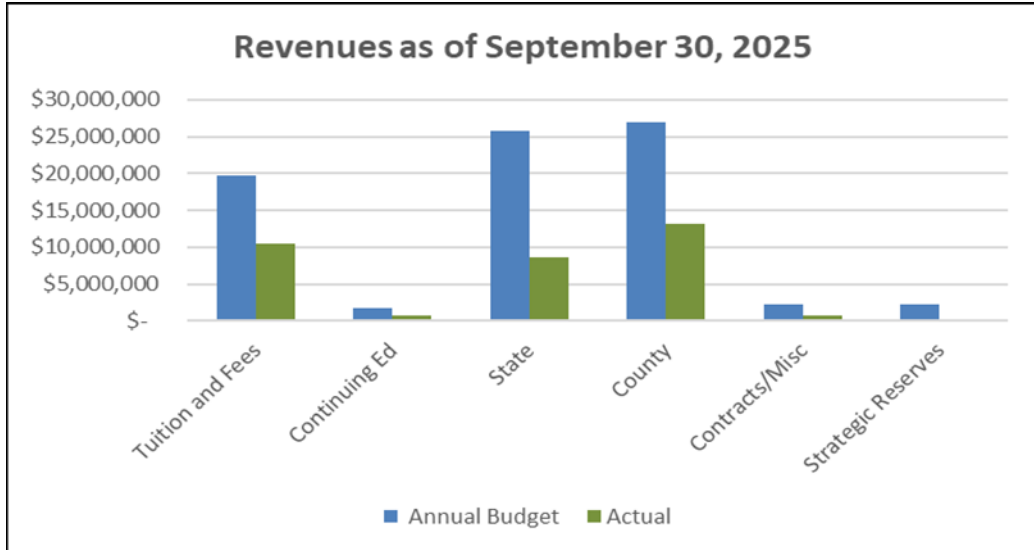
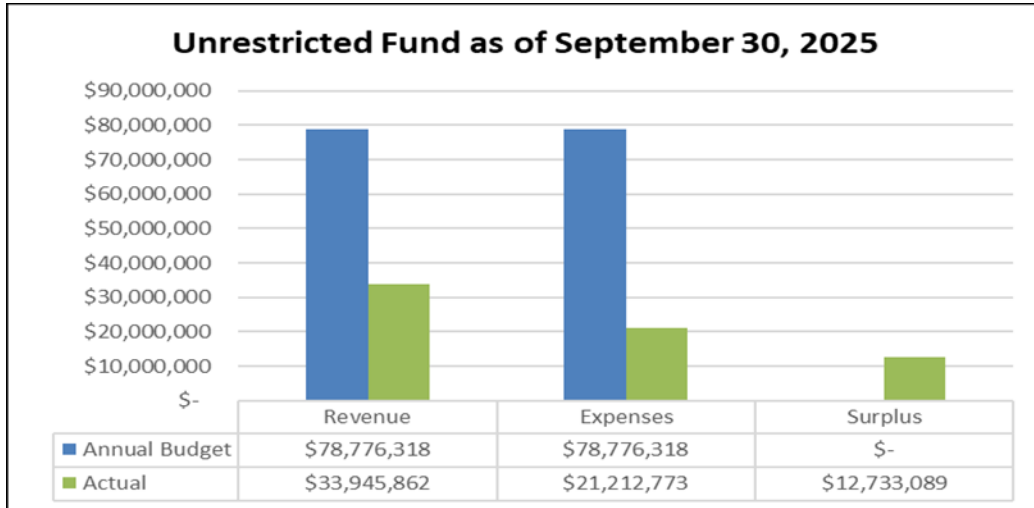
Balance Sheet Highlights

- Cash & Investments: \$49.5 million, reflecting a strong liquid position and compliance with the Board policy requiring 16.6% of budgeted expenditures to be held in reserve.
- Accounts Receivable: Increased by \$5 million, primarily due to federal and other governmental receivables.
- Current Liabilities: Decreased by \$4.2 million, driven by reductions in accrued salaries, accounts payable, and unearned revenue.
- Long-Term Liabilities: Remain low, with noncurrent bond debt totaling \$4.1 million.
- Net Position: \$140.4 million, inclusive of the year-to-date fiscal surplus.

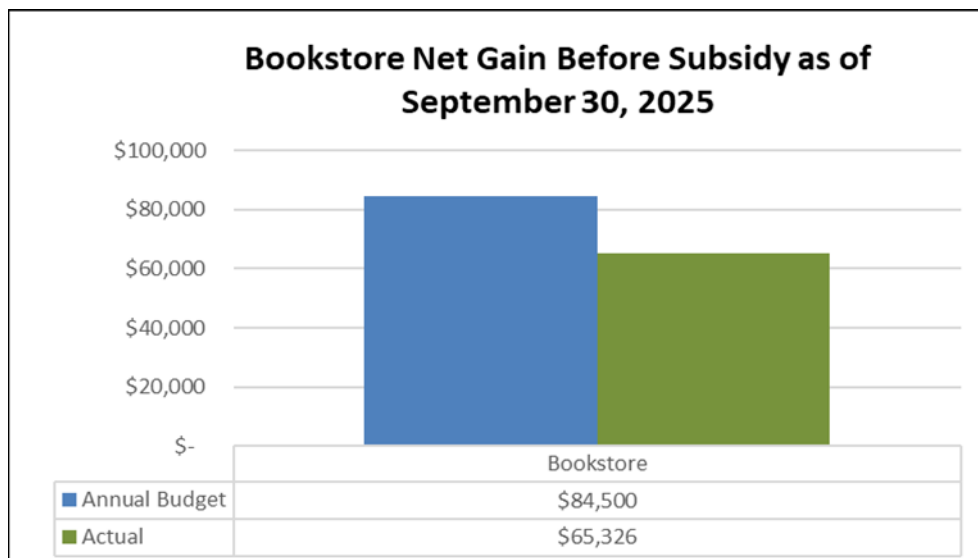
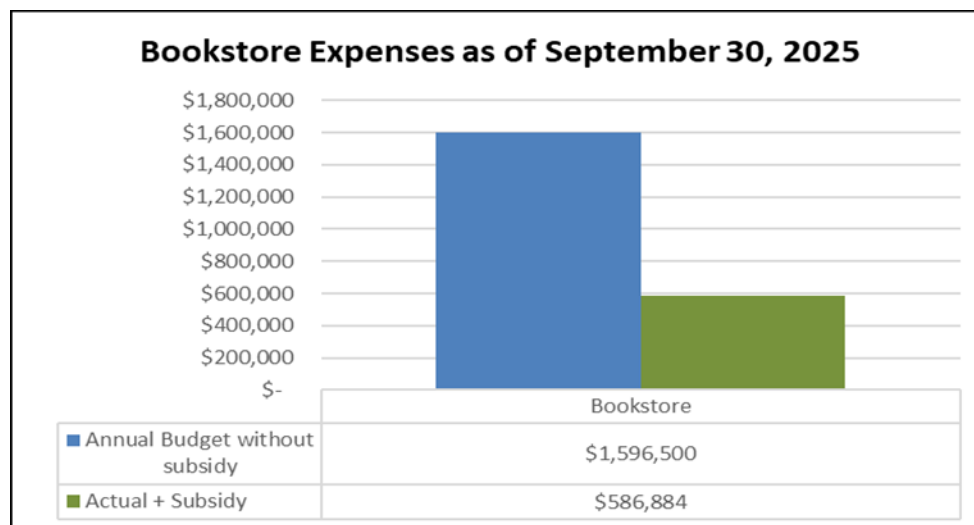
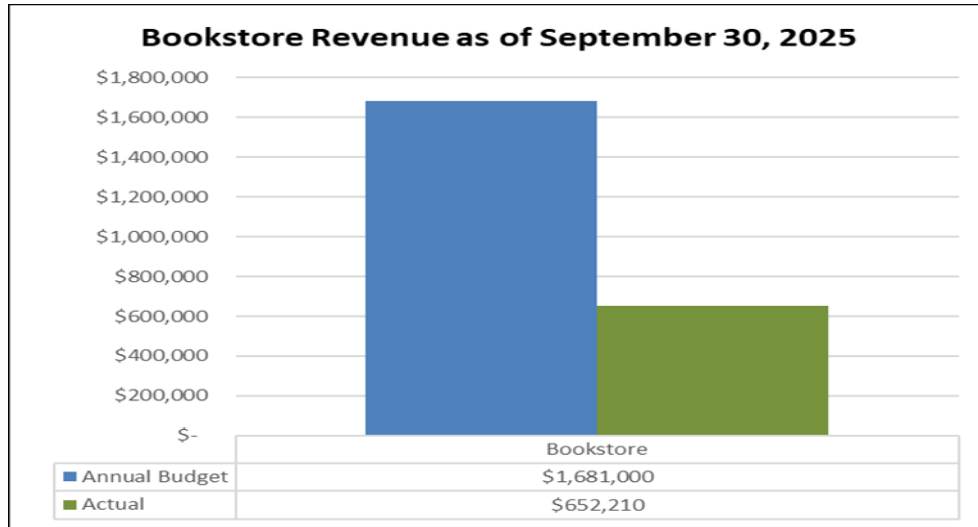
The College remains financially strong and continues to exercise prudent stewardship of resources. Ongoing attention will be given to monitoring federal policy changes and state and county budget developments that may influence future funding streams.

Attachment: Fiscal year-to-date Unaudited Financial Report through the quarter ending September 30, 2025.

**FREDERICK COMMUNITY COLLEGE
FINANCIAL STATEMENT ANALYSIS AS OF SEPTEMBER 30, 2025
25% OF THE FISCAL YEAR EXPIRED**

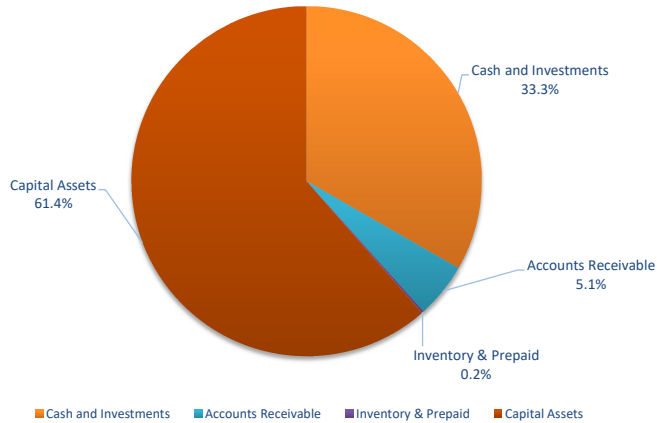


FREDERICK COMMUNITY COLLEGE
FINANCIAL STATEMENT ANALYSIS AS OF SEPTEMBER 30, 2025
25% OF THE FISCAL YEAR EXPIRED
 (Expenses Include Cost of Goods Sold and College Contribution)
 (Any variances due to rounding)



FREDERICK COMMUNITY COLLEGE **FINANCIAL STATEMENT ANALYSIS AS OF SEPTEMBER 30, 2025** **100% OF THE FISCAL YEAR EXPIRED**

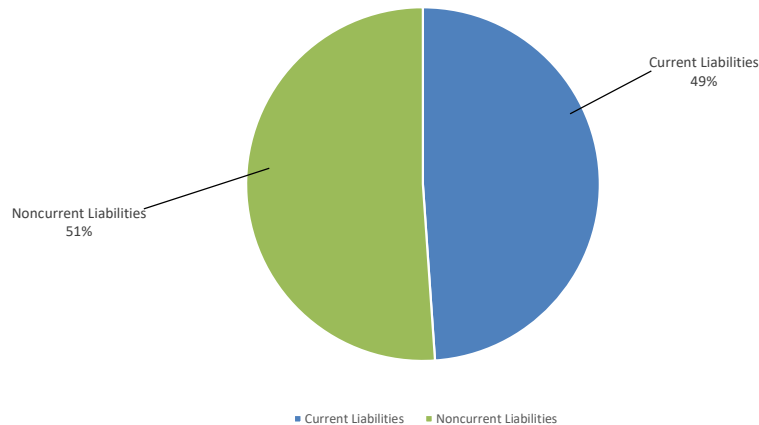
Assets as of September 30, 2025



Assets:

Cash and Investments	\$	49,536,281
Accounts Receivable	\$	7,547,688
Inventory & Prepaid	\$	291,738
Capital Assets	\$	91,456,637
	\$	<u>148,832,344</u>

Liabilities as of September 30, 2025



Liabilities and Net Position:

Current Liabilities	\$	4,132,836
Noncurrent Liabilities	\$	4,319,300
Net Position	\$	<u>140,380,208</u>
	\$	<u>148,832,344</u>

Financial Ratios as of September 30, 2025

Current Ratio	(current assets/current liabilities)	13.9	A ratio > 1 indicates liquidity is sufficient to meet current obligations.
Debt Ratio	(liabilities/assets)	0.06	A low debt ratio (< .5) indicates conservative financing. The College finances most of its assets from net assets (similar to equity).

FREDERICK COMMUNITY COLLEGE
STATEMENTS OF REVENUE, EXPENSES AND TRANSFERS
CURRENT UNRESTRICTED FUND - EDUCATIONAL AND GENERAL
FOR THE PERIOD SEPTEMBER 30, 2025
25% OF THE YEAR EXPIRED

	FY25 PYTD ACTUAL	FY26 YTD ACTUAL	ACTUALS TO ACTUALS VARIANCE	FY26 BUDGET	(OVER)/UNDER BUDGET	ACTUAL % OF BUDGET
Revenue						
Tuition and Fees						
Fall Tuition	\$ 7,103,303	\$ 7,608,927	107%	\$ 7,237,951	\$ (370,976)	105%
Spring Tuition	26,559	(2,408)	-9%	6,993,006	6,995,414	0%
Summer Tuition	862,728	1,063,246	123%	2,008,336	945,090	53%
Fees	1,643,786	1,885,929	115%	3,549,570	1,663,641	53%
Total Academic	9,636,376	10,555,693	110%	19,788,862	9,233,170	53%
Continuing Education	845,454	795,074	94%	1,800,000	1,004,926	44%
Total Tuition and Fees	10,481,830	11,350,767	108%	21,588,862	10,238,096	53%
State Aid	7,831,239	8,660,834	111%	25,676,415	17,015,581	34%
County Revenue	12,877,726	13,127,726	102%	26,999,083	13,871,357	49%
Investment Income	362,579	328,855	91%	650,000	321,145	51%
Miscellaneous Income	253,034	38,826	15%	200,000	161,174	19%
Contract Revenue	326,070	324,730	100%	1,151,958	827,228	28%
Indirect Cost Recovery	71,750	25,250	35%	210,000	184,750	12%
Strategic Reserves	-	88,873	-	2,300,000	2,211,127	4%
Total Revenue	\$ 32,204,228	\$ 33,945,862	105%	\$ 78,776,318	\$ 44,830,457	43%
Expenses and Transfers						
Instruction						
Academic	\$ 6,023,333	\$ 6,391,204	106%	\$ 27,764,427	21,373,223	23%
Continuing Education	923,911	991,974	107%	3,719,985	2,728,011	27%
Total Instruction	6,947,244	7,383,179	106%	31,484,412	24,101,234	23%
Academic Support	547,640	584,812	107%	1,565,631	980,819	37%
Student Services	2,845,313	2,810,216	99%	10,829,018	8,018,802	26%
Plant Operation and Maintenance	2,251,980	2,545,285	113%	11,008,505	8,463,220	23%
Administration	4,486,862	5,142,384	115%	20,795,785	15,653,401	25%
Scholarships and Transfers	2,537,821	2,746,898	108%	3,092,967	346,069	89%
Total Expenses and Transfers	\$ 19,616,859	\$ 21,212,773	108%	\$ 78,776,318	\$ 57,563,545	27%
Fund Balance	\$ 12,587,369	\$ 12,733,089	101%	\$ -	\$ (12,733,089)	

	FY26 ACTUAL	FY26 BUDGET	(OVER)/UNDER BUDGET	ACTUAL % to BUDGET
Use of Strategic Reserves				
SR - Strategic Planning & Future-Proofing	\$ 20,648	\$ 575,000	\$ 554,352	4%
SR - Capital Projects - Building M	-	1,000,000	1,000,000	0%
SR - Technology Projects	68,225	725,000	656,775	9%
	\$ 88,873	\$ 2,300,000	\$ 2,211,127	4%

* Per the Financial Conditions and Activities policy number EL-4, section 5.1, the President shall not allow a combined operating fund balance reserve to be less than the Government Finance Officers Association recommended minimum of 16.6% (two months) of annual operating expenses not including Strategic Reserves. For FY 2026, this amounts to \$12,695,069

**FREDERICK COMMUNITY COLLEGE
BOOKSTORE
FINANCIAL REPORT FOR THE PERIOD ENDING SEPTEMBER 30, 2025
25% OF THE YEAR EXPIRED**

	FY25 PYTD ACTUAL	FY26 YTD ACTUAL	ACTUALS TO ACTUALS VARIANCE	FY26 BUDGET	(OVER)/UNDER BUDGET	ACTUAL % OF BUDGET
Revenue						
Books	\$ 378,316	\$ 469,765	124%	\$ 950,000	\$ 480,235	49%
Supplies	86,009	73,858	86%	225,000	151,142	33%
Clothing	15,396	29,225	190%	75,000	45,775	39%
Convenience	15,022	16,925	113%	77,000	60,075	22%
Gift	13,888	9,048	65%	35,000	25,952	26%
Non Merchandise	255	639	250%	2,500	1,861	26%
Commissions - Books/gifts	946	2,083	220%	7,000	4,917	30%
Dual Enrollment-Slingshot	97,333	50,667	52%	225,000	174,333	23%
College Subsidy	40,000	-	0%	84,500	84,500	0%
Total Revenue	647,165	652,210	101%	1,681,000	1,028,790	39%
Cost of Goods Sold	303,939	308,726	102%	752,000	443,274	41%
Gross Profit	343,226	343,484	100%	929,000	585,516	37%
Operating Expenses						
Compensation						
Admin/Support Staff Compensation	53,829	55,444	103%	222,000	166,556	25%
Auxiliary PT	18,454	12,833	70%	77,500	64,667	17%
Benefits	27,802	28,060	101%	83,000	54,940	34%
Total Compensation	100,085	96,337	96%	382,500	286,163	25%
Contracted Services	6,762	7,203	107%	75,000	67,797	10%
Advertising	-	-	-	2,500	2,500	0%
Supplies	466	2,603	559%	7,500	4,897	35%
Digital Subscription	61,009	95,046	156%	130,000	34,954	73%
Shipping and Postage	428	427	100%	1,000	573	43%
Telecommunications	136	-	0%	-	-	-
Software	-	-	-	25,000	25,000	0%
Travel/Professional Development	566	-	0%	-	-	-
Dual Enrollment-Slingshot	97,333	50,667	52%	202,000	151,333	25%
Other Expenses	(7)	-	0%	-	-	-
Deferred Maintenance	625	625	100%	2,500	1,875	25%
Depreciation	-	-	-	-	-	-
Equipment Under \$5,000	-	-	-	-	-	-
Total Operating Expenses	267,403	252,908	95%	828,000	575,092	31%
Operating Profit (Loss)	\$ 75,822	\$ 90,576	119%	\$ 101,000	\$ 10,424	90%
College Contribution						
Indirect Cost Transfer	25,250	25,250	100%	101,000	75,750	25%
Total College Contribution	25,250	25,250	100%	101,000	75,750	25%
Net Income (Loss)	\$ 50,572	\$ 65,326	129%	\$ -	\$ 65,326	-
Gross Profit %	53.0%	52.7%		55.3%		
Operating Expense % Revenue	41.3%	38.8%		49.3%		
Net Income % Revenue	7.8%	10.0%		0.0%		

**FREDERICK COMMUNITY COLLEGE
BALANCE SHEET - ALL FUNDS
AS OF SEPTEMBER 30, 2025**

	PRIOR FYE	FY26 ACTUAL	CHANGE	% CHANGE
Assets				
Current Assets				
Cash	\$ 3,335,613	\$ 12,570,246	\$ 9,234,633	277%
Investments	39,154,688	36,966,035	(2,188,653)	-6%
Total cash and investments	42,490,301	49,536,281	7,045,980	17%
Accounts Receivable				
Students, net of allowance	659,075	1,278,590	619,516	94%
Governmental	1,199,882	4,327,084	3,127,203	261%
Other	630,286	1,942,014	1,311,728	208%
Total accounts receivable	2,489,242	7,547,688	5,058,446	203%
Prepaid expenses	809,668	9,091	(800,577)	-99%
Inventory	217,612	282,647	65,035	30%
Total Current Assets	46,006,823	57,375,708	11,368,885	25%
Noncurrent Assets				
Capital assets, net of accumulated depreciation	92,638,383	91,456,637	(1,181,746)	-1%
Total Noncurrent Assets	92,638,383	91,456,637	(1,181,746)	-1%
Total Assets	\$ 138,645,205	\$ 148,832,344	\$ 10,187,139	7%

	PRIOR FYE	FY26 ACTUAL	CHANGE	% CHANGE
Liabilities and Net Position				
Liabilities				
Current Liabilities				
Accrued salaries	\$ 1,009,155	\$ 98,703	\$ (910,452)	-90%
Accounts payable	1,772,792	236,926	(1,535,866)	-87%
Accrued liabilities	574,847	664,774	89,927	16%
Accrued leave	2,239,228	2,252,907	13,679	1%
Bond payable	345,000	345,000	0	0%
SBITA payable	236,614	236,614	0	0%
Unearned revenue	2,180,383	27,044	(2,153,339)	-99%
Deposits held for others	-	270,868	270,868	-
Total Current Liabilities	8,358,019	4,132,836	(4,225,184)	-51%
Noncurrent Liabilities				
Bond payable, net of discount	4,114,183	4,114,183	0	0%
SBITA payable	191,799	191,799	(0)	0%
Accrued leave	26,995	13,318	(13,678)	-51%
Total Noncurrent Liabilities	4,332,977	4,319,300	(13,677)	0%
Total Liabilities	12,690,996	8,452,136	(4,238,860)	-33%
Net Position				
Net Position Prior Year Balance (per audit)	120,129,458	125,954,209	5,824,751	5%
Net Income (Loss) - All funds	5,824,751	14,425,999	8,601,248	148%
Total Net Position	125,954,209	140,380,208	14,425,999	11%
Total Liabilities and Net Position	\$ 138,645,205	\$ 148,832,344	\$ 10,187,139	7%

Policy Survey Results: GP-6 Board Linkage with External Organizations

Context: Board Self-Monitoring Survey Results for GP-6 Board Linkage with External Organizations are being presented for review according to the approved [FY 2026 Board Policy Review & Monitoring Schedule](#).

Board Policy Reference: [GP-9 Investment in Governance](#)

Background:

- Per Board policy (GP-9) and in alignment with Policy Governance® practice, the Board regularly reviews Governance Process and Board-CEO Delegation policies to determine if any updates are needed.
- If there are no suggested changes, the Board completes a Self-Evaluation Survey specific to that policy and the results are reviewed at the next meeting.
- The Board reviewed *GP-6 Board Linkage with External Organizations* at the October 15, 2025 meeting and there were no suggested changes.
- The Board Chair will present the survey results to determine compliance with policy statements.

Attachment: Board Self-Monitoring Survey Results for GP-6 Board Linkage with External Organizations



Frederick Community College Board of Trustees

**Board Self-Monitoring Survey Results:
GP-6 Board Linkage with External Organizations
Date: 11/19/2025**

Number of Responses: 5

The Frederick Community College Board of Trustees shall identify other organizations with which it requires good working relationships in order to share and enhance its role as Owner representative in determining the most appropriate Ends.



Provide specific representative examples to support your above response when applicable.

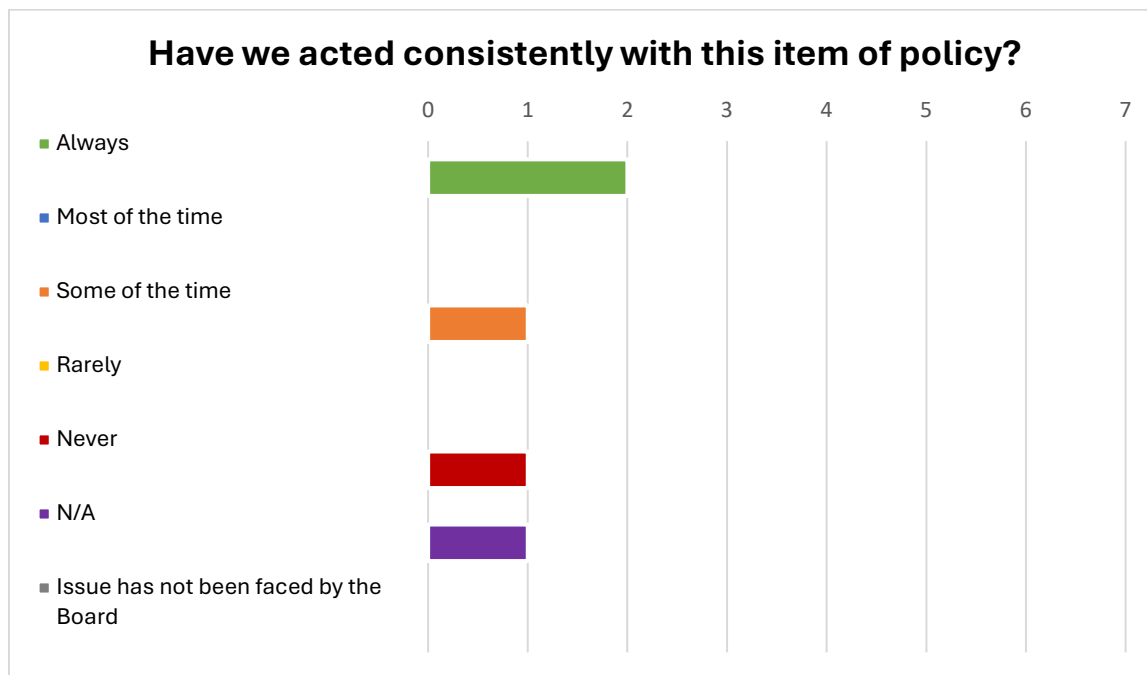
- Ownership linkage meetings are just beginning so it was hard to answer this question definitively. There has been one ownership linkage meeting with members of the Board of Education. Information gathered has not yet been utilized to inform Ends.

- I believe this process is new since the institution of policy governance therefore the answer is relative to the duration.
- Completed for this year.
- This is a hard one to answer as we are behind in developing relationships with other organizations. I believe this is one of our most important functions and look forward to getting back on track to focus on Ownership Linkage.
- We are currently identifying ownership linkage and setting meeting times to meet with these groups.

1. The Board shall establish mechanisms for maintaining open communication with federal, state, and local governing bodies as well as other public and private entities regarding Ends. Such mechanisms may include, but are not limited to:

1.1. Inviting representatives of those organizations to Board meetings

1.2. Meeting jointly with other Boards on occasion



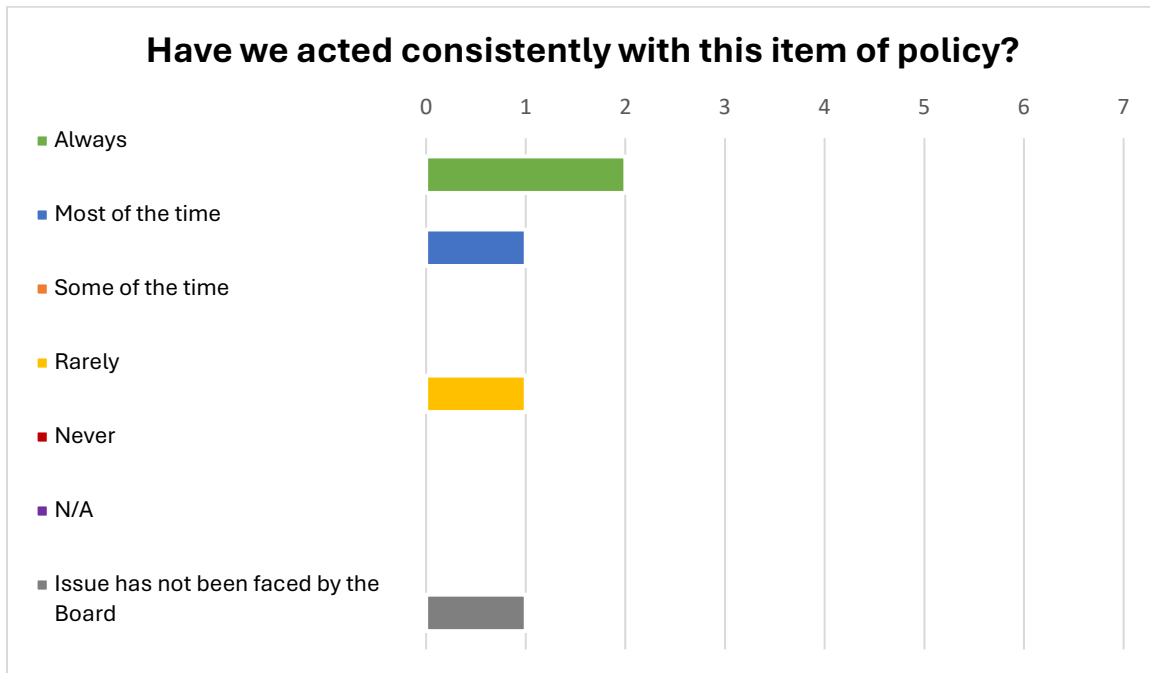
Provide specific representative examples to support your above response when applicable.

- It is my understanding meetings with state and federal officials have taken place in the past but no meetings have been discussed or scheduled during the time I have been a member of the Board. No representatives of these organizations have been

invited to Board meetings since I have been a member of the Board. There was an ownership linkage meeting more than 6 months ago with some members of the Board of Education. Based on this lack of experience with these meetings, I have answered NA.

- We have established mechanism but not implemented them.
- Opportunities for addressing this policy has been made available through MACC who sponsor an annual meeting with trustees and state legislators. In addition the college holds an annual breakfast with local legislators and trustees.
- The Board has the potential to have close and positive relations with other Boards and with our elected officials. However we have been focused on developing the process for Policy Governance and have not reached out to other boards or our elected officials.
- A way we comply with this policy is by attending the national legislative summit or ACCT. This allows the board to communicate with governmental policy leaders and Policy Governance experts.

2. For organizational memberships relevant to governance, the Board shall consider the merits of membership in other organizations annually.



Provide specific representative examples to support your above response when applicable.

- I am unaware of any conversation related to joining or becoming members in other organizations.

- Again, considering the implementation of policy governance is relatively new, I feel we are complying with this. I am unaware whether there is a Board meeting where the Trustees decide what organizations to consider for its Owner's Linkage.
- Trustees are members of MACC and ACCT.
- As far as I know, we have not reached out to other organizations in the area. Hopefully that will change as we focus more on Ownership linkage. Through the efforts of the President we have made contact with other organizations with similar interest in Policy Governance
- A way we comply with this policy is by attending national Policy Governance meetings, e.g., Govern for Impact and ACCT.

Policy Survey Results: GP-7 Board Planning Cycle and Agenda Control

Context: Board Self-Monitoring Survey Results for GP-7 Board Planning Cycle and Agenda Control are being presented for review according to the approved [FY 2026 Board Policy Review & Monitoring Schedule](#).

Board Policy Reference: [GP-9 Investment in Governance](#)

Background:

- Per Board policy (GP-9) and in alignment with Policy Governance® practice, the Board regularly reviews Governance Process and Board-CEO Delegation policies to determine if any updates are needed.
- If there are no suggested changes, the Board completes a Self-Evaluation Survey specific to that policy and the results are reviewed at the next meeting.
- The Board reviewed *GP-7 Board Planning Cycle and Agenda Control* at the October 15, 2025 meeting and there were no suggested changes.
- The Board Chair will present the survey results to determine compliance with policy statements.

Attachment: Board Self-Monitoring Survey Results for GP-7 Board Planning Cycle and Agenda Control

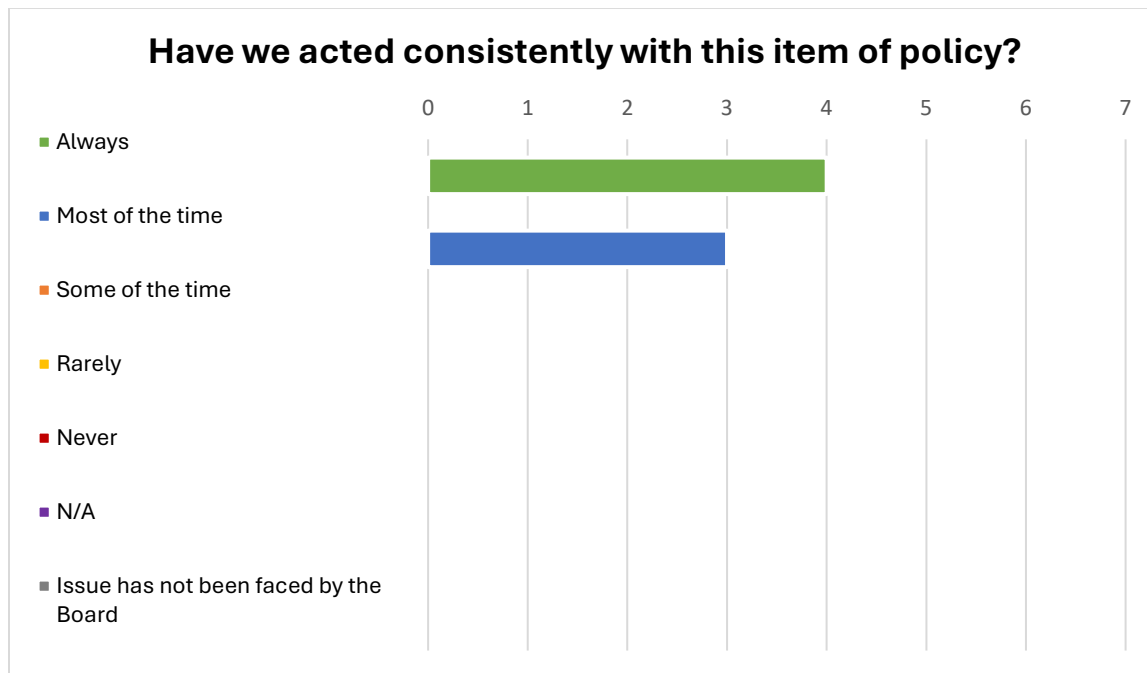


Frederick Community College Board of Trustees

**Board Self-Monitoring Survey Results:
GP-7 Board Planning Cycle and Agenda Control
Date: 11/19/2025**

Number of Responses: 7

To accomplish its responsibilities with a governance style consistent with Frederick Community College Board of Trustees' policies, the Board will develop and follow a multi-year cycle that includes all elements of the Board's work.



Provide specific representative examples to support your above response when applicable.

- I started in late July with a retreat. This is the second evaluation I have done. We are aware of the year's cycle of policy review and as of now, are keeping to the schedule. I answered "always" based on the last time the policies were reviewed.

- The Board is fortunate to have a talented, organized, and efficient administrative assistant who has created thorough calendars for the Board to task oriented in a timely manner.
- We are still in the process of developing a multi year cycle.
- A cycle has been established and the cycle agreed upon. It understood via board, with board approval, an item can be addressed off cycle.
- I believe we have the schedule in place and have begun to implement so until we have completed the full cycle I cannot say if it includes all elements of the boards work.

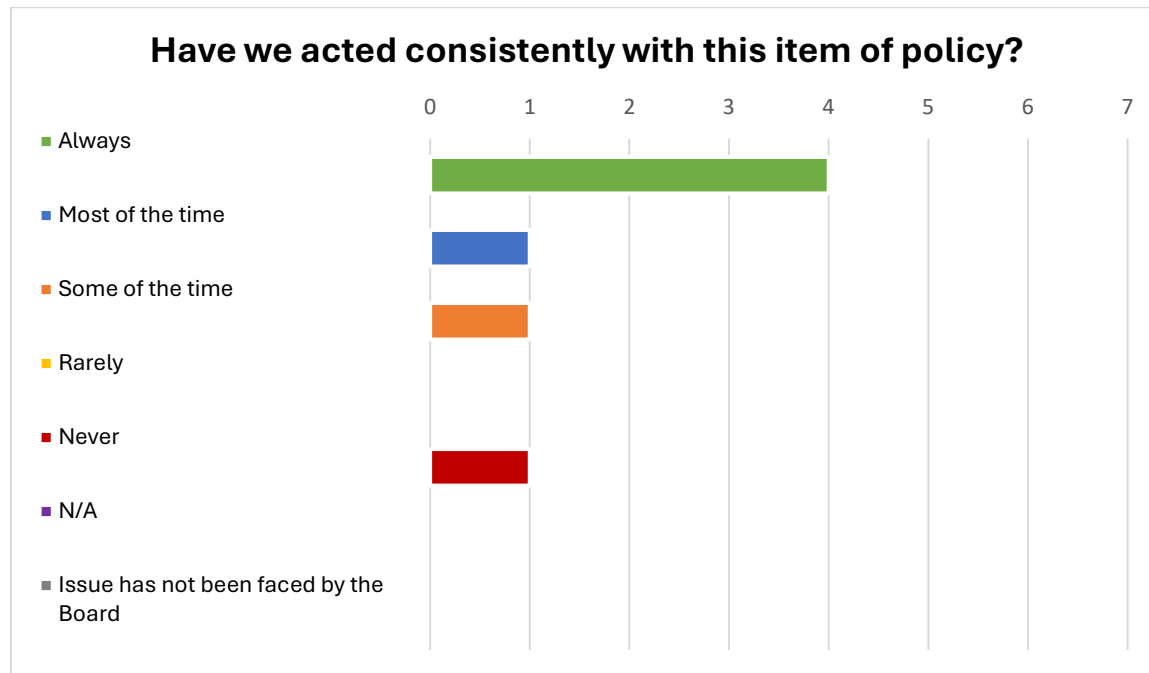
1. The Board shall maintain control of its own agenda by developing an annual schedule based on the multi-year cycle.



Provide specific representative examples to support your above response when applicable.

- The Board has the option of making appropriate changes to its schedule.
- We are still in the process of developing a multi year cycle
- There is an open opportunity for board members to recommend agenda items. The Chair and Vice work with the President to finalize the agenda.
- I believe that the Chair meets with the President to develop the agenda that is consistent with the cycle.

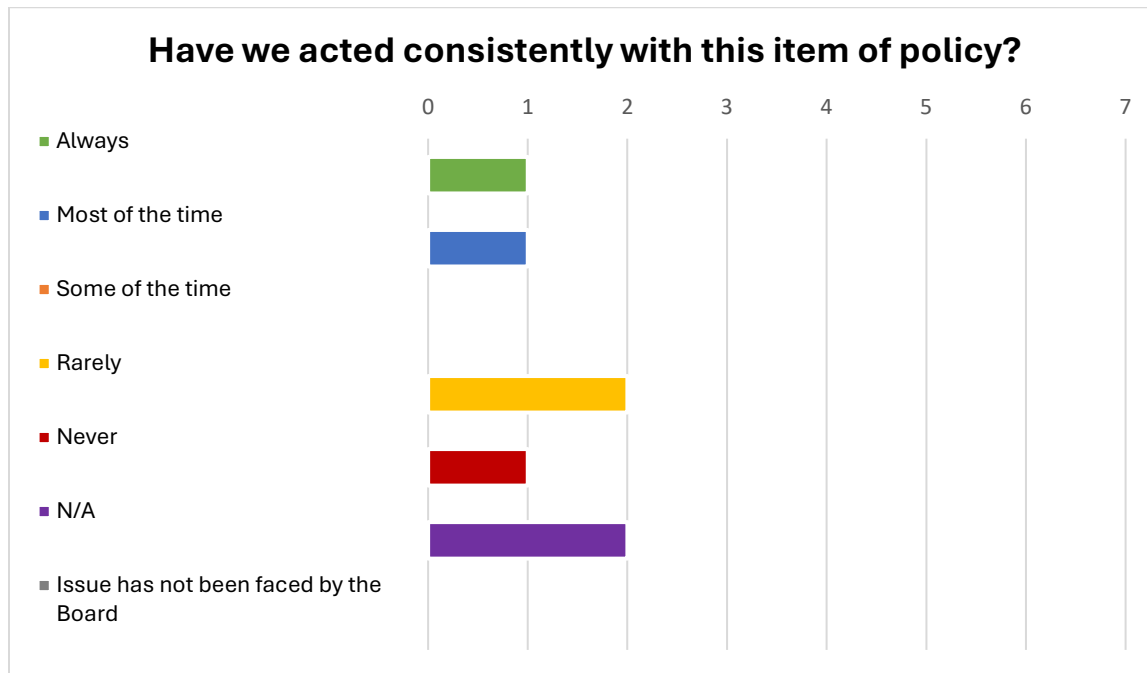
1.1. Review of the Ends in a timely fashion which allows the President to build a budget based on accomplishing a one-year segment of the Board's most recent statement of long-term Ends.



Provide specific representative examples to support your above response when applicable.

- The BOT is not in compliance with this policy. To the best of my knowledge, the Board has not reviewed Ends with the President prior to the development of the budget. This has not happened in preparation for this year's budget. It is my expectation, that the President will consider Ends in developing the budget.
- Again, this answer is based on a three month participation on the Board. We have been provided with baseline insight reports on Ends and Executive Limitations. Prior to each Board meeting we review/approve items placed on the Required Approval which mostly affect budget and in doing so we are complying with the President's needs.
- The Board members have access to all Ends policies and review them as needed to determine compliance.
- To my knowledge we have not provided input to the budget process. However we are still in the early stages of developing the relationship between Board and CEO which should lead to the Board reviewing the Ends in time to have an impact on the budget process.
- A timely review of the Ends is critical to achieving the Board's long-term Ends.
- I believe we have begun to see the results (monitoring reports) for achieving the ends.

1.2. Linkage with the Ownership (the residents of Frederick County) to gain a representative mix of Owner values, perceptions and expectations, prior to the above review.

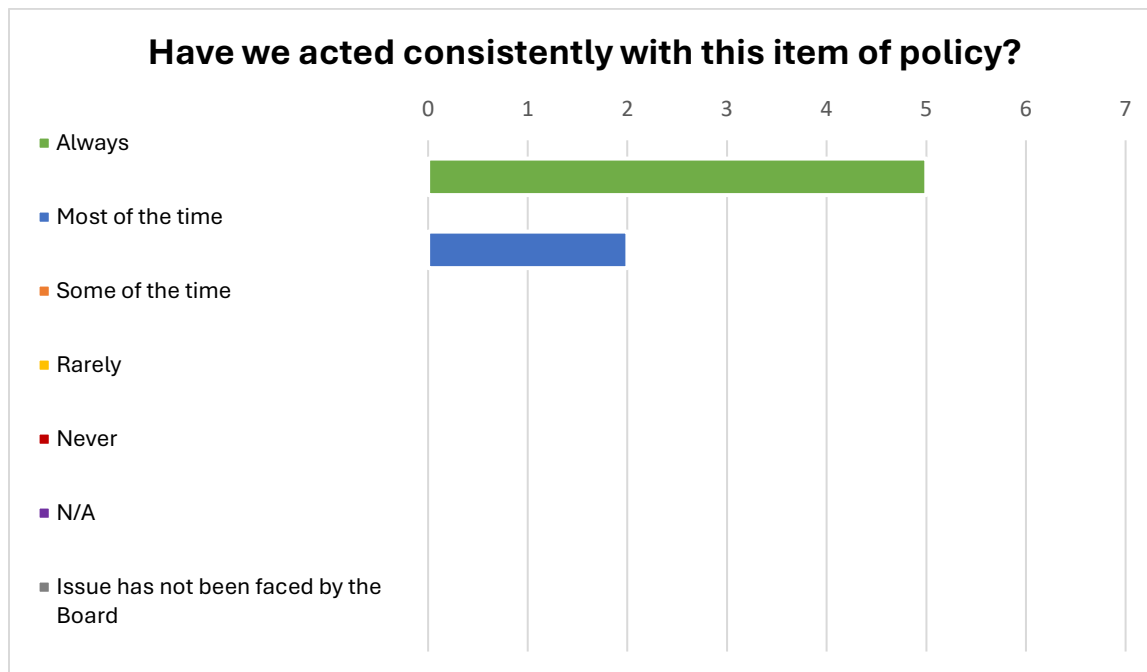


Provide specific representative examples to support your above response when applicable.

- The BOT is not yet in compliance with this policy and is just beginning the process of holding ownership linkage meetings. One ownership meeting has been held. Information has not yet been gathered or collated to provide ownership perspective, values, and expectations. This may take two years to accomplish.
- I feel this is at the core of the Board's duty. It was first mentioned at the Retreat and there has been only one such meeting which took place before I started. Three months or more have passed looking for a mediator. I hope it will not take three more months trying to schedule it. At this rate, getting the basic information will take a year. When do we start implementing the information garnered? I understand this to be the Board's "strategic plan." I'm not used to spending a year developing it.
- The Board has just begun meeting with various organizations. One meeting has been completed and others are currently being scheduled.
- We are woefully behind in dealing with this essential element in Policy Governance. Hopefully the hiring of consultant Rose Mercier will get us back on track.
- We are just starting the process of obtaining owner views and have not completed the process.
- We have successfully completed the first engagement and are preparing for the next.

- I believe this is the most critical step for linking the owners to the college. We have just begun this process in a formal way. It is critical for understanding the community holistically and achieving their goals and not specific to one group of individuals or a single incident.

1.3. Education and professional development related to development and revision of Ends. The Board will consider including environmental scanning, review of professional articles and publications, conference attendance, participation in presentations by thought leaders or experts, and activities which develop strategic foresight.

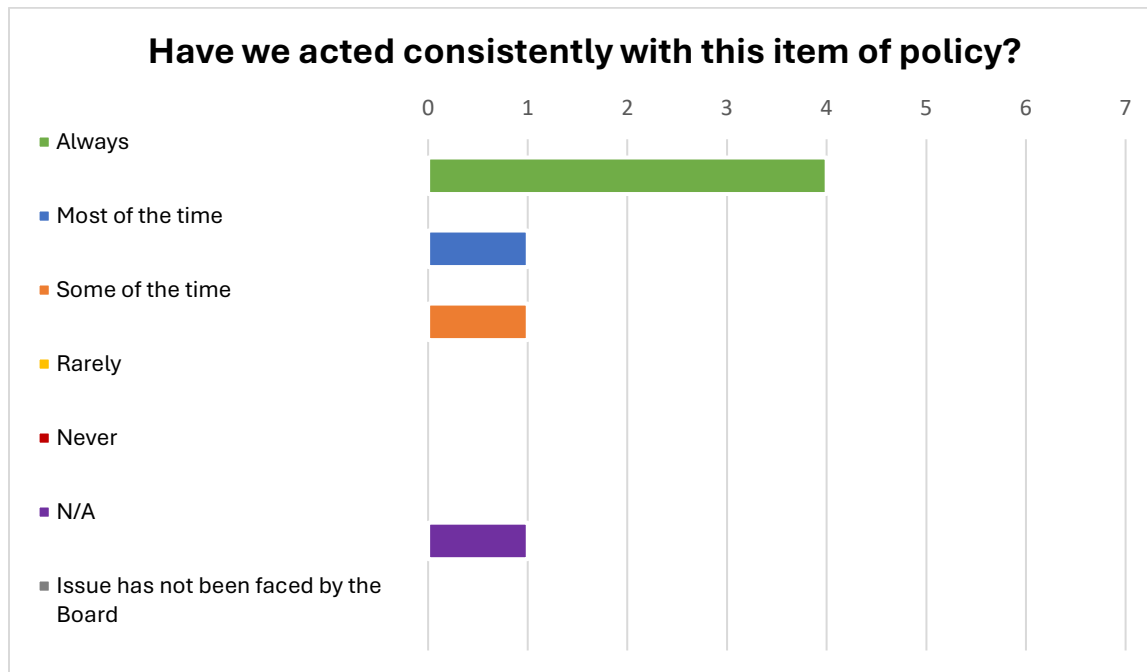


Provide specific representative examples to support your above response when applicable.

- This policy compliance is a work in progress. The Board has had the opportunity to review professional articles, participate in conferences, and review online course material. The Board has also benefited from a facilitator/leader in policy governance. We have not completed environmental scanning or participated in activities to develop strategic foresight.
- The Board has participated in continuing educational opportunities through various means such as publications, attendance at national and state conferences, and Board retreats.
- We just returned from the ACCT meeting for training and have been provided the opportunity to attend other professional development training.

- Self improvement is a mantra frequently echoed at board meetings.
- I believe that all of the trustees have made an effort to be educated through reading, attending seminars etc. and through community relationships to development their understanding and foresight.

1.4. Risk assessment, including probability of risks and impact of particular risks, as background context for policy review.



Provide specific representative examples to support your above response when applicable.

- I am not aware of this being done.
- I will answer in the positive, although I don't recall a specific risk assessment mentioned with any of the policies we have reviewed so far.
- Evaluating risk is considered when reviewing any policy.
- Our Executive Limitations are design to help mitigate risk opportunities.
- I need clarification of question.

1.5. Content review of selected Executive Limitations, Governance Process and Board – CEO Delegation policies, consistent with a multi-year schedule that includes all policies.



Provide specific representative examples to support your above response when applicable.

- A review of current policies in on our monthly agenda.
- The schedule for review is currently developed.
- We are still in the process of building the multi-year schedule.
- Yes we are following schedule.

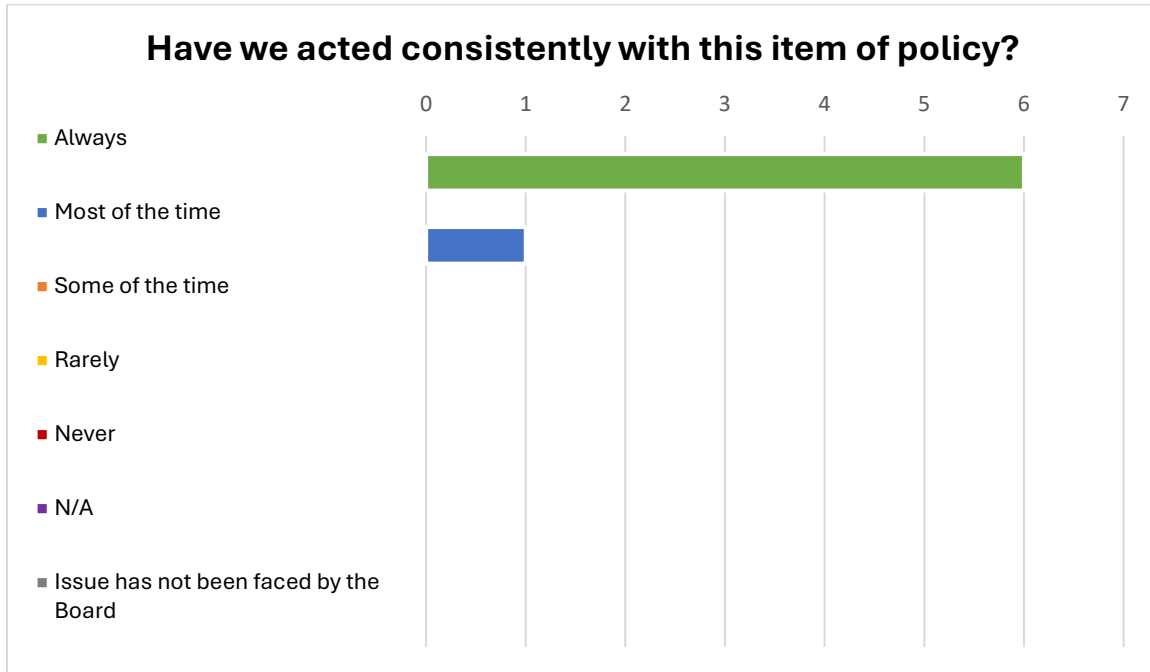
1.6. Self-evaluation of the Board’s own compliance with Governance Process and Board – CEO Delegation policies, consistent with the schedule in the policy *Investment in Governance*.



Provide specific representative examples to support your above response when applicable.

- The Board completes self-evaluations monthly and has also developed an annual tool.
- Completed following each board meeting.
- A Board review materializes at the end of each meeting.

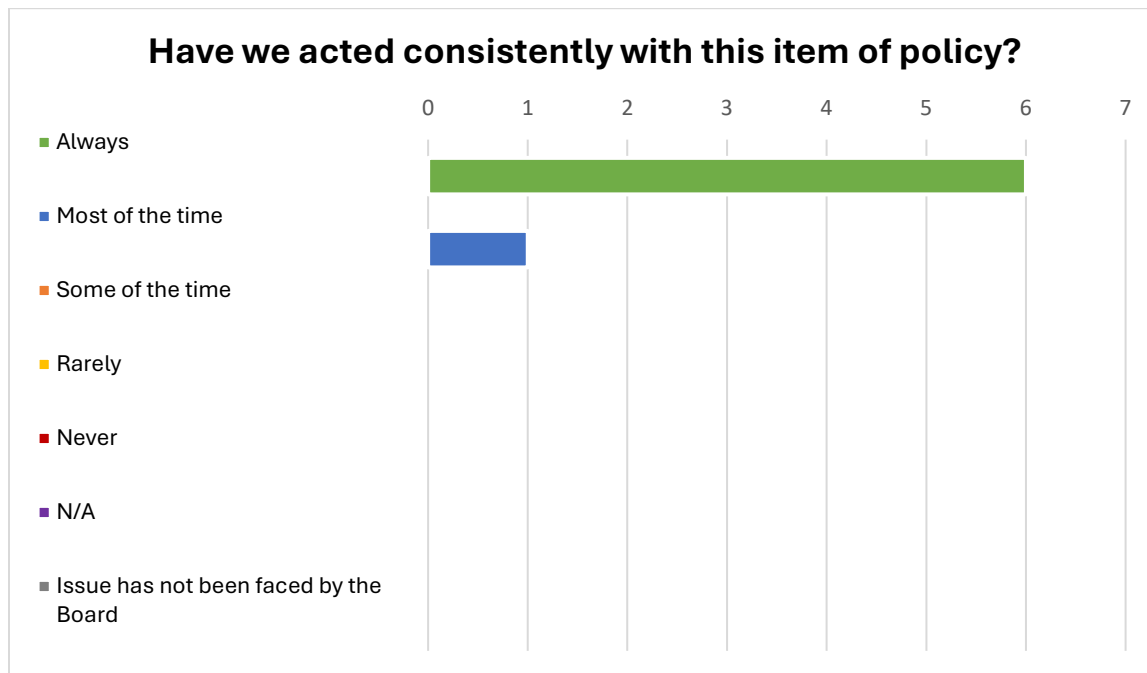
1.7. Documentation of monitoring compliance by the President with Executive Limitations and Ends policies. Monitoring reports will be read in advance of the Board meeting, and discussion will occur only if Board members assess interpretations as unreasonable, identify non-compliance, or identify potential need for policy amendments.



Provide specific representative examples to support your above response when applicable.

- Extensive monitoring reports are regularly presented and included on monthly public agendas.
- The President and the Board have been consistent with completing monitoring reports and acceptance.
- The President did give a review of the monitoring report and corrections that were made to comply. I am not sure it was 100% consistent with how policy reads.

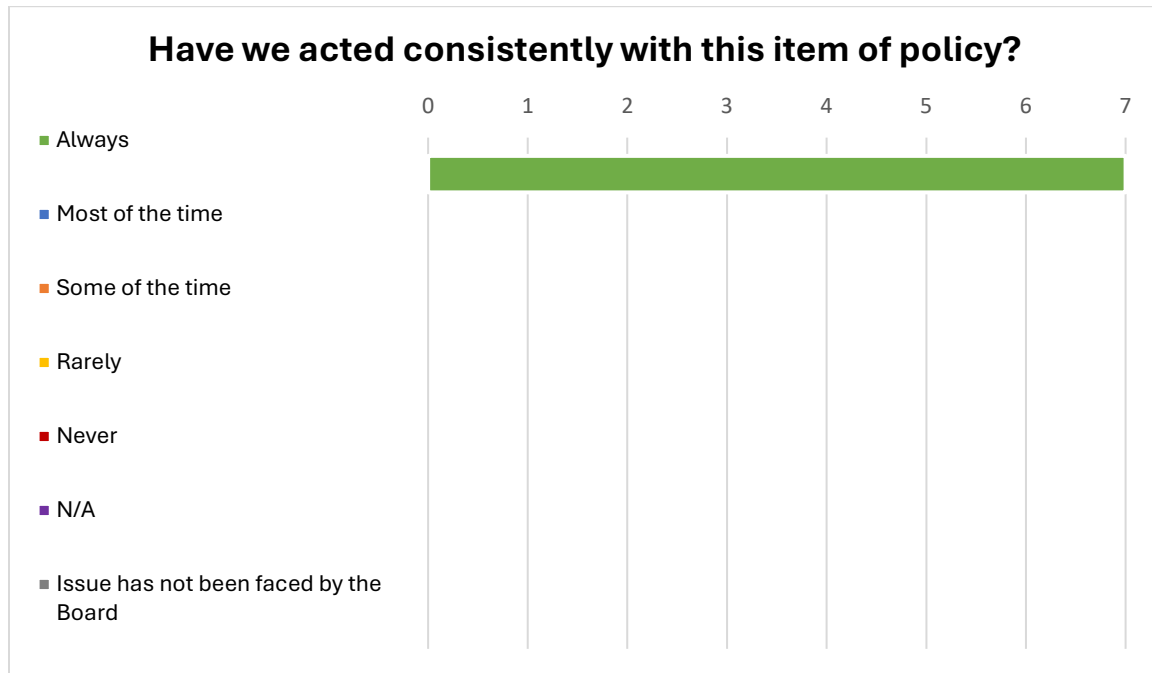
1.8. Education and professional development about the process of policy governance.



Provide specific representative examples to support your above response when applicable.

- Professional development has been available through online tools, conferences, publications, and through discussion at monthly meetings.
- We have been provided with extensive educational material to help us get more familiar with policy governance. It is extensive and time consuming. I think the idea of sending a monthly highlight on a policy is brilliant.
- Education and professional development have occurred informally during board meetings. More formal policy governance education has been provided to newly appointed trustees. Several trustees will attend a national conference in a few days.
- The Carver Model of Policy Governance is not an easy concept to embrace but the Board has had every opportunity to learn and apply the principles.
- We just returned from the ACCT meeting for training and have been provided the opportunity to attend other professional development training.
- I think we are still trying to navigate the governance process and through practice and education I believe we will improve and be more comfortable.

1.9. The Board will have planning sessions as needed or at the President's request. The Board will schedule a Summer retreat no later than July.



Provide specific representative examples to support your above response when applicable.

- The BOT held a retreat in July and is planning another retreat in December.
- So far, I started with a retreat and there is another retreat scheduled in December.
- Summer retreats have been provided consistently every year.
- Yes, we have been consistent.
- The July retreat is scheduled as is a December.

2. Based on the outline of the annual schedule, the Board delegates to the Board Chair the authority to fill in the details of the meeting content. Potential agenda items shall be carefully screened. Screening questions shall include:

2.1. Does the issue clearly belong to the Board or the President?

2.2. What category does the issue relate to? Ends, Executive Limitations, Governance Process, Board-President Delegation?

2.3. What has the Board already said in this category (i.e., via policy review), and how is the current issue related?



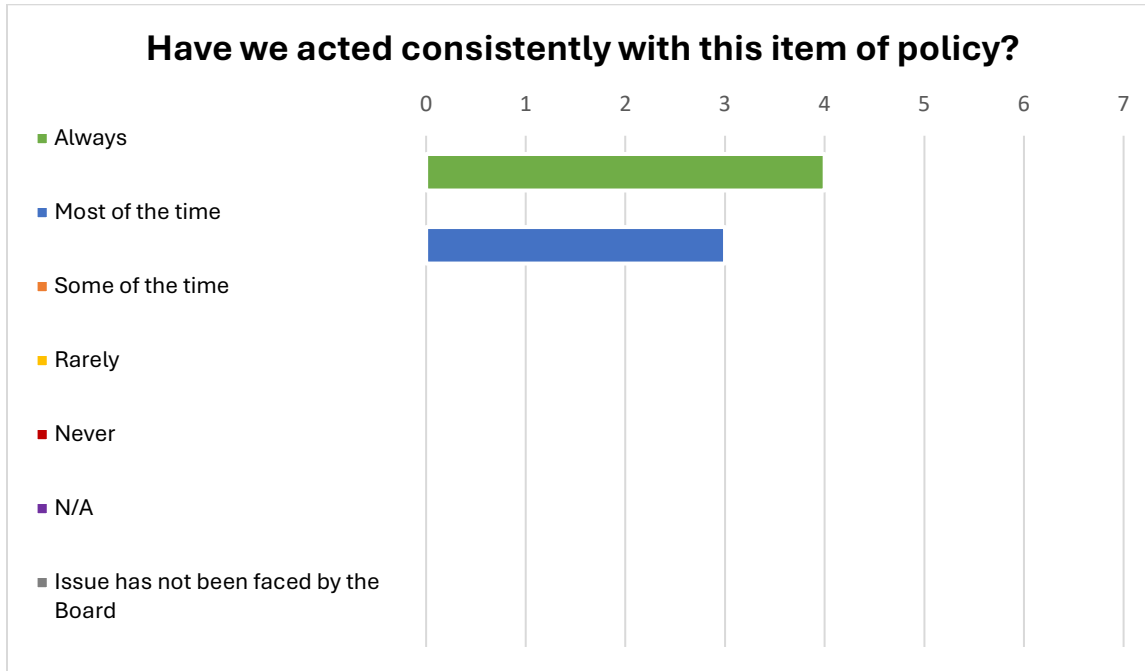
Provide specific representative examples to support your above response when applicable.

- The BOT has delegated the agenda to the Chair. The President of the College also provides input into the agenda and provides a significant number of agenda items. The BOT review the agenda at the end of each meeting. It is unclear how individual BOT members can add agenda items. My interest to add an agenda item for policy review at our December retreat has been unsuccessful based on the reason of an already full agenda - though what is on the agenda for the retreat has not yet been shared.
- All the items in the agenda are cross-referenced with the appropriate policies. The problem I encounter is how to address a question that falls under organizational means which is more for personal understanding of how the President addressed

the issue (not a challenge as to how the issue was addressed). This knowledge is a possible Trustee's learning tool which can be used in the future at another organization (not reinventing the wheel) should a similar situation come up. We have a President who is truly gifted in her explanations and who has her staff give thorough presentations. These presentations (organizational means) will generate Board questions. The board should be encouraged to ask questions. At the September meeting there was a confusing period after the presentation because the word strategic plan was used. It would have helped to differentiate Board's strategic plan vs organizational strategic plan which would have then answered why we can't share the people asked for input. Reinforcing the boundary between Board and Organization would also be an answer to why the Board's opinion was not taken into account. This brings up what I feel is the biggest hurdle with this policy management: the role of the Board in policy management is quite different than any other Board since it creates a boundary between board and organization which does not exist in other boards.

- Monthly agenda review meetings are held with the President, Chair, and Vice Chair where the meeting agenda is prepared and finalized.
- Ongoing.
- The agenda typically defines these items and therefore it helps to remain on track and defines the category.

3. Throughout the year, the Board will work to limit the number of, and attend to Required Approvals Agenda items as expeditiously as possible. When an item is brought to the Board via the Required Approvals Agenda, deliberation, if any, will only be in regard to whether or not the President's decision complies with relevant Board policies.



Provide specific representative examples to support your above response when applicable.

- The BOTs have been consistent with this policy since July. This policy was not enforced prior to that time and BOT members were allowed to make comments and ask questions on these items.
- I am slowly improving in my ignorance since I was not cognizant of the difference between Required Approval and Consent agenda!
- To better understand the Required Approvals Agenda, the Board might want to consider a brief explanation on this topic during a retreat.
- I think there is an inclination by board members who operated on other boards to approve or not approve the specific action and not whether it is consistent with policy.

Policy Review: GP-11 Special Rules of Order

Context: Policy GP-11 Special Rules of Order is being presented for review according to the approved [FY 2026 Board Policy Review & Monitoring Schedule](#). This policy establishes rules for the orderly and effective conduct of Board meetings, led by the Board Chair. It covers legal requirements, quorum, adherence to the agenda, decorum, consensus-based decision-making (with voting for specific actions), and the process for discontinuing Policy Governance (requiring a two-thirds vote).

Board Policy Reference: [GP-9 Investment in Governance](#)

Background:

- Per Board policy (GP-9) and in alignment with Policy Governance® practice, the Board regularly reviews Governance Process and Board-CEO Delegation policies to determine if any updates are needed.
- Chair Luck and President Cheek are not recommending any changes at this time.
- The Board Chair will lead discussion at the meeting to consider any amendments to the policy.

Attachment: GP-11 Special Rules of Order



FCC BOARD OF TRUSTEES POLICY

Policy Type: Governance Process

Policy Title: Special Rules of Order

Policy Number: GP-11

Date Adopted: 5.22.2024

Version: 2.0

Date Last Reviewed: 1.15.2025

Office Responsible: President's Office

Reviewing Committee: Board of Trustees

The Frederick Community College Board of Trustees meetings will be conducted in an orderly, effective process, led and defined by the Board Chair/Chief Governance Officer (CGO).

1. All legal requirements and by-law obligations respecting Board meetings must be satisfied.
2. Board meetings shall be called to order at the time specified in the meeting notice and upon satisfaction of a quorum.
3. Trustees will not present an item for action or discussion at a Board meeting if it is not on the agenda, unless otherwise approved by a majority vote of the Board and if permitted by law.
4. Meeting order and decorum shall be maintained, and all members shall be treated with dignity, respect, courtesy, and fairness during discussion and debate and in all other respects.
5. Trustees must keep their comments relevant to the issue under consideration.
6. Board meetings will be conducted at a level of informality considered appropriate by the Board Chair.
7. Board decisions will be made based on consensus to the extent possible.
 - 7.1. Where consensus is not possible or where required by law whether or not consensus exists (for instance, procurement decisions), proposals that the

Board take action, or decide a particular matter, shall be made by main motion of a Trustee, discussed, and then voted on. Motions do not require a second to proceed to discussion and subsequent vote.

- 7.2. To the same extent as any Board member, the Chair may make motions, engage in debate, and vote on any matter to be decided.
- 7.3. A main motion may be amended only once.
- 7.4. A motion to refer to a committee, postpone, or table may be made regarding a pending main motion. If carried, it shall set the main motion (the initial proposal) aside accordingly.
8. Trustees may speak to a pending motion on as many occasions and at such length as the Chair may reasonably allow.
9. A vote on a motion shall be taken when the discussion ends; however, any Trustee may, during debate, move for an immediate vote (close debate) which, if carried, shall end the discussion, and the vote on the main motion shall then be taken.
10. A decision to discontinue the Board's use of Policy Governance can occur only by a supermajority (i.e., Two-thirds) vote of the entire Board.
11. Board decisions about policies and revisions to policies will be considered first by the Board members assigned for pre-review of the policies, with the second reading occurring during the actual Board meeting. If approved, it has immediate effect, unless the Policy, by its terms, has an implementation or transition schedule or a deferred effective date.
12. A motion to adjourn a Board meeting may be offered by any Trustee, or, on the conclusion of all business, the Chair may declare adjournment of the meeting.
13. When the Board is to develop further rules of order, it will consider Robert's Rules of Order for Small Boards & Assemblies as a resource guide.

Date Of Change	Version	Description of Change	Responsible Party
5.22.2024	1.0	First release following Policy Governance consulting work.	President
1.15.2025	2.0	Update to item 10 to remove the example of two-thirds being five Trustees	President

Policy Review: BCD-2 Accountability of the President

Context: Policy BCD-2 Accountability of the President is being presented for review according to the approved [FY 2026 Board Policy Review & Monitoring Schedule](#). This policy states that the President is the Board's only link to operational achievement and conduct, meaning the authority and accountability of all staff, from the Board's perspective, rests with the President. The Board will not give instructions to staff who report to the President, nor will it evaluate any staff other than the President. The President's performance is considered identical to the organization's performance, and their primary job is to reasonably interpret and achieve the Board-stated Ends and comply with the Executive Limitations.

Board Policy Reference: [GP-9 Investment in Governance](#)

Background:

- Per Board policy (GP-9) and in alignment with Policy Governance® practice, the Board regularly reviews Governance Process and Board-CEO Delegation policies to determine if any updates are needed.
- Chair Luck and President Cheek are not recommending any changes at this time.
- The Board Chair will lead discussion at the meeting to consider any amendments to the policy.

Attachment: BCD-2 Accountability of the President



FCC BOARD OF TRUSTEES POLICY

Policy Type: Board-CEO Delegation

Policy Title: Accountability of the President

Policy Number: BCD-2

Date Adopted: 10.18.2023

Version: 1.0

Date Last Reviewed: 11.20.2024

Responsible Party: President's Office

Reviewing Committee: Board of Trustees

The President is the Board's only link to operational achievement and conduct, so that all authority and accountability of staff, as far as the Board is concerned, is considered the authority and accountability of the President.

1. The Board will never give instructions to persons who report directly or indirectly to the President.
2. The Board will refrain from evaluating, either formally or informally, any staff other than the President.
3. Since the President is accountable for operational achievement, the Board will view President performance as identical to organizational performance. Therefore, the President's job description is to accomplish a reasonable interpretation of Board-stated Ends and comply with a reasonable interpretation of Executive Limitations.

Date Of Change	Version	Description of Change	Responsible Party
10/18/2023	1.0	First release following Policy Governance consulting work.	President

Approval of FY 2027 – FY 2032 Capital Improvements Program (CIP) and County Capital Budget Request

Context: Each year, the College is required to submit its CIP and six-year budget request to the County for review and approval. Each November, the Board of Trustees approves the College's most recent CIP budget for submission to the County. The request is informed by the College's ten-year [Facilities Master Plan](#), which was approved by the Board of Trustees in June 2023 and submitted to the Maryland Higher Education Commission (MHEC) by July 1, 2023. This document summarizes the recommended CIP budget and is presented to the Board of Trustees by President Cheek, with preparation support provided by Scott McVicker, CFO and Vice President for Administration.

Board Policy References:

- [EL-4 Financial Conditions and Activities](#)
- [EL-6 Planning](#)
- [EL-7 Land Use](#)
- [EL-9 Asset Protection](#)

Background:

Recognizing that Frederick County is the fastest growing county in the State of Maryland, FCC is increasingly being called on to fulfill and expand its mission of preparing the county's workforce for both today and tomorrow. FCC's enrollment has rebounded from COVID-era levels and facility needs in wellness, health care, and workforce development will require new facilities to meet current and future demand.

The College's six-year Capital Improvements Program budget totals \$154.4 million, including \$73.6 million in County funding. The plan includes three major facility projects designed to address identified space and programmatic needs:

- **Campus Services Building - \$16,238,000 (see building 1 on the attached site plan).** Design funding of \$800,000 was received from the County in FY24, and the design phase was recently completed. Construction is scheduled to begin in November 2025. This project replaces the current Plant Operations building and consolidates functions now disbursed across campus, including plant services, workshops, offices, repair spaces, College-wide receiving, mail services, and storage.
- **Innovation and Technology Center - \$64,359,808 (see building 2 on the attached site plan).** The Facility Program (Parts I and II) was submitted to the State on March 1, 2024, for inclusion in the FY27 State CIP budget request. The Maryland Higher Education Commission (MHEC) has approved the program, and it is currently under review by the Department of Budget and Management (DBM) and the Department of General Services (DGS). Planned functions include Science and Biotechnology labs, an Innovation Center

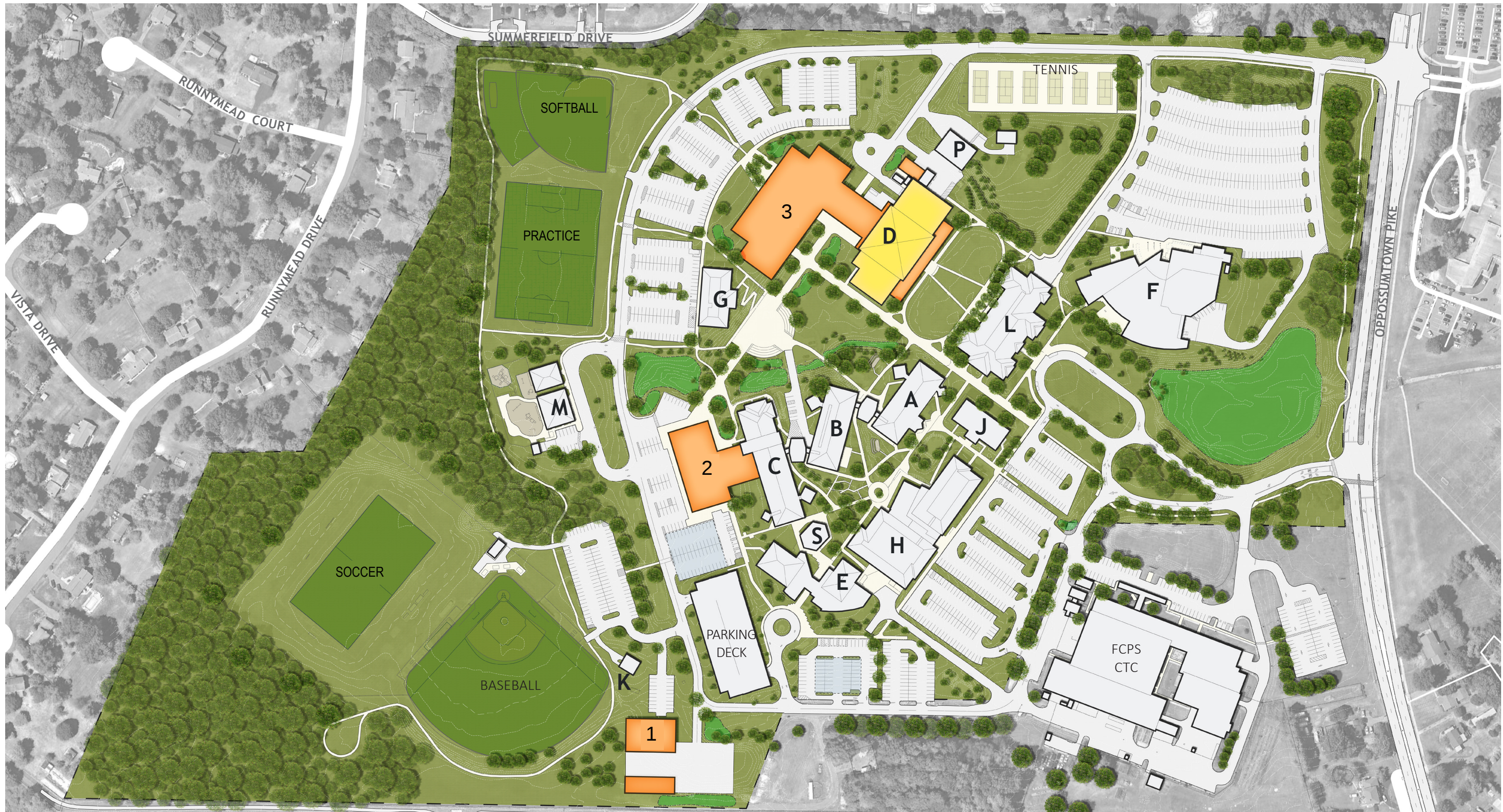
serving the FCC community and entrepreneurial initiatives, instructional spaces for STEM programs, offices, and support spaces.

- **Health Education and Athletics Center/Building D Renovation/Addition (see building 3 on the attached site plan) - \$75,633,000.** The Facility Program (Parts I and II) was submitted to the State on December 15, 2023. The Maryland Higher Education Commission (MHEC) has approved the program, which is now under review by DBM and DGS. The proposed project totals 74,000 gross square feet (GSF) and includes renovating the existing Athletics Center (Building D) and construction of a 44,000 GSF addition to accommodate new academic needs and enhance existing athletic functions.

Overall, the total six-year CIP request of \$154.4 million represents an increase of \$29.4M from the previous iteration, raising the total proposed budget for all projects from \$125M to \$154.4 million due to the inclusion of FY32 projects that were not part of last year's submission.

Attachments:

- FCC Capital Improvement Site Plan FY 2027 – FY 2032 (revised November 2024)
- FCC Capital Improvement Program FY 2027 – FY 2032



FREDERICK COMMUNITY COLLEGE | FACILITIES MASTER PLAN 2023 - 2033 | MAIN CAMPUS - CAPITAL IMPROVEMENTS FY2026-FY2031

LEGEND

- | | |
|-------------------------------|-----------------------|
| Open Space | Existing FCC Building |
| Recreational / Athletic Field | New Construction |
| Wooded | Renovation |
| Bioretention Planting | |

- | |
|------------------------|
| Primary Pathway/ Plaza |
| Surface Parking / Road |

PROPOSED PROJECTS

- 1 Campus Services Building
- 2 Innovation and Technology Center
- 3 Health Education and Athletics Center

Revised November 2024



**Frederick Community College
Capital Improvement Program
FY 2027 – FY 2032
November 19, 2025**

OVERVIEW

Frederick Community College (FCC) is pleased to submit its updated Capital Improvements Program (CIP) request for FY 2027– FY 2032. The request is informed by the College’s ten-year *Facilities Master Plan*, completed in June 2023 and submitted to the Maryland Higher Education Commission (MHEC) by July 1, 2023.

ANALYSIS

As part of the master planning process, a projected *Space Needs Assessment* for 2030 was conducted utilizing MHEC’s *Space Allocation Guidelines for Community Colleges*. The analysis identified a significant projected need—an overall space deficit of 123,598 net assignable square feet (NASF), representing more than 40% above the College’s current NASF of 305,354. Additional needs were identified in nearly every category, including academic and academic support spaces.

While the College has not constructed a major new building or addition since 2015, it has made substantial investments in improving existing facilities. While these renovations have brought existing facilities up to current standards, they have not allowed for growth in instructional programs, student services, or support services.

Although FCC has invested in renovations and modernization, the College has not constructed a new major building since 2015. Population growth, increased enrollment, and new programmatic demands in healthcare, wellness, and workforce development highlight the need for expanded facilities.

Capital Improvement Program Budget

Total Six-Year CIP: \$154.4 million

County Funding: \$73.6 million

The plan includes three major building projects, a State renewal grant, and critical infrastructure initiatives designed to sustain FCC’s mission and readiness for the future.

1. Campus Services Building: \$7,719,000
(*Construction, Furniture and Equipment – FY27*)

Context:

The existing Plant Operations building (constructed in 1995, with a 2003 addition) is undersized at 7,400 GSF and no longer meets operational needs.

Functions Include:

Plant services, workshops, offices, repair spaces, College-wide receiving, mail services, and storage.

Site Work:

(“Site work” refers to the land preparation and infrastructure improvements—such as grading, utilities, parking, and access roads—that support and connect the new facility to the existing campus.)

Includes a staff/visitor parking lot, limited realignment of the campus loop road, a new access driveway, and fenced service/storage yard.

Size:

One-story office and shops (19,800 GSF) and open bay storage space (3,800 GSF).

Funding/Approval Status:

Design funding of \$800,000 received from the County in FY24; design completed. Construction funding of \$7.7M approved in FY26.

2. Innovation and Technology Center: \$64,359,808

(Design FY27; Construction, Furniture and Equipment FY28-FY30)

Context:

This facility will connect to Catoctin Hall (Building C) and serve as a collaborative hub for innovation, entrepreneurship, and advanced STEM learning.

Functions Include:

Science and biotechnology labs, an Innovation Center serving FCC and community partners, instructional spaces for STEM programs, offices, a lecture hall, and student support areas. Academic space will also allow for expansion of Continuing Education / Workforce Development programs that are currently only offered at the Monroe Center facility.

Site Work:

Reconfiguration of Parking Lot 5 and extension of the main walkway to a landscaped plaza; minor net loss of parking.

Size:

Two-story addition (28,352 GSF) and renovation of existing space (30,245 GSF).

Funding/Approval Status:

Facility Program (Parts I & II) submitted to the State March 1, 2024; approved by MHEC; pending approval by the Department of Budget and Management (DBM) and Department of General Services (DGS).

3. Health Education and Athletics Center (Building D Renovation/Addition): \$75,633,000
(Design FY29-FY30; Construction, Furniture and Equipment FY31-FY32)

Context:

This project modernizes and expands the Athletics Center (Building D) to support health education, physical fitness, and recreation for all campus members.

Functions Include:

Renovated and expanded athletic facilities, health education spaces, academic classrooms, and faculty offices.

Size:

74,000 GSF total—renovation of existing Athletics Center plus 44,000 GSF addition to accommodate new academic program needs and improve existing athletic team operations.

Funding/Approval Status:

Facility Program (Parts I & II) submitted December 15, 2023; approved by MHEC; pending approval by DBM and DGS.

4. State Facilities Renewal Grant: \$1,500,000
(FY27, FY29, FY31 – \$500,000 per year)

Context:

Established by the Maryland General Assembly in 2018 (SB595/HB403), this program supports improvements, repairs, and deferred maintenance projects for Maryland community colleges.

Functions Include:

Projects under \$1.0M that address deferred maintenance and system renewal as part of FCC’s annual and ten-year master plan submissions.

Funding/Approval Status:

MHEC-administered grant program; awards up to eight grants statewide per fiscal year.

5. Systemics (Deferred Maintenance and Capital Renewal): \$12,904,024
(FY27 – \$2,467,796; FY28 - \$3,205,903; FY29 - \$3,245,261; FY30 - \$1,285,911; FY31 - \$1,327,895; FY32 - \$1,371,259)

Context:

Maintaining campus infrastructure is critical to student success, safety, and institutional integrity. FCC follows best practices established by APPA (Association of Higher Education

Facilities Officers) and NACUBO (National Association of College and University Business Officers), using its current replacement value (CRV) of \$227 million as a benchmark.

Funding Model:

Best practices annual investment between 2.0–4.0% of CRV allocated as:

- Deferred Maintenance: 0.5–1.5%
- Capital Renewal & Improvements: 1.5–2.5%

Funding/Approval Status:

Total of \$12.9M over six years to support campus-wide renewal, renovation, and beautification efforts.

6. Classroom Technology (Upgrades and Equipment): \$661,500

(FY27–FY32 – \$100,250 per year)

Context:

Modern instructional spaces require current technology to ensure high-quality, industry-relevant learning.

Functions Include:

Upgrading classroom and instructional technology, including hardware, audiovisual systems, and digital tools that enhance teaching and learning.

Funding/Approval Status:

Annual allocation to maintain competitiveness and compliance with technology standards.

7. Technology Upgrade – PeopleSoft Enhancements: \$1,800,000

(FY27–FY32 – \$300,000 per year)

Context:

PeopleSoft supports FCC’s core administrative systems, including student registration, finance, HR/payroll, and time and labor.

Functions Include:

Software upgrades to maintain compliance, performance, and integration across college operations.

Funding/Approval Status:

Annual investment required to sustain vendor maintenance compliance and ensure uninterrupted service delivery.

Capital Improvement Program Request FY2027-2032

November 19, 2025

Combined County and State Capital Funding Request		Total		Prior	Total	Request	Request	Request	Request	Request	Request	Request
		Project	Other *	Approval	FY27-32	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	After
Capital Projects												
County only	Campus Services Building	16,238,000		8,519,000	7,719,000	7,719,000						
County / State	Health Education and Athletics Center (Building D Renovation/Addition)	75,633,000		-	75,633,000			5,851,000	3,000,000	31,341,000	35,441,000	
County / State	Innovation and Technology Center	64,359,808	10,191,840	-	54,167,968	5,313,000	13,291,661	23,483,500	12,079,807			
Systemics		15,093,324		2,189,300	12,904,024	2,467,796	3,205,903	3,245,261	1,285,911	1,327,895	1,371,259	
	Emergency repairs				240,182	37,132	38,245	39,393	40,575	41,792	43,046	
	Life Safety Systems and Fire Sprinkler				686,234	106,090	109,273	112,551	115,927	119,405	122,987	
	ADA Accessibility repairs / upgrades				514,675	79,568	81,955	84,413	86,946	89,554	92,241	
	Roof Systems- repairs / replacements				133,249	20,600	21,218	21,855	22,510	23,185	23,881	
	Site Improvements				333,123	51,500	53,045	54,636	56,275	57,964	59,703	
	Mechanical / Electrical / Plumbing				333,123	51,500	53,045	54,636	56,275	57,964	59,703	
	Building doors, windows, exterior facade				343,117	53,045	54,636	56,275	57,964	59,703	61,494	
	Other deferred maintenance / backlog				994,415	153,734	158,346	163,096	167,989	173,029	178,220	
	Facility MasterPlan 5 Year Update				500,000	500,000	-	-	-	-	-	
	Pedestrian Walkway, Circulation, and Campus Core				1,500,000	500,000	500,000	500,000	-	-	-	
	Building F Feasibility Study & Renovation				3,300,000	300,000	1,500,000	1,500,000	-	-	-	
	Miscellaneous Renovations				4,025,907	614,628	636,140	658,405	681,449	705,300	729,985	
Technology												
County only	Classroom Technology Upgrades - Equipment	771,750		110,250	661,500	110,250	110,250	110,250	110,250	110,250	110,250	
County only	Technology Upgrades - PeopleSoft	2,100,000		300,000	1,800,000	300,000	300,000	300,000	300,000	300,000	300,000	
Other												
State only	Facilities Renewal Grant - CCFRGP	1,500,000			1,500,000	500,000	-	500,000	-	500,000	-	
State only	Facilities Renewal Supplemental Funding -			-	-	-	-	-	-	-	-	
Combined Total County and State Capital Funding Request		175,695,883	10,191,840	11,118,550	154,385,493	16,410,046	16,907,814	33,490,011	16,775,968	33,579,145	37,222,509	-

* FCC Funding

	Total	Prior	Total	Request	Request	Request	Request	Request	Request	Request	Request
		Approval	FY27-32	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2032	After
County and State Capital Funding Shares											
County Capital Funding Share	84,768,114	11,118,550	73,649,564	12,902,888	3,616,153	16,386,684	8,240,797	15,340,139	17,162,903	-	-
State Capital Funding Share	80,735,929	-	80,735,929	3,507,158	13,291,661	17,103,327	8,535,171	18,239,006	20,059,606	-	-
Combined Total County and State Capital	165,504,043	11,118,550	154,385,493	16,410,046	16,907,814	33,490,011	16,775,968	33,579,145	37,222,509	-	-
County Funding Request											
	Total	Prior	Total	Request	Request	Request	Request	Request	Request	Request	Request
	Project	Approval	FY27-31	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2032	After
Capital Projects											
Campus Services Building	16,238,000	8,519,000	7,719,000	7,719,000							
Health Education and Athletics Center (Building D Renovation/Addition)	32,824,722	-	32,824,722			2,539,334	1,302,000	13,601,994	15,381,394		
Innovation and Technology Center	17,740,317	-	17,740,317	2,305,842	-	10,191,839	5,242,636				
Systemics											
	15,093,324	2,189,300	12,904,024	2,467,796	3,205,903	3,245,261	1,285,911	1,327,895	1,371,259		
Emergency repairs			240,182	37,132	38,245	39,393	40,575	41,792	43,046		
Life Safety Systems and Fire Sprinkler			686,234	106,090	109,273	112,551	115,927	119,405	122,987		
ADA Accessibility repairs / upgrades			514,675	79,568	81,955	84,413	86,946	89,554	92,241		
Roof Systems- repairs / replacements			133,249	20,600	21,218	21,855	22,510	23,185	23,881		
Site Improvements			333,123	51,500	53,045	54,636	56,275	57,964	59,703		
Mechanical / Electrical / Plumbing			333,123	51,500	53,045	54,636	56,275	57,964	59,703		
Building doors, windows, exterior facade			343,117	53,045	54,636	56,275	57,964	59,703	61,494		
Other deferred maintenance / backlog			994,415	153,734	158,346	163,096	167,989	173,029	178,220		
Facility MasterPlan 5 Year Update			500,000	500,000	-	-	-	-	-		
Pedestrian Walkway, Circulation, and			1,500,000	500,000	500,000	500,000	-	-	-		
Building F Feasibility Study & Renovation			3,300,000	300,000	1,500,000	1,500,000	-	-	-		
Miscellaneous Renovations			4,025,907	614,628	636,140	658,405	681,449	705,300	729,985		
Technology											
Classroom Technology Upgrades -	771,750	110,250	661,500	110,250	110,250	110,250	110,250	110,250	110,250		
Technology Upgrades - PeopleSoft	2,100,000	300,000	1,800,000	300,000	300,000	300,000	300,000	300,000	300,000		
Total County Request	84,768,114	11,118,550	73,649,564	12,902,888	3,616,153	16,386,684	8,240,797	15,340,139	17,162,903	-	-
State Funding Request											
	Total	Prior	Total	Request	Request	Request	Request	Request	Request	Request	Request
	Project	Approval	FY26-31	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2032	After
Capital Projects											
Health Education and Athletics Center (Building D Renovation/Addition)	42,808,278	-	42,808,278			3,311,666	1,698,000	17,739,006	20,059,606		
Innovation and Technology Center	36,427,651	-	36,427,651	3,007,158	13,291,661	13,291,661	6,837,171				
Other											
Facilities Renewal Grant - CCFRGP	1,500,000	-	1,500,000	500,000	-	500,000	-	500,000	-		
Facilities Renewal Supplemental Funding -		-	-	-	-	-	-	-	-		
Total State Request	80,735,929	-	80,735,929	3,507,158	13,291,661	17,103,327	8,535,171	18,239,006	20,059,606	-	-

Acceptance: EL-4 Financial Conditions and Activities Monitoring Report

Context: The Monitoring Report for EL-4 Financial Conditions and Activities is being presented for acceptance according to the approved [FY 2026 Board Policy Review & Monitoring Schedule](#).

Board Policy References:

- [BCD-4 Monitoring President Performance](#)
- [GP-7 Board Planning Cycle and Agenda Control](#)

Background:

- Per Board policy (BCD-4) and in alignment with Policy Governance® practice, the Board regularly reviews monitoring reports for Ends and Executive Limitations policies to determine compliance.
- Per Board policy (GP-7), monitoring reports will be read in advance of the Board meeting, and discussion will occur only if Board members assess interpretations as unreasonable, identify non-compliance, or identify potential need for policy amendments.
- President Cheek is reporting full compliance.

Attachment: Monitoring Report: EL-4 Financial Conditions and Activities



Frederick Community College Board of Trustees

Monitoring Report: EL 4 – Financial Conditions and Activities

[Full Compliance]

Report Date: 11/19/2025

Reporting Period: 7/1/2024 – 6/30/2025

This is the annual report on compliance with the Board's Executive Limitation Policy: "EL-4 Financial Conditions and Activities." I certify that the information contained herein is true and represents compliance, within a reasonable interpretation of the established policy, unless specifically stated otherwise below. Please note that all of my interpretations of the policy remain unchanged from the previous report, unless otherwise noted.

A handwritten signature in cursive script, reading "Annesa Cheek".

11/19/2025

Annesa Cheek, Ed.D.
President

Date

Note: Board Policy is indicated in bold typeface throughout the report.

With respect to the actual, ongoing financial conditions and activities, the President shall not cause, or allow, the development of fiscal jeopardy, or actual expenditures, that are not aligned with achievement of the Board's Ends.

Accordingly, the President shall not:

- 1. Expend more funds than have been approved by the Board in the fiscal year unless there has been Board approval to do otherwise.**

Interpretation

Compliance will be demonstrated when:

- a. A review of the College's quarterly financial statements over the previous fiscal year and the audited annual financial statement do not indicate that annual expenses exceeded annual revenues.*

Evidence

The Chief Financial Officer and Vice President for Administration (CFO/VPA) confirmed on 10/6/2025 the FY 2025 quarterly financial statements were presented to the Board of Trustees and that annual expenses did not exceed annual revenues as follows according to the following:

- The 1st quarter financial statements ending 9/30/2024 were presented to the Board on 11/20/2024.
- The 2nd quarter financial statements ending 12/31/2024, were presented to the Board on 2/19/2025.
- The 3rd quarter financial statements ending 3/31/2025, were presented to the Board on 6/11/2025.
- The 4th quarter financial statements ending 6/30/2025, were presented to the Board on 9/17/2025.
- The FY 2025 Audited Annual Financial Report was presented to the Board on 10/15/2025.

Status

In compliance.

This interpretation is reasonable because quarterly statements provide a clear view of expenditure patterns of the institution on a regular basis and ultimately conclude with the year-end financial status report which occurs following June 30th of each year wherein the Board can compare revenues to expenditures directly. Furthermore, these quarterly statements are eventually subject to audit by the Board's selected auditor for review and ultimate audit report, which would further indicate if there was an excess of expenditures over revenues.

- 2. Incur debt in an amount greater than can be repaid by certain, otherwise unencumbered revenues within the current fiscal year or that can be repaid to accounts previously established by the Board for that purpose.**

Interpretation

Compliance will be demonstrated when:

- a. The previous fiscal year's debt service schedule of all annual obligations is not greater than that which can be repaid within the year.*

Evidence

The CFO/VPA confirmed on 10/16/2025 that annual obligations did not exceed that which can be repaid each year according to the following:

- The FY 2025 Audited Annual Financial Report was presented to the Board of Trustees on 10/15/2025 and includes the long-term liabilities schedule for FY 2024 and FY 2025.
- Debt obligations were paid in accordance with the debt service schedule for FY 2025.
- The Board of Trustees approved the FY 2025 budget on 6/4/2024, which included the debt service obligations for the fiscal year.

Status

In compliance.

This interpretation is reasonable because the Board reviews the long-term liabilities schedule as part of the annual financial audit, and reviews and approves each fiscal year's budget.

- 3. Jeopardize fiscal integrity by expending College funds in a manner that will result in a negative fund balance at the close of the fiscal year unless approved by the Board.**

Interpretation

Compliance will be demonstrated when:

- a. The College's annual operating expenditures do not exceed annual operating revenues unless the Board of Trustees has approved the use of the Strategic Reserve fund balance as part of the annual budget approval process.*

Evidence

The CFO/VPA confirmed on 10/16/2025 that the Fiscal Year 2025 Audited Annual Financial Report was presented to the Board of Trustees on 10/15/2025. Revenues exceeded expenses for the fiscal year. The CFO/VPA also confirmed on that date that the Board of Trustees approved the FY 2025 operating budget on 6/4/2024 that included \$2,442,000 to fund one-time initiatives from Strategic Reserves.

Status

In compliance.

Interpretation

- b. The College received Board approval for using the Strategic Reserve fund to cover unforeseen expenses not included in the annual budget.*

Evidence

The CFO/VPA confirmed on 10/6/2025 that the Board of Trustees approved the FY 2025 operating budget on 6/4/2024 that included an operating expense contingency of \$869,668 for unforeseen expenses.

Status

In compliance.

This interpretation is reasonable because the Board reviews and approves the annual budget, which would include any planned use of fund balances as part of the adopted budget. In addition, the Board reviews and approves any requests for emergency funding.

4. Use funds from restricted or designated accounts for purposes other than that for which the account was established.

Interpretation

Compliance will be demonstrated when:

- a. A review of the quarterly financial statements and the annual audited financial statements confirm that balances for the designated funds do not indicate allocations for purposes other than that for which the funds had been designated.*

Evidence

The CFO/VPA confirmed on 10/16/2025 the FY 2025 quarterly financial statements were presented to the Board of Trustees and that no funds were used for purposes other than that for which they were designated.

Status

In compliance.

Interpretation

- b. An external review of restricted fund use as part of the annual financial audit is conducted and confirms use has been limited to intended use.*

Evidence

The CFO/VPA confirmed on 10/16/2025 that the FY 2025 Audited Annual Financial Report was presented to the Board of Trustees on 10/15/2025. The audit report indicated no findings related to the misuse or misallocation of restricted funds.

Status

In compliance.

This interpretation is reasonable because the College's financial statements are the vehicle by which all financial transactions are summarized, within a reporting period.

5. Allow the College's cash position in any month to be less than is needed to satisfy obligations in that month.

- 5.1. Allow a combined operating fund balance reserve to be less than the Government Finance Officers Association recommended minimum of 16.6% (two months) of annual operating expenses.**

Interpretation

Compliance will be demonstrated when:

- a. *A review of the College's quarterly financial reports confirms that an amount equal to, or greater than 2/12ths or 16.6% of average annual expenses, is held in reserve.*

Evidence

The CFO/VPA confirmed on 10/16/2025 the FY 2025 quarterly financial statements were presented to the Board of Trustees and that the amount held in reserve was in compliance with the 16.6% requirement.

Status

In compliance.

This interpretation is reasonable because a Board review of quarterly financial statements will demonstrate the College's current fund balances.

6. Allow the untimely payment of payroll and debts.

Interpretation

Compliance will be demonstrated when:

- a. *Audited payroll records verify payment of employees is consistent with written Human Resources employment and collective bargaining agreements.*

Evidence

The CFO/VPA confirmed on 10/16/2025 that the FY 2025 Audited Annual Financial Report (presented to the Board on 10/15/2025) and verified with the VP for Talent and Culture that the payment of employees is consistent with written Human Resources agreements. The FY 2025 Annual Audited Financial Report was presented to the Board of Trustees on 10/15/2025. The collective bargaining agreement was approved by the Board on 6/11/2025.

Status

In compliance.

Interpretation

- b. Accounts payable show no material amounts outstanding beyond the agreed terms with the vendor unless a payment obligation is in dispute. Additionally, the College is not in collections with vendors regarding the lack of payment for goods and services provided.*

Evidence

The CFO/VPA confirmed on 6/30/2025 that system records indicate suppliers have been paid according to contract terms. The Accounts Payable Reconciliation Report confirmed that all payables are current, and FCC maintains a healthy and efficient payment process. The College was not in collections with any vendors regarding the lack of payment for goods or services provided.

Status

In compliance.

This interpretation is reasonable because it meets contractual agreements and commitments to employees and vendors and minimizes payment of interest.

7. Allow tax payments or other government-ordered payments or filings to be overdue.

Interpretation

Compliance will be demonstrated when:

- a. The year-end informational reports required by the IRS and the states where employees live (e.g. MD, PA, VA, WV, and DC), are submitted by the required due dates and with no penalties;*

Evidence

The CFO/VPA confirmed on 10/6/2025 that all state (MD, PA, VA, WV, and DC) 2024 W-2 information was submitted and confirmed as accurate to the IRS on 1/27/2025, prior to the required due date of 1/31/2025.

Status

In compliance.

Interpretation

- b. Sales Use taxes are submitted monthly by the required deadline;*

Evidence

The CFO/VPA confirmed on 10/6/2025 that the monthly FY2025 Sales and Use Tax returns were submitted timely as follows:

- July 2024 submitted 8/13/2024
- August 2024 submitted 9/17/2024
- September 2024 submitted 10/15/2024
- October 2024 submitted 11/18/2024
- November 2024 submitted 12/11/2024
- December 2024 submitted 1/15/2025
- January 2025 submitted 2/18/2025
- February 2025 submitted 3/18/2025
- March 2025 submitted 4/15/2025

- April 2025 submitted 5/15/2025
- May 2025 submitted 6/10/2025
- June 2025 submitted 7/15/2025

Status

In compliance.

Interpretation

- c. *Federal 941 Reports have been submitted to the IRS by the required deadline;*

Evidence

The CFO/VPA confirmed 10/6/2025 that the quarterly Federal 941 reports for FY25 were submitted to the IRS by the required deadlines. 3rd Qtr. 941 submitted on 10/22/2024 before 10/31/2024 due date. 4th Qtr. 941 submitted on 1/27/2025 before 1/31/2025 due date. 1st Qtr. 941 on 4/28/2025 before 4/30/2025 due date. 2nd Qtr. 941 submitted on 7/23/2025 before 7/31/2025 due date.

Status

In compliance.

Interpretation

- d. *MD unemployment quarterly filings have been submitted by the due date;*

Evidence

The CFO/VPA confirmed 10/6/2025 that the FY 2025 MD quarterly unemployment reports were submitted to the state agency on time. 3rd Qtr. Maryland Unemployment Insurance (MDUI) was submitted on 10/3/2024 before the 10/31/2024 due date. 4th Qtr. MDUI submitted on 1/14/2025 before the 1/31/2025 due date. 1st Qtr. MDUI submitted on 4/21/2025 before the 4/30/2025 due date. 2nd Qtr. MDUI submitted on 7/16/2025 before the 7/31/2025 due date.

Status

In compliance.

Interpretation

- e. *Department of Commerce annual survey has been completed;*

Evidence

The CFO/VPA confirmed on 10/6/2025 that the Department of Commerce annual survey was reviewed and completed. The survey was submitted on 4/8/2025 before the 5/8/2025 due date.

Status

In compliance.

Interpretation

- f. *MHEC monthly retirement filing and the MD annual retirement report have been submitted; and*

Evidence

The CFO/VPA confirmed 10/6/2025 that the MHEC retirement filings have been submitted monthly in alignment with the required due dates by the end of the following calendar month. Maryland State Retirement Agency's annual report was filed on 1/15/2025 by the 1/31/2025 due date.

Status

In compliance.

Interpretation

- g. *All payroll withholding taxes are submitted on a semi-monthly or monthly basis as required by regulatory authorities and in alignment with the payroll schedule.*

Evidence

The CFO/VPA confirmed on 10/6/2025 that the YTD payroll withholding taxes were submitted on a semi-monthly basis required by the regulatory guidelines, and in alignment with the pay schedule for Federal taxes withheld and state taxes withheld for Maryland, Pennsylvania, and Virginia. YTD payroll withholding taxes were

submitted on a monthly basis, as required by the regulatory guidelines, and in alignment with the pay schedule for West Virginia and DC.

Status

In compliance.

This interpretation is reasonable because it addresses all required federal and state reporting requirements, timelines, and provides for verification of submissions. Failure to take the aforementioned steps would prompt a letter of concern to the College by the respective authority.

8. Purchase, lease, condemn, or otherwise acquire any real property without Board approval.

Interpretation

Compliance will be demonstrated when:

- a. There has been no acquisition, encumbrance, or disposal of land or buildings without receiving prior Board approval.*

Evidence

The CFO/VP confirmed on 10/6/2024 that for FY 2025, no acquisitions, encumbrances, or disposals of land or buildings occurred.

Status

In compliance.

This is a reasonable interpretation because it aligns with industry best practices.

9. Write off receivables without having first pursued payment after a reasonable grace period.

Interpretation

Compliance will be demonstrated when:

- a. The College adheres to a standard operating procedure for receiving payments and sending past due balances to collections after a 90-day grace period.*

Evidence

The CFO/VPA confirmed on 10/6/2025 that the Student Finance Office reviews annual Standard Operating Procedures (SOPs) and annual Payment Card Industry (PCI) training to ensure compliance with receipting all payments. College collection efforts are well-documented within PeopleSoft Campus Solutions and Perceptive Content software, tracking multiple attempts and repayment options offered prior to sending accounts to a collection agency when they are more than 90 days past due. Accounts and collection efforts are reviewed by the Bursar before being sent to the Collection Agency. Below are the dates and the total number of accounts reviewed by the Bursar, scanned into Perceptive Content for FCC record-keeping, and uploaded to the Collections Recovery Service (CRS) portal in FY25.

<i>Dates Submitted</i>	<i>Number of Accounts Submitted</i>
11/05/2024	3
11/12/2024	43
11/26/2024	7
12/17/2024	9
02/18/2025	38
04/15/2025	36
05/20/2025	37
06/10/2025	21
Total	194

Status

In compliance.

Interpretation

- b. The College adheres to a standard operating procedure for writing off uncollectable receivables after 2 years.*

Evidence

Annual write-offs are completed prior to the end of each fiscal year. The criteria is accounts older than 2 fiscal years with no payment activity. Once the write-offs are

posted, the totals for the fiscal year are submitted to the Associate Vice President for Finance. The CFO/VPA confirmed on 10/6/2025 that this procedure was completed for FY 2025 on 8/12/2024.

Status

In compliance.

This interpretation is reasonable because it aligns with industry best practices.

10. Fail to provide to the Board, at their designated frequency, reports on the College's current financial condition that will continually enhance the Board's ability to meet its fiduciary responsibility.

Interpretation

Compliance will be demonstrated when:

- a. The College's Chief Financial Officer/VP for Administration provides reports following the close of each financial quarter to the Board of Trustees for review.*

Evidence

The CFO/VPA confirmed on 10/16/2025 the FY2025 quarterly financial statements were presented to the Board of Trustees for review.

Status

In compliance.

This interpretation is reasonable because it aligns with industry best practices.

11. Fail to present to the Board of Trustees an annual budget for its review and approval, and which adheres to intergovernmental submission timelines.

Interpretation

Compliance will be demonstrated when:

- a. The College Administration presented the annual budget to the Board of Trustees in adherence to the submission timelines of Frederick County.*

Evidence

The CFO/VPA confirmed on 10/6/2025 that the final FY 2025 annual operating budget was presented and approved by the Board of Trustees on 6/4/2024. It was then sent to Frederick County on 6/5/2024 and was ratified by the Frederick County Council on 6/18/2024.

Status

In compliance.

This interpretation is reasonable because preparing and finalizing an annual budget in advance of a new fiscal year is an industry best practice, and it addresses all requirements to submit an approved budget to intergovernmental agencies.

12. Fail to meet requirements for annual financial audits, or to respond in a timely manner to any findings from financial or operational audits, reviews, or assessments.

Interpretation

Compliance will be demonstrated when:

- a. The College Administration provided needed information and cooperation to external auditors to meet requirements for Board review of year-end financial statements and submitted final statements to required intergovernmental agencies.*

Evidence

The CFO/VPA confirmed on 10/16/2025 that the FY 2025 Annual Audited Financial Report was presented to the Board of Trustees on 10/15/2025, by the College's external auditors S B & Company, LLC. In a meeting held with the auditors on 10/6/2025, Partner Tobi Hollander stated that the College Administration had provided all the necessary information and cooperation for completing the annual financial statement audit. The FY 2025 Audited Financial Report and CC4 Report were submitted to MHEC on the due date, 10/1/2025. The FY 2025 Single Audit of Federal Awards was also presented on 10/15/2025 pending further testing guidance from US Department of Education.

Status

In compliance.

Interpretation

- b. *The College has a written plan to address any findings from financial or operational reviews or assessments.*

Evidence

The CFO/VPA confirmed on 9/30/2025 that the following financial and operational reviews were conducted during FY 2025:

- FY 2024 Audited Financial Report
- Mid-Atlantic Center for Emergency Management Public Safety Assessment
- Grants and Sponsored Programs Assessment

In all instances, plans have been developed to address the findings within the timeframes established in each assessment.

In last year's Baseline Insight Report, the President reported partial compliance, noting the absence of a "centralized system" for monitoring all operational assessments. While such a system would be desirable, it exceeds the standard required by policy. Therefore, the College was and remains in compliance with this policy.

Status

In compliance.

This interpretation is reasonable because Maryland law requires completion and submission of community college annual financial audits to state agencies within 90 days of June 30 (the end of a fiscal year) unless an extension is granted. The Maryland Higher Education Commission requires that community colleges respond to any material audit findings. The Interagency Internal Audit Authority (IIAA) also requires the College to respond to any audit findings.

13. Fail to recommend on an annual basis, as appropriate, other Strategic Reserves at levels approved by the Board. Strategic Reserves are over and above the operating fund balance reserve (16.6% of operating expenses). Strategic Reserves are for one-time expenses or projects, and provide for such items as:

- a. Emergencies - Reserve to provide for unforeseen natural or manmade disasters to support business continuity and recovery actions.**
- b. Student Success and Completion Initiatives - Investments to enhance the student experience and remove obstacles to student success and completion.**
- c. Academic Program Initiatives - Investments to provide start-up funding for innovative new programs which serve the College's educational mission.**
- d. Talent Cultivation - Investments to provide professional development opportunities and to promote continuous learning among faculty and staff.**
- e. Unplanned Capital Repair & Replacement - Reserve to cover critical system or component failure that might occur outside of the annual capital improvement budget approval cycle.**
- f. Technology Projects - Reserve to provide for technology upgrades or system replacements not covered by other funding sources.**
- g. Strategic Planning and Future-Proofing – Future-oriented investments to strengthen the College's value, relevance, responsiveness and adaptability to emerging trends and protect the long-term viability of the institution.**

Interpretation

Compliance will be demonstrated when:

- a. The College Administration has determined if there are available reserves over and above the required 16.6% operating fund balance reserve, and if so, has recommended to the Board how balances may be segmented to meet future strategic, one-time needs.*

Evidence

The FY 2025 operating budget approved by the Board on 6/4/2024, included the use of Strategic Reserves totaling \$2,442,000 that was above the required 16.6% operating fund balance reserve. These funds were made available for projects in the

categories of Student Success and Completion, Unplanned Capital Repair and Replacement, Technology Projects, and Strategic Planning and Futureproofing.

Status

In compliance.

This interpretation is reasonable because the practice of planning for and investing in one-time projects using accumulated reserves is a means by which the College may advance larger projects while still ensuring that adequate cash reserves are available to address cashflow or emergency needs and maintain the College's fiscal strength.

Acceptance: EL-9 Asset Protection Monitoring Report

Context: The Monitoring Report for EL-9 Asset Protection is being presented for acceptance according to the approved [FY 2026 Board Policy Review & Monitoring Schedule](#).

Board Policy References:

- [BCD-4 Monitoring President Performance](#)
- [GP-7 Board Planning Cycle and Agenda Control](#)

Background:

- Per Board policy (BCD-4) and in alignment with Policy Governance® practice, the Board regularly reviews monitoring reports for Ends and Executive Limitations policies to determine compliance.
- Per Board policy (GP-7), monitoring reports will be read in advance of the Board meeting, and discussion will occur only if Board members assess interpretations as unreasonable, identify non-compliance, or identify potential need for policy amendments.
- President Cheek is reporting full compliance.

Attachment: Monitoring Report: EL-9 Asset Protection



Frederick Community College Board of Trustees

Monitoring Report: EL 9 – Asset Protection

[Full Compliance]

Report Date: 11/19/2025

Reporting Period: 7/1/2024 – 6/30/2025

This is the annual report on compliance with the Board's Executive Limitation Policy: "EL-9 Asset Protection." I certify that the information contained herein is true and represents compliance, within a reasonable interpretation of the established policy, unless specifically stated otherwise below. Please note that all of my interpretations of the policy remain unchanged from the previous report, unless otherwise noted.

 11/19/2025

Annesa Cheek, Ed.D.

Date

President

Note: Board Policy is indicated in bold typeface throughout the report.

The President shall not allow College assets to be unprotected, inadequately maintained or unnecessarily risked.

Further, without limiting the scope of the preceding statement by the following list, the President shall not:

1. Permit the organization to have inadequate insurance against property, casualty, and cyber (i.e., data) losses.

1.1. Fail to ensure that the organization obtains appropriate and adequate levels of insurance to protect its property and operations against scope of perils, and

Interpretation

Compliance will be demonstrated when:

- a. The insurances of the College, including its Umbrella Insurance for disruption of college operations, is consistent with coverage limit standards for an institution our size, type, and scope and as recommended by FCC's independent insurance broker.*

Evidence

On 7/9/2024, the Chief Financial Officer and Vice President for Administration (CFO/VPA) confirmed that on 6/4/2024, the Board of Trustees approved McGriff Insurance Services' recommendation to renew the FY 2025 insurance coverages for the College beginning 7/1/2024. These coverages included property, casualty, cyber, umbrella, and international insurance policies.

- Coverage limits were verified by McGriff to align with standards for community colleges of comparable size and scope.
- There were no lapses or reductions in coverage during the reporting period.
- Supporting documentation, including McGriff's coverage summary and the Board-approved renewals are maintained on file in the Finance Office.

Status

In compliance.

This interpretation is reasonable because adequate coverage limits for damages are recommended by an independent insurance broker with specific expertise in the higher education industry.

1.2. Permit the organization to insure its property and operations with inadequate valuation.

Interpretation

Compliance will be demonstrated when:

- a. The College insures its property at the value determined annually by Frederick County.*

Evidence

On 7/9/2024, the CFO/VPA confirmed that on 3/1/2024, HCA Asset Management, as commissioned by Frederick County, completed the appraisal of all FCC property. The CFO/VPA, in consultation with McGriff Insurances Services, confirmed that the College's insurance coverage is appropriate based on the property valuation. Insurance coverage reflects 100% of the appraised replacement cost, ensuring no material gaps in coverage.

Status

In compliance.

Interpretation

- b. The College insures its operations at the value determined annually by a third-party independent insurance consultant.*

Evidence

On 7/9/2024, the CFO/VPA confirmed on that McGriff Insurance Services utilized the property valuation provided by HCA Asset Management to recommend sufficient coverage for replacement costs. The Board approved McGriff's insurance coverage recommendations for FY 2025 on 6/4/2024.

Status

In compliance.

This interpretation is reasonable because the use of County assessors and independent insurance consultants is consistent with higher education industry standards.

1.2.1. Permit insurance of all buildings and contents to be at less than the cost to replace buildings and contents, with an adequate and appropriate blanket limit of all buildings and contents.

Interpretation

Compliance will be demonstrated when:

- a. The schedule of property values is updated annually, computing the blanket limit of coverage for buildings and contents, and the College has insurance coverage documentation appropriate for those amounts.*

Evidence

On 3/1/2024, HCA Asset Management, commissioned by Frederick County, completed a comprehensive appraisal of all College properties, including buildings and contents. The resulting valuations served as the basis for the College's insurance coverage effective 7/1/2024. The CFO/VPA, in consultation with McGriff Insurance Services, reviewed the appraisal and confirmed that the College's blanket limit of coverage remains appropriate based on the updated property valuation. On 7/9/2024, FCC received the FY 2025 Insurance Summary and accompanying documentation outlining premiums, deductibles, coverage limits, and other relevant details.

Status

In compliance.

This interpretation is reasonable because it is based on insurance industry standards for current replacement blanket insurance on buildings and contents.

1.2.2. Permit the College to have inadequate insurance or bonding for theft, disappearance or destruction of money, and securities inside or outside the premises.

Interpretation

Compliance will be demonstrated when:

- a. The College has Comprehensive Crime Insurance coverage for criminal acts of employees, such as embezzlement, forgery, or other acts of employee dishonesty.*

Evidence

The CFO/VPA confirmed on 7/9/2024 that the appropriate amount of FY 2025 Crime Insurance Coverage (under the casualty policy) was determined by McGriff Insurance Services and approved by the Board on 6/4/2024.

Status

In compliance.

This interpretation is reasonable because the assessment of adequate insurance provided by an independent insurance consultant is an accepted industry standard.

1.3. Permit the organization to have inadequate privacy/cyber insurance.

Interpretation

Compliance will be demonstrated when:

- a. The operational and disruptive threat of cyber attacks is mitigated using preventative controls and insurance protections that are consistent with regulatory requirements.*

Evidence

On 5/6/2025, the Chief Information Officer (CIO) confirmed that IT performs system upgrades, system patching, and related refinements in keeping with best IT security practices and controls as evidenced by their use in higher education and other appropriate commercial technology settings. Cyber security training for FCC employees was conducted in FY 2025 along with a Phishing exercise.

On 5/6/2025 the IT team and Senior Leadership Team conducted a facilitated Tabletop exercise. The exercise simulated a ransomware cybersecurity incident that was executed as if an actual incident had occurred in FCC's IT environment.

The IT and Finance teams completed the cyber insurance renewal questionnaire required by the insurance carrier. The College successfully obtained cyber insurance from Tokyo Marine. The appropriate amount of cyber insurance coverage was determined by McGriff Insurance Services and approved by the Board on 6/4/2024.

Status

In compliance.

Interpretation

- b. Issues identified in the Frederick County Interagency Internal Audit Authority (IIAA) annual audit and annual penetration testing are remediated.*

Evidence

On 5/6/2025, the CFO/VP confirmed that IT conducts annual security assessments, internal and external audits, periodic penetration testing, and comprehensive software reviews.

The Interagency Internal Audit Authority (IIAA) did not conduct an IT audit in FY 2025. In lieu of a penetration test, IT performed security assessments utilizing Microsoft and will perform a Penetration Test in FY 2026. Findings from these assessments are prioritized and remediated based on risk factors and the College's operational context.

On 5/6/2025, the IT Department, in collaboration with the President's Council, conducted a facilitated tabletop exercise simulating a ransomware cybersecurity incident. The exercise was executed as if the event had occurred within FCC's IT environment, providing an opportunity to evaluate response protocols, communication processes, and recovery procedures.

On 2/12/2025, the CIO confirmed that the College uses appropriate preventive controls to address cybersecurity risk, including annual penetration testing conducted by a qualified third party. Findings are remediated based on risk factors and ratings (e.g. "High" "Medium") as well as contextualized operating

requirements in order to address cybersecurity risk. FCC also engages additional third parties (e.g. Microsoft Corporation) to perform technology specific security assessments. Such assessments may also result in recommendations for risk mitigation that are similarly remediated based on risk factors and ratings.

Status

In compliance.

This interpretation is reasonable because the insurer and the IIAA are third-party experts and provide the College with an independent assessment of adequate insurance amounts in the current environment and it complies with industry standards.

- 2. Permit the Board members, College employees, and other individuals engaged in activities on behalf of the organization, or the organization itself, to have inadequate liability insurance. Directors and Officers liability protection shall be obtained with adequate limits given institutional risks.**

Interpretation

Compliance will be demonstrated when:

- a. Liability coverages and limits are set based on the recommendation of an independent insurance broker with specific expertise in the higher education industry, to include Directors and Officers (D & O) liability protection, as well as other liability insurances for employees and related parties.*

Evidence

The CFO/VPA confirmed on 7/9/2024 that the appropriate amount of D&O, employment practices liability insurance (EPLI), and crime coverage for FY 2025 was determined by McGriff Insurance Services and approved by the Board on 6/4/2024.

Status

In compliance.

This interpretation is reasonable because the insurer is a third-party expert, and an independent assessment is conducted annually to determine adequate insurance coverages and limits.

- 3. Permit individuals traveling out of the United States, on behalf of the College, to have inadequate travel accident insurance.**

Interpretation

Compliance will be demonstrated when:

- a. The College has an international travel insurance policy that provides coverage for accidental loss to students, employees, and Trustees traveling abroad on behalf of the College.*

Evidence

The CFO/VPA confirmed on 7/9/2024 that the appropriate amount of FY 2025 international insurance coverage was determined by McGriff Insurance Services and approved by the Board on 6/4/2024.

Status

In compliance

This interpretation is reasonable because providing insurance coverage for stakeholders traveling abroad on behalf of the College is consistent with practices employed by other higher education institutions.

- 4. Allow the College to have inadequate insurance for theft and crime coverage.**

Interpretation

Compliance will be demonstrated when:

- a. The College ensures theft and crime coverages are at a level identified by the College's third-party insurance consultant, as standard for an institution of our type, size, and scope.*

Evidence

The CFO/VPA confirmed on 7/9/2024 that the appropriate amount of FY 2025 theft and crime insurance coverage was determined by McGriff Insurance Services and approved by the Board on 6/4/2024. McGriff confirmed that the theft and crime policy provides full protection consistent with peer institutions.

Status

In compliance

This interpretation is reasonable because the recommendations for coverage levels are provided by a third-party industry consultant and this is a standard practice in the higher education industry.

5. Unnecessarily expose the organization, its Board members or College employees to claims of liability.**Interpretation**

Compliance will be demonstrated when:

- a. The College has administrative policies, procedures, protocols and plans in place that reduce the risk of institutional liability.*

Evidence

On 10/1/2025, the CFO/VPA consulted with McGriff Insurance Services and confirmed that the College had appropriate policies, procedures, protocols, and plans in place that reduce the risk of institutional liability as recommended by its carriers. McGriff's review included risk management protocols, safety, and emergency procedures. No deficiencies were identified, and existing controls were deemed appropriate for an institution of FCC's type and size.

Status

In compliance.

This interpretation is reasonable because said policies, procedures, protocols and plans are required by the United States Department of Education.

5.1. Allow any material contracts or material internal human resource documents to be executed with inadequate review by qualified legal counsel.**Interpretation**

I interpret "material contract" to mean a contract that requires Board approval. I interpret "material internal human resource documents" to mean an agreement between the College and its employees.

Compliance will be demonstrated when:

- a. All material contracts approved by the Board are reviewed by legal counsel prior to execution.*

Evidence

In last year's baseline report, the President reported partial compliance because legal counsel did not begin reviewing material contracts prior to execution until November 2024. Additionally, this required legal review was to be documented in the Financial Procedures Manual by the end of FY 2025. On 10/1/2025, the CFO/VPA confirmed that all material contracts approved by the Board since November 2024 through June 2025 have been reviewed by legal counsel prior to execution. Additionally, this required legal review has been documented in the Financial Procedures Manual.

Status

In compliance.

Interpretation

- b. All material internal human resource documents are reviewed by legal counsel prior to execution.*

Evidence

On 10/1/2025, the Vice President (VP) for Talent and Culture confirmed that all FY 2025 material internal human resource documents (e.g. contracts, employment agreements, etc.) were reviewed by legal counsel prior to execution. This review process is standard practice and occurs prior to execution for all relevant documents.

Status

In compliance.

This interpretation is reasonable because legal review of high-value contracts and internal human resource documents is an industry best practice.

- 6. Fail to ensure that the companies chosen to provide insurance coverage are highly rated, well regarded and known for fair claims practices.**

Interpretation

Compliance will be demonstrated when:

- a. *The insurance companies identified through an independent insurance broker have an A.M. Best rating of Excellent (A) or better.*

Evidence

On 7/9/2024, the CFO/VPA confirmed with McGriff Insurance Services that all insurance companies chosen to provide insurance coverage had an A.M. Best rating of Excellent (A) or better. No carrier fell below the standard.

Status

In compliance.

This interpretation is reasonable because the A.M. Best rating is a recognized industry standard for assessing the quality of insurance providers.

- 7. Compromise the independence of the Board’s audit or other external monitoring or advice.**

Interpretation

Compliance will be demonstrated when:

- a. *The College’s Chief Financial Officer and Vice President for Administration solicits auditor services via a competitive bidding process, and the Board provides final contract approval.*

Evidence

FCC, Frederick County, and Frederick County Public Schools jointly solicited proposals for professional auditing services (RFP#21MISC7). In March 2021, the Board approved the 3-year (FY 2021-FY 2023) award to S B & Company, LLC with the option to renew each year for an additional 3 years (FY 2024-FY 2026). The Board approved the FY 2024 audit renewal year on 2/21/2024 and the FY 2025 audit renewal year on 2/19/2025.

Status

In compliance.

Interpretation

- b. There are no material audit findings that were left unmitigated.*

Evidence

The FY 2025 Audited Annual Financial Report was presented to the Board of Trustees on 10/15/2025 and there were no material findings. The audit was conducted by an independent firm.

Status

In compliance.

This interpretation is reasonable as a third-party must annually review and certify the College's financial statements and it is customary for higher education institutions to engage in a competitive bidding process for financial auditors on a periodic basis to ensure objectivity.

- 8. Receive, process, or disburse funds under controls which are insufficient to meet audit standards or inadequate, by industry standards, to detect and prevent fraud.**

Interpretation

Compliance will be demonstrated when:

- a. The external auditors do not find any deficiency in the internal controls process, as part of their annual audit; or*

Evidence

The FY 2025 Audited Annual Financial Report was presented to the Board of Trustees on 10/15/2025 and confirmed no material deficiencies in the internal controls process.

Status

In compliance.

Interpretation

- b. Any deficiency noted in internal controls is corrected within 90 days.*

Evidence

The CFO/VPA confirmed on 9/30/2025 that there were no deficiencies in internal controls noted in the latest audit performed for FY25 and presented to the Board of Trustees on 10/15/2025.

Status

In compliance.

This interpretation is reasonable because the use of external third-party auditors to examine, evaluate, and recommend improvements and/or corrections to fraud protection practice is a higher education industry standard.

- 9. Make any purchases that do not result in appropriate level of quality, after-purchase service, and value for dollar, or do not provide opportunity for fair competition.**

Interpretation

Compliance will be demonstrated when:

- a. The College adheres to purchasing protocols that allow the institution to purchase quality products at a reasonable cost and exhibit overall effective resource management.*

Evidence

On 10/1/2025, the CFO/VPA confirmed that the College has and adheres to established purchasing protocols. A random sample of procurement documents and transactions was tested for adherence to FCC's purchasing policies and was included in the FY 2025 annual audit presented to the Board on 10/15/2025.

Status

In compliance.

This interpretation is reasonable because it ensures attention to the items below (9.1 and 9.2), conforms to Maryland law, and is consistent with practices employed by other higher education institutions.

9.1. Make any purchase wherein normally prudent protection has not been evaluated against conflict of interest.

Interpretation

Compliance will be demonstrated when:

- a. Per the College's Code of Ethics policy, employees decline involvement in decisions or actions regarding the procurement of products or services when the employee, or the employee's family member, has an interest or financial interest in the product or service, or creates an unfair benefit for a third party.*

Evidence

On 10/2/2025, the VP for Talent and Culture confirmed that a review of the Maryland State Ethics Commission annual disclosure reports was conducted. The VP also verified that all active employees agreed to (by signature affixed to their annual employment agreements) abide by FCC's code of conduct which includes adherence to FCC's Code of Ethics Policy, Employee Misconduct Policy, and other related FCC policies and procedures.

Status

In compliance.

Interpretation

- b. The external auditor notes there is no conflict of interest in transactions in the past fiscal year among defined employees or Trustees; and*

Evidence

On 10/1/2025, the CFO/VPA confirmed that testing (random sampling) for adherence to FCC's purchasing policies was part of the FY 2025 annual audit presented to the Board on 10/15/2025. No conflicts of interest were noted.

Status

In compliance.

Interpretation

- c. *Material conflicts are disclosed in the annual audited financial report.*

Evidence

On 10/1/2025, the CFO/VPA confirmed there were no material conflicts noted in the FY 2025 Audited Annual Financial Report which was presented to the Board on 10/15/2025.

Status

In compliance.

This interpretation is reasonable because an annual review by a third-party auditor of purchasing practices is a higher education industry best practice.

- 9.2. Make any purchase that fails to follow the College’s published guidelines and applicable State procurement guidelines for price and quality competition based on price thresholds, unless considered a ‘sole-source.’ Orders shall not be split to avoid procurement requirements or required competition among vendors.**

Interpretation

Compliance will be demonstrated when:

- a. *The external auditor conducts a review of a statistically valid sample of purchase order requisitions for policy compliance and confirms that all orders are compliant with the required bid, sole source provider, or piggyback contract documentation.*

Evidence

The CFO/VPA confirmed on 10/1/2025 that a random sampling of procurement documents and transactions was tested for adherence to FCC’s purchasing policies and was included in the FY 2025 Audited Annual Financial Report presented to the Board on 10/15/2025.

Status

In compliance.

Interpretation

- b. *The administrative procurement procedures are consistent with the Code of Maryland Regulations (COMAR).*

Evidence

The CFO/VPA confirmed on 10/1/2025 that a random sampling of procurement documents and transactions was tested for adherence to COMAR and was included in the FY 2025 Audited Annual Financial Report presented to the Board on 10/15/2025.

Status

In compliance.

This interpretation is reasonable because the process validation is conducted by external auditors of the College, which is an industry standard approach.

10. Endanger the organization’s public image, credibility, or its ability to accomplish Board Ends, in any of the following ways:

- 10.1. Allow non-adherence to guidelines required for institutional and secondary program accreditation.**

Interpretation

Compliance will be demonstrated when:

- a. *Institutional (e.g. Regional) and program accreditation agencies confirm that all required data and documentation has been provided by required submission dates to maintain accreditation.*

Evidence

On 10/6/2025, the Provost and VP for Teaching, Learning, and Student Success and the Chief Foresight and Decision Support Officer confirmed that all required data and documentation had been provided by the required submission dates to

maintain institutional and program accreditation. The College maintains an up-to-date list of all current institutional and program accreditations with dates of next review on the [FCC Accreditation](#) page of the College website.

Status

In compliance.

Interpretation

b. The accrediting agencies report that the College is in good standing.

Evidence

On 10/6/2025, the Provost and VP for Teaching, Learning, and Student Success and the Chief Foresight and Decision Support Officer confirmed that the College is in good standing with institutional accrediting bodies:

- Middle States Commission on Higher Education (MSCHE) – FCC received reaffirmation of MSCHE accreditation on June 26, 2025, which can be viewed on the MSCHE [website](#), including the [Statement of Accreditation Status](#) (SAS).
- Maryland Higher Education Commission (MHEC) – [MHEC authorizes FCC](#) to award associate degrees and certificates.

And with the following programmatic accrediting:

- American Culinary Federation Education Foundation Accredited Commission (ACFEFAC) – expires 12/31/2030.
- Commission on Accreditation in Physical Therapy Education (CAPTE) – The year of the next review is before 6/30/2029.
- Council for the Accreditation of Emergency Management and Homeland Security Education (CAEMHSE) – The year of the next review is the 2027-28 Academic year.
- Maryland Board of Nursing – for AS in Nursing, the next review is March 17-19, 2026, for Certified Nursing Assistant next review is by 6/30/2026.
- Accreditation Commission for Education in Nursing (ACEN) – The next site visit for reaffirmation of accreditation is March 17-19, 2026.

- Commission on Accreditation for Respiratory Care (CoARC) – The year of the next review is before 7/31/2032.
- Accreditation from the Commission on Accreditation of Allied Health Education Programs (CAAHEP) – The next review is spring of 2026.
- Maryland State Board of Dental Examiners – The year of the next review is 2028.

Status

In compliance.

This interpretation is reasonable because the College's regional accreditor and secondary program accreditors are external to the College and have defined practices for determining the quality of the College and its program offerings.

10.2. Accept gifts or grants which obligate the College to make future expenditures or encumber future decision-making or take future actions other than those that are reasonably required by the gift or grant.

Interpretation

Compliance will be demonstrated when:

- a. The College does not accept gifts other than through the Frederick Community College Foundation in accordance with the Foundation Gift Acceptance Procedure.*

Evidence

The CFO/VPA and the Executive Director for Development and the FCC Foundation confirmed on 10/6/2025 that the College followed the Foundation Gift Acceptance Procedure and did not accept gifts in FY 2025 except through the FCC Foundation.

Status

In compliance

Interpretation

- b. The College adheres to a written procedure for developing and managing grants that sets forth specific criteria for the application, review and approval process.*

Evidence

In last year's baseline report, the President reported partial compliance with this policy item because the procedure for developing and managing grants was not documented. On 10/1/2025, the CFO/VPA confirmed that the College has a process for developing and managing grants. The procedures are documented in the FCC Grants Procedures Handbook, which was issued to staff in July 2025.

Status

In compliance.

This interpretation is reasonable because it is an industry best practice to ensure that gifts are properly receipted, and grant obligations are within current and future budget appropriations.

10.3. Publicly position the College in support of, or opposition to, any known political organization, or candidate for public office.

Interpretation

Compliance will be demonstrated when:

- a. *Administrative policies, news releases, or any public statements on behalf of the College were politically neutral.*

Evidence

In last year's baseline report, the President reported partial compliance with this policy item because the College did not have administrative policies to address news releases and public statements on behalf of the College being politically neutral. However, upon further review, the interpretation does not require such policies to exist. As a public institution of higher education, all policies, news releases, and public statements are screened for political neutrality. On 10/21/2025, the Chief of Staff to the President confirmed that all administrative policies, news releases, and public statements issued on behalf of the College during FY 2025 were politically neutral.

Status

In compliance

This interpretation is reasonable as it is a common best practice in public higher education for organizations to remain politically neutral.

10.4. Develop or continue collaborative relationships with organizations whose principles or practices are incompatible with those of the College.

Interpretation

I interpret “collaborative relationships” to mean contractual relationships.

Compliance will be demonstrated when:

- a. All collaborative relationships are with organizations whose principles and practices are aligned with the Board Ends, and the Mission, Vision, Values and Strategic Priorities of the College.*

Evidence

The CFO/VPA confirmed with the Provost and fellow members of the President’s Council on 10/1/2025 that all collaborative relationships are with organizations whose principles and practices generally align with the Board Ends and FCC's Mission, Vision, Values, and Strategic Priorities.

Status

In compliance.

This interpretation is reasonable because only members of the College’s Senior Leadership Team and the President are allowed to enter into contractual relationships with organizations.

10.5. Allow relationships with the Ownership and/or stakeholders to be inconsistent with the productive cooperation necessary to the achievement of Ends.

Interpretation

Compliance will be demonstrated when:

- a. The College has no owner/stakeholder relations matters that remain unresolved and cooperation between all parties remains productive.*

Evidence

The CFO/VPA confirmed on 10/1/2025 that the College is not aware of any owner/stakeholder relations matters that are not being actively addressed or remain unresolved and cooperation between all parties remains productive.

Status

In compliance.

This interpretation is reasonable because effective stakeholder relations are a best practice in the higher education industry.

11. Change the organization's name or substantially alter its identity in the community.**Interpretation**

Compliance will be demonstrated when:

- a. In the event the College's name is changed, it is noted by action of the Board of Trustees, as approved and recorded in the minutes; and*

Evidence

On 10/1/2025 the CFO/VPA confirmed that the College has maintained its name since it was established in 1957.

Status

In compliance.

Interpretation

- b. Proposed name changes are requested of and approved by the Middle States Commission on Higher Education; and*

Evidence

The CFO/VPA confirmed on 10/1/2025 that the College has not requested a name change from the Middle States Commission on Higher Education.

Status

In compliance.

Interpretation

- c. *Proposed name changes are requested of and approved by the Maryland Higher Education Commission; and*

Evidence

The CFO/VPA confirmed on 10/1/2025 that the College has not requested a name change from the Maryland Higher Education Commission.

Status

In compliance.

Interpretation

- d. *Any change in the name, image, and likeness, or positioning of the College identity, is noted by action of the Board of Trustees, as approved and recorded in the minutes.*

Evidence

The CFO/VPA confirmed on 10/1/2025 that no change has occurred in the name, image, and likeness or positioning of the College identity with trademark renewals completed in April 2025.

Status

In compliance.

This interpretation is reasonable because it is a requirement of the aforementioned authorities to advance a name change.

12. Create or purchase any subsidiary corporation.**Interpretation**

Compliance will be demonstrated when:

- a. The Board's auditor confirms that there has been no purchase or creation of a subsidiary corporation without prior approval by the Board of Trustees.*

Evidence

On 10/1/2025, the CFO/VPA confirmed that Frederick Community College Foundation, Inc. is the only component unit of the College and is included in the Audited Annual Financial Report completed by S B & Company, LLC that was presented to the Board on 10/15/2025.

Status

In compliance.

This interpretation is reasonable because the Board of Trustees retains the authority to purchase a subsidiary corporation and any such action by the Board must be noted as approved recorded in the minutes.

Acceptance: EL-10 Investments Monitoring Report

Context: The Monitoring Report for EL-10 Investments is being presented for acceptance according to the approved [FY 2026 Board Policy Review & Monitoring Schedule](#).

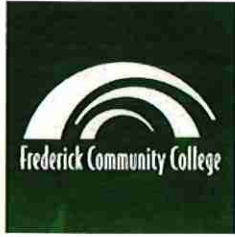
Board Policy References:

- [BCD-4 Monitoring President Performance](#)
- [GP-7 Board Planning Cycle and Agenda Control](#)

Background:

- Per Board policy (BCD-4) and in alignment with Policy Governance® practice, the Board regularly reviews monitoring reports for Ends and Executive Limitations policies to determine compliance.
- Per Board policy (GP-7), monitoring reports will be read in advance of the Board meeting, and discussion will occur only if Board members assess interpretations as unreasonable, identify non-compliance, or identify potential need for policy amendments.
- President Cheek is reporting full compliance.

Attachment: Monitoring Report: EL-10 Investments



Frederick Community College Board of Trustees

Monitoring Report: EL 10 – Investments

[Full Compliance]

Report Date: 11/19/2025

Reporting Period: 7/1/2024 – 6/30/2025

This is the annual report on compliance with the Board's Executive Limitation Policy: "EL-10 Investments." I certify that the information contained herein is true and represents compliance, within a reasonable interpretation of the established policy, unless specifically stated otherwise below. Please note that all of my interpretations of the policy remain unchanged from the previous report, unless otherwise noted.

A handwritten signature in cursive script, reading "Annesa Cheek".

11/19/2025

Annesa Cheek, Ed.D.

Date

President

Note: Board Policy is indicated in bold typeface throughout the report.

The President shall not permit investments that are inconsistent with federal, state or local laws, nor to be managed in a way that is inconsistent with the primary investment objectives of capital preservation and reasonably assured revenue growth.

Further, without limiting the scope of the above statement by the following list, the President shall not:

- 1. Permit investments to be managed without the active involvement of well-qualified investment advisors with a proven track record, and who are independent of any investment fund.**

Interpretation

Compliance will be demonstrated when:

- a. The College utilizes well-qualified investment advisors, who are also independent of any investment fund, to make the securities purchases.*

Evidence

On 10/1/2025, the Chief Financial Officer and Vice President for Administration (CFO/VPA) confirmed that the College's investment management structure consisted of:

- Public fund interest checking and public fund money rate savings accounts with Truist Bank, which are collateralized as best practice to manage risks associated with public depositories. Participation in the Maryland Local Government Investment Pool (MLGIP) through PNC Bank, is authorized under Maryland Code, Title 17 of the Local Government Article.
- Both institutions meet the College's criteria for qualified, independent advisors.
- A copy of the MLGIP Annual Statement and the College's Investment Summary Report verify all active holdings, maturity schedules, and advisor designations as of 6/30/2025.

Status

In compliance.

This interpretation is reasonable because the investment of the College’s available funds is managed by a bonded, legally accountable administrator, and secondary fund custodian.

1.1. Permit the advisor to take title to any assets.

Interpretation

Compliance will be demonstrated when:

- a. The funds held by the asset custodian, and security purchases made by the investment advisor, are held in the College’s name only.*

Evidence

On 10/1/2025, the CFO/VPA verified that all FY 2025 cash and investment accounts—including the College’s public fund holdings at Truist Bank and investments in the MLGIP through PNC Bank—were titled solely in the legal name of Frederick Community College.

Monthly custodial statements from Truist Bank and MLGIP confirm that all funds and securities are recorded under the College’s name, with no external party or advisor listed as owner or co-owner.

Status

In compliance.

This interpretation is reasonable because by requiring the asset custodian and investment advisor to align with this practice, the College can clearly demonstrate ownership and control, consistent with its fiduciary duties and regulatory obligations. This approach aligns with the Board’s expectation of prudent financial stewardship and risk management.

1.2. Permit the advisor to withdraw any funds from the accounts except to cover payment of previously agreed-to fees, or at the specific direction of the College’s Chief Financial Officer or President.

Interpretation

Compliance will be demonstrated when:

- a. *The advisor does not withdraw funds from the accounts, unless they are for fees specified in the agreements of the engaged financial and asset management organizations, or as directed by the CFO or President.*

Evidence

On 10/1/2025, the CFO/VPA confirmed that during FY 2025 no withdrawals other than routine, pre-authorized advisor fees were recorded. Verification was supported through:

- Monthly Truist Bank and MLGIP statements show no unauthorized withdrawals or transfers.
- Review of advisor service agreements that document all permissible fee deductions.

Status

In compliance.

This interpretation is reasonable because by specifying fees in formal agreements, the College can clearly define the costs associated with these services, avoid ambiguity, and ensure that financial management practices are aligned with industry standards and the College's strategic financial goals.

2. Permit investments that are insufficiently liquid to meet the organization's anticipated expenditures without incurring penalties.

Interpretation

Compliance will be demonstrated when:

- a. *Investment maturity dates are structured to mature at times that meet the cash flow needs of the College based upon a planned schedule; and*

Evidence

On 10/1/2025, the CFO/VPA confirmed that during FY 2025 all investments were maintained in cash or cash-equivalent accounts to ensure immediate liquidity for operational and capital needs. Verification was based on:

- Review of monthly cash flow projections aligned with the College's operating budget and payroll schedules.

- Truist Bank and MLGIP statements confirming that all invested funds were held in short-term or on-demand instruments, allowing same-day or next-day withdrawal without penalty.
- No instances of early redemption fees, penalties, or delayed access to funds were reported during FY 2025.

Status

In compliance.

Interpretation

- b. The actual interest-based revenue return matches the anticipated return without penalties for withdrawal.*

Evidence

On 10/1/2025, the CFO/VPA confirmed that FY 2025 interest revenue matched the anticipated return. A review of the monthly statements showed no withdrawal penalties.

Status

In compliance.

This interpretation is reasonable because it maximizes the return on the investment and liquidity at reduced costs and is compliant with Title 16 – Community Colleges of the Education Article, Maryland Annotated Code.

3. Permit borrowing money for the sole purposes of investment.

Interpretation

Compliance will be demonstrated when:

- a. Borrowing is undertaken solely for the purpose of supporting the College's educational objectives, such as capital projects, program funding, or other initiatives that support the institution's mission. In cases where borrowing is required, it must be justified by clear, mission-related needs rather than financial speculation.*

Evidence

On 10/1/2025, the CFO/VPA confirmed that in FY 2025, the only debt incurred supported FCC's educational or capital objectives. The College financed the building of the Parking Deck in 2010 and refinanced the debt twice (2020 and 2022) to attain lower interest rates and decrease interest expense. The debt will be paid off on 6/1/2035.

Review of the FY 2025 audited financial statements verified that no new borrowing occurred beyond these mission-related obligations and that no debt instruments were used for financial gain or speculation. Supporting documentation includes bond schedules and the FY 2025 external audit report (S B & Company, LLC).

Status

In compliance.

This interpretation is reasonable because it demonstrates sound financial stewardship, maintains public trust, and safeguards the College's resources against risky financial maneuvers that do not directly benefit students or the institution's educational programs.

4. Permit the investment of cash accounts (or operating capital) in anything other than those which comply with the applicable sections of the State Finance and Procurement Article of the Maryland Code.

Interpretation

Compliance will be demonstrated when:

- a. The College's participation in investment activities is done via an investment pool composed entirely of investment instruments that are legal for all Maryland community colleges.*

Evidence

Maryland Code, Title 17 of the Local Government Article and the College's investment policy (EL-10 Investments) determine the allowable investment instruments for Maryland Community Colleges. These include certificates of deposit with Maryland commercial banks, U.S. government agency obligations, repurchase agreements, bankers' acceptances from approved banks with

acceptable credit ratings, commercial paper from entities with an acceptable credit rating, money market funds, and participation in the MLGIP. On 10/1/2025, the CFO/VPA confirmed that FCC's investments for FY 2025 were included in the MLGIP. The MLGIP's FY 2024 Annual Report (issued by the Office of the State Treasurer), verified that all investments in the pool complied with Maryland law.

Status

In compliance.

This interpretation is reasonable because Maryland state law defines what is permissible for a community college's investments.

Meeting Content Review

Context: This agenda item provides the Board the opportunity to provide feedback to the Board Chair and the President on the quality of the content (i.e. meeting packet, discussions, etc.) provided during the Board Meeting.

Board Policy Reference: [GP-9 Investment in Governance](#)

Background:

- Per Board policy (GP-9) and in alignment with Policy Governance® practice, the Board evaluates and discusses its own process and performance at each meeting.
- The Board Chair will lead discussion at the meeting for Trustees to reflect on whether the meeting content was focused on governance issues, particularly in relation to the Board's Ends policy, rather than operational or management issues.

Attachment: Policy Governance® Source Document

POLICY GOVERNANCE® SOURCE DOCUMENT

Why a Source Document?

A “source” is a point of origin. A source document is a “fundamental document or record on which subsequent writings, compositions, opinions, beliefs, or practices are based.” (Websters)

Without a simply expressed clear point of source, interpretations, opinions, writings and implementations may intentionally or unintentionally diverge from the originating intent and ultimately be undifferentiated. The point of source (“authoritative source”) is John Carver, the creator of Policy Governance, with Miriam Carver his fellow master teacher.

Without a simply expressed clear source document, Policy Governance is not reliably grounded and not transferable as a paradigm of governance. It is left vulnerable to interpretation, adaptation and impotence. This document has been produced by the International Policy Governance Association and approved by John and Miriam Carver as being true to source.

What is Policy Governance?

Policy Governance is a comprehensive set of integrated principles that, when consistently applied, allows governing boards to realize owner-accountable organizations.

Starting with recognition of the fundamental reasons that boards exist and the nature of board authority, Policy Governance integrates a number of unique principles designed to enable accountable board leadership.

What Policy Governance is NOT!

1. Policy Governance is not a specific board structure. It does not dictate board size, specific officers, or require a CEO. While it gives rise to principles for committees, it does not prohibit committees nor require specific committees.
2. Policy Governance is not a set of individual “best practices” or tips for piecemeal improvement.
3. Policy Governance does not dictate what a board should do or say about group dynamics, methods of needs assessment, basic problem solving, fund raising, managing change.
4. Policy Governance does not limit human interaction or stifle collective or individual thinking.

Principles of Policy Governance

1. **Ownership:** The board exists to act as the informed voice and agent of the owners, whether they are owners in a legal or moral sense. All owners are stakeholders, but not all stakeholders are owners, only those whose position in relation to an organization is equivalent to the position of shareholders in a for-profit corporation.
2. **Position of Board:** The board is accountable to owners that the organization is successful. As such it is not advisory to staff but an active link in the chain of command. All authority in the staff organization and in components of the board flows from the board.
3. **Board Holism:** The authority of the board is held and used as a body. The board speaks with one voice in that instructions are expressed by the board as a whole. Individual board members have no authority to instruct staff.
4. **Ends Policies:** The board defines in writing its expectations about the intended effects to be produced, the intended recipients of those effects, and the intended worth (cost-benefit or priority) of the effects. These are Ends policies. All decisions made about effects, recipients, and worth are Ends decisions. All decisions about issues that do not fit the definition of Ends are means decisions. Hence in Policy Governance, means are simply not Ends.
5. **Board Means Policies:** The board defines in writing the job results, practices, delegation style, and discipline that make up its own job. These are board means decisions, categorized as Governance Process policies and Board- Management Delegation policies.



POLICY GOVERNANCE® SOURCE DOCUMENT

6. **Executive Limitations Policies:** The board defines in writing its expectations about the means of the operational organization. However, rather than prescribing board-chosen means -- which would enable the CEO to escape accountability for attaining Ends, these policies define limits on operational means, thereby placing boundaries on the authority granted to the CEO. In effect, the board describes those means that would be unacceptable even if they were to work. These are Executive Limitations policies.
7. **Policy Sizes:** The board decides its policies in each category first at the broadest, most inclusive level. It further defines each policy in descending levels of detail until reaching the level of detail at which it is willing to accept any reasonable interpretation by the applicable delegatee of its words thus far. Ends, Executive Limitations, Governance Process, and Board-Management Delegation policies are exhaustive in that they establish control over the entire organization, both board and staff. They replace, at the board level, more traditional documents such as mission statements, strategic plans and budgets.
8. **Clarity and Coherence of Delegation:** The identification of any delegatee must be unambiguous as to authority and responsibility. No subparts of the board, such as committees or officers, can be given jobs that interfere with, duplicate, or obscure the job given to the CEO.
9. **Any Reasonable interpretation:** More detailed decisions about Ends and operational means are delegated to the CEO if there is one. If there is no CEO, the board must delegate to two or more delegates, avoiding overlapping expectations or causing confusion about the authority of various managers. In the case of board means, delegation is to the CGO unless part of the delegation is explicitly directed elsewhere, for example, to a committee. The delegatee has the right to use any reasonable interpretation of the applicable board policies.
10. **Monitoring:** The board must monitor organizational performance against previously stated Ends policies and Executive Limitations policies. Monitoring is for the purpose of discovering if the organization achieved a reasonable interpretation of these board policies. The board must therefore judge the CEO's interpretation for its reasonableness, and the data demonstrating the accomplishment of the interpretation. The ongoing monitoring of board's Ends and Executive Limitations policies constitutes the CEO's performance evaluation.

All other practices, documents, and disciplines must be consistent with the above principles. For example, if an outside authority demands board actions inconsistent with Policy Governance, the board should use a 'required approvals agenda' or other device to be lawful without compromising governance.

Policy Governance is a precision system that promises excellence in governance only if used with precision. These governance principles form a seamless paradigm or model. As with a clock, removing one wheel may not spoil its looks but will seriously damage its ability to tell time. So in Policy Governance, all the above pieces must be in place for Policy Governance to be effective. When all brought into play, they allow for a governing board to realize owner accountability. When they are not used completely, true owner accountability is not available.

Policy Governance boards live these principles in everything they are, do and say.

Produced by GOVERN for IMPACT in consultation with John and Miriam Carver, 2005 – 2007 – 2011 – 2015 – Feb 2021.

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Reference: Carver Guides, 2nd Edition, 2009

