Frederick Community College

**BOARD OF TRUSTEES**
**Regular Monthly Meeting**

**November 18, 2026 – 4:30 p.m.**
**Conference Center (E126AB)**

**Zoom Option:**
**https://frederick-edu.zoom.us/j/86254200323?pwd=in9V27NX95xSsxOuaENFayQ9NvK18r.1**
**Call-in Option:**
**Phone Number: 301-715-8592 | Webinar ID: 862 5420 0323 | Passcode: 213839**

I. **Call to Order**

II. **Declaration of Conflict of Interest**

III. **Board & CEO Comments**

IV. **Public Comment**
*Public comment at Board meetings is limited to addressing items on that meeting's agenda. Public comment is limited to a maximum of five (5) speakers, three (3) minutes per person. The order of speakers will be on a first-come, first-served basis. Individuals are required to complete the sign-in sheet prior to the opening of the meeting.*

V. **Consent Agenda**

A. October 14, 2026 Regular Meeting Minutes **(Enclosure 1)**

VI. **Required Approvals Agenda**

A. Approval of Award to American Mechanical Services for the Replacement of HVAC Units for Gambrill Hall **(Enclosure 2)**

B. Approval of Piggyback Contract with Iron Bow Technologies, LLC for the Phone System License and Support **(Enclosure 3)**

C. Approval of Piggyback Contract with Audio Video Group for the Audio-Visual System Upgrade of Rooms E-126A and E126-B **(Enclosure 4)**

D. Approval of Piggyback Contract with Dell for Computer Replacements **(Enclosure 5)**

VII. **Information/Discussion Items**

A. Strategic Foresight **(Enclosure 6)**

B. Ownership Linkage Committee Update **(Enclosure 7)**

C. Fiscal Year-to-Date Financial Report through the Quarter Ending September 30, 2026 **(Enclosure 8)**

D. FCC Human Resources Onboarding and Offboarding Performance Audit **(Enclosure 9)**

E. Monitoring Board Performance

Policy Survey Results:

1. GP-3 Board Code of Conduct **(Enclosure 10)**

**VIII. Action Items**

A. Approval of Award for the Emergency Procurement to Limbach, Inc. for Repair and Replacement of Chilled Water Pipe **(Enclosure 11)**

B. Approval of CIP and County Capital Budget Request (FY 2028-FY 2033) **(Enclosure 12)**

C. Policy Approvals

1. Revisions to EL-3 Communication and Support to the Board **(Enclosure 13)**
2. Revisions to GP-6 Board Linkage with Other Organizations **(Enclosure 14)**

D. Monitoring CEO Performance

1. Acceptance: E-1 Ends (3.0) Monitoring Report **(Enclosure 15)**
2. Acceptance: EL-4 Financial Conditions and Activities Monitoring Report **(Enclosure 16)**
3. Acceptance: EL-9 Asset Protection Monitoring Report **(Enclosure 17)**
4. Acceptance: EL-10 Investments Monitoring Report **(Enclosure 18)**

**IX. Meeting Content Review (Enclosure 19)**

*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. Closed Session**

The Board of Trustees will hold a public vote to meet in closed session in accordance with the Maryland Open Meetings Act, Section 3-305(b)(1) to discuss (i) the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of an appointee, employee, or official over whom this public body has jurisdiction; or (ii) any other personnel matter that affects one or more specific individuals; 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 topics are: to discuss an employee investigation; to obtain legal advice related to collective bargaining strategy and potential positions; and review and approval of closed session minutes from August 19, 2026 and September 28, 2026 pursuant to Section 3-306(c)(3)(ii) of the General Provisions Article of the Maryland Annotated Code.

**XI. Adjournment**

**NEXT MEETING:** **Wednesday – January 20, 2027**

- ***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.*

Frederick Community College

**Enclosure 1**
**November 2026**

## Minutes for October 14, 2026 Regular Meeting

**Context:** The October 14, 2026 minutes are being presented to the Board for approval via the Consent Agenda. 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 14, 2026.

**Attachment:** Minutes of the October 14, 2026 regular meeting

**BOARD OF TRUSTEES**
**FREDERICK COMMUNITY COLLEGE**

**October 14, 2026**
**Regular Meeting**

The Board of Trustees of Frederick Community College met in regular session on Wednesday, October 14, 2026. Due to space limitations resulting from designated building closures, the Board met virtually, with a physical location for public comment provided in Room G206 of Gambrill Hall. A virtual option to observe was also provided. Participating were Trustees Dr. William Reid, Chair; Dr. Carmen R. Hernandez, Vice Chair; Jan H. Gardner; Carolyn Kimberlin; Theodore Luck; Tracey McPherson; and Stephen G. Slater. Also participating were President Dr. Annesa Payne Cheek, Secretary/Treasurer of the Board; Janice Spiegel, Special Projects Manager/Budget Office Frederick County Government; and Adam Konstas, PK Law, College legal counsel.

## CALL TO ORDER

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

## DECLARATION OF CONFLICT OF INTEREST

There were no conflicts of interest expressed by Trustees.

## BOARD & CEO COMMENTS

Chair Reid reflected on the recent Adult Education Graduation Ceremony and commended the determination and perseverance of the graduates. Trustee Luck emphasized the value of hearing students describe their experiences and the role of academic support and resources in helping them succeed. Trustee McPherson also

praised the graduation ceremony and shared her appreciation for the annual Hospitality, Culinary, Tourism Institute (HCTI) bake sale at *200 Monroe*.

**PUBLIC COMMENT**

There were no comments.

**CONSENT AGENDA**

*On a motion made by Trustee Kimberlin, the Board unanimously approved the following items, as presented:*

- September 16, 2026 regular meeting minutes
- September 28, 2026 special meeting minutes

**REQUIRED APPROVALS AGENDA**

*On a motion made by Vice Chair Hernandez, the Board unanimously approved the following items, as presented:*

- Piggyback Contract with Educational Management Solutions, LLC for SIMULATIONiQ™ Enterprise
- Piggyback Contract with WGL Energy Services, Inc. for Natural Gas Supply

**INFORMATION/DISCUSSION ITEMS**

**Audited Financial Reports for the Year Ending June 30, 2026** – President Cheek introduced the audited financial reports. Tobi Hollander, Engagement Partner, and Chris Mark, Engagement Manager, of SB & Company presented an overview of the audit results and financial highlights. The auditors issued unmodified opinions on the College's financial statements and annual financial report to the Maryland Higher Education Commission, with no material weaknesses, significant deficiencies, or reportable findings.

The federal single audit remained in process pending issuance of applicable federal guidance. There was discussion regarding the College's overall financial position, including changes in assets and net position, the classification of operating revenues and expenses, and the impact of governmental appropriations on financial reporting. Trustees also sought and were provided clarification regarding the auditors' assessment of internal controls and the distinction between operating results and the College's overall financial performance.

**Board of Trustees Draft FY 2028 Budget** – Chair Reid presented the Board of Trustees draft FY 2028 budget. There was discussion regarding the proposed reduction in conference and travel expenses. It was explained this is based on historical participation and actual expenditures. No additional changes were proposed.

**Board Policy Review: GP-3 Board Code of Conduct** – The Board reviewed this policy for currency. There were no suggested revisions.

**Revisions to EL-3 Communication and Support to the Board** – The Board continued its review of proposed revisions from the September meeting. Following discussion, there was consensus to retain the existing introductory language requiring proactive communication; spell out "fiscal year" in Section 1.4.4; retain the requirement to notify the Board of anticipated noncompliance with law as Section 1.4.1; and retain proposed Section 2.1 regarding meeting support. Chair Reid withdrew his previously proposed revision to Section 1.5.

In response to questions, it was clarified that "material" legal actions are those significant to the Board's governance responsibilities and may be further defined in the

President's interpretation. It was also clarified that the requirement to provide overviews of new projects and initiatives was removed as more operational than governance-focused and the Board may request information or presentations at any time. The revised policy will be considered for approval at the November Board meeting.

**Revisions to GP-6 Board Linkage with External Organizations** – The Board continued its review of proposed revisions from the September meeting. Following discussion, there was consensus to replace "external bodies" with "external organizations" for clarity and consistency with the policy title. The revised policy will be considered for approval at the November Board meeting.

**ACTION ITEMS**

**Revisions to GP-7 Board Planning Cycle and Agenda Control** – The Board considered revisions discussed at the September meeting.

*On a motion made by Trustee Luck, the Board unanimously approved the revisions to GP-7 Board Planning Cycle and Agenda Control, as presented.*

**Acceptance: E-1 Ends (2.0) Monitoring Report** – President Cheek presented the annual monitoring report and reported full compliance. There was discussion regarding whether outstanding achievements reflected in monitoring reports could be recognized beyond a finding of compliance. No determination was made.

*On a motion made by Vice Chair Hernandez, the Board unanimously found evidence of compliance with a reasonable interpretation of the policy for E-1 Ends (2.0).*

**Acceptance: EL-1 Treatment of Students Monitoring Report** – President Cheek presented the annual monitoring report and reported full compliance.

*On a motion made by Vice Chair Hernandez, the Board unanimously found evidence of compliance with a reasonable interpretation of the policy for EL-1 Treatment of Students.*

**Acceptance: EL-2 Treatment of Employees Monitoring Report** – President Cheek presented the annual monitoring report and reported full compliance.

*On a motion made by Trustee Kimberlin, the Board unanimously found evidence of compliance with a reasonable interpretation of the policy for EL-2 Treatment of Employees.*

**MEETING CONTENT REVIEW**

Trustees identified the policy discussions as the strongest portion of the meeting and recommended that future Board materials include the rationale for substantive policy revisions to facilitate informed review.

**ADJOURNMENT**

The meeting adjourned at 5:42 p.m.

**NEXT MEETING**

The next regular meeting of the Board will be held on Wednesday, November 18, 2026.

Dr. Annesa Payne Cheek
Secretary/Treasurer

Prepared by Kari Melvin
Office of the President
Frederick Community College

Frederick Community College

**Enclosure 2**
**November 2026**

## Recommendation for Award to American Mechanical Services

**Context:** The recommended award to American Mechanical Services (AMS) in the amount of $382,860 for replacement of the roof top HVAC units for Gambrill Hall is being presented to the Board for approval via the Required Approvals Agenda. This document summarizes the recommended award 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 (Sections 1 and 4)
- EL-6 Planning (Section 3)
- EL-7 Land Use (Section 3)
- EL-9 Asset Protection (Global Policy Statement and Sections 5.1, 9, and 9.2)

**Background:**

- The existing rooftop HVAC units (RTUs) have reached the end of their useful lives and are obsolete due to their reliance on R-22 refrigerant, which is no longer produced for new supply in the United States.
- The frequency and cost of repairs to these units have increased significantly, including the escalating cost of obtaining replacement R-22 refrigerant.
- The proposed project will replace the existing RTUs with comparable units utilizing R-454B refrigerant, high-efficiency coils, and enhanced controls. These improvements are expected to increase operational efficiency, improve reliability, and reduce long-term maintenance and energy costs.
- The College solicited competitive bids for multi-year HVAC services through Request for Bids (RFB) 25-OP-01 that allows services to be requested as needed.
- AMS was selected based on required specialized expertise and fair and reasonable pricing under the contract.
- The selected contractor will provide HVAC repair and replacement services in accordance with approved specifications, established pricing, and authorized work orders.
- The total project cost will be funded through the following sources:

| **Funding Source** | **Amount** |
|---|---|
| FY27 State Community College Facilities Renewal Grant (CCFRG) Program | $327,250 |
| FY27 County Systemics Allocation | $55,610 |
| **Total Project Funding** | **$382,860** |

- The College followed COMAR and the Financial Procedures Manual.

**Attachment:** None

Frederick Community College

**Enclosure 3**
**November 2026**

## Recommendation for Piggyback Contract with Iron Bow Technologies

**Context:** The piggyback contract with Iron Bow Technologies for phone system license and support for three years in the total amount of $667,441.08 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 by President Cheek, with preparation support provided by Stephen diFilipo, Interim CIO and Vice President for Information Technology.

**Board Policy Compliance Monitoring References:**

- EL-4 Financial Conditions and Activities (Section 1)
- EL-9 Asset Protection (Sections 5.1, 9, and 9.2)

**Background:**

- The College has been utilizing the licensing and support services of Iron Bow Technologies to support the Cisco phone system since 2020.
- The current agreement expires in December 2026. The College has been pleased with the level of service provided by Iron Bow Technologies and a renewal is recommended to continue licensing and support for the next three years.
- The College phone system includes: phone/softphone – Cisco call manager/jabber licenses, voicemail, hosting and management of servers, Contact Center Agent licenses, faxing services, call captioning, hardware support and monitoring services.
- Pursuant to the Code of Maryland Regulations §21.05.07, the Board is required to approve any procurement over $100,000.
- If a contract with an intergovernmental or cooperative entity has already been executed for the same products/services, the College can “piggyback” on this contract and use the same contract prices subject to the same terms and conditions.
- The College recommends entering into an agreement with Iron Bow Technologies utilizing the GovMVMT Purchasing Cooperative Contract Number 4400012307 for the term of December 10, 2026 through December 10, 2029 at the cost of $222,480.36 per year.
- A Cost Justification Worksheet was reviewed by Procurement prior to submission to the Board for approval.
    - As the incumbent provider, Iron Bow has successfully implemented and supported the College's Cisco phone system. Their established knowledge

of the College's telecommunications environment ensures continuity of operations, minimizes transition risk, and avoids potential service disruptions associated with changing vendors.

- The funding for the first year of the contract is included in the FY 2027 budget.
- The College followed COMAR and the College Financial Procedures Manual.

**Attachment:** None

Frederick Community College

**Enclosure 4**
**November 2026**

## Recommendation for Piggyback Contract with Audio-Video Group

**Context:** This piggyback contract with Audio-Video Group (AVG) for equipment and installation services to upgrade the audio-visual systems in rooms E-126A and E126-B in the amount of $121,689 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 by President Cheek, with preparation support provided by Stephen diFilipo, Interim CIO and Vice President for Information Technology.

**Board Policy Compliance Monitoring References:**

- E-1 Ends (Section 2.2)
- EL-4 Financial Conditions and Activities (Section 1)
- EL-9 Asset Protection (Global Policy Statement and Sections 5.1, 9, and 9.2)

**Background:**

- E-126AB is scheduled for modernization as part of the College's seven-year audio-visual replacement cycle.
- The project also addresses recurring technology operation issues in a multipurpose space supporting meetings, student instruction, hybrid participation, and College events.
- The project aligns with the System Modernization & Optimization theme of the 2027–2029 IT Plan, including assessing and replacing outdated systems and improving the reliability and usability of College technology.
- The recommended scope includes twelve wireless tabletop microphones, upgraded audio processing and amplification, improved camera coverage with automatic camera selection, independent conferencing capabilities for each classroom, and replacement video switching and touch-panel controls. The system will support both separate classroom use and combined operation for meetings and other events.
- The project retains existing projectors, screens, loudspeakers, and other usable equipment, concentrating the investment on systems requiring replacement or functional improvement. FCC will provide initial control and audio programming and work with AVG to complete system integration, testing, and commissioning.

- Pursuant to the Code of Maryland Regulations §21.05.07, the Board is required to approve any procurement over $100,000.
- If a contract with an intergovernmental or cooperative entity has already been executed for the same products/services, the College can “piggyback” on this contract and use the same contract prices subject to the same terms and conditions.
- The College recommends entering into an agreement with Audio-Video Group, utilizing the Maryland Education Enterprise Consortium (MEEC) Audio Visual Hardware and Services Contract TU-2501.
- A Cost Justification Worksheet was reviewed by Procurement prior to submission to the Board for approval.
    - Audio-Video Group has institutional knowledge of E-126’s existing systems and experience implementing similar multipurpose boardrooms. This familiarity supports efficient installation and integration, helping control project costs and reduce implementation uncertainty through an established cooperative purchasing contract.
- Funding is included in the FY 2027 Classroom Technology Upgrades budget.
- The College followed COMAR and the College Financial Procedures Manual.

**Attachment:** None

Frederick Community College

**Enclosure 5**
**November 2026**

## Recommendation for Piggyback Contract with Dell Technologies

**Context:** The recommended piggyback contract with Dell Technologies for the purchase of new computers in the amount of $180,928.44 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 by President Cheek, with preparation support provided by Stephen diFilipo, Interim CIO and Vice President for Information Technology.

**Board Policy Compliance Monitoring References:**

- E-1 Ends (Section 2.2)
- EL-4 Financial Conditions and Activities (Sections 1 and 4)
- EL-9 Asset Protection (Global Policy Statement and Sections 5.1, 9, and 9.2)

**Background:**

- The proposed contract is for the replacement of aging computers in the Student Center Computer Labs.
- The computers in rooms H207, H209, H250, H251, H260, and H261 are five years old and are planned for replacement this year due to performance issues.
- The project aligns with the System Modernization & Optimization theme of the 2027–2029 IT Plan, including assessing and replacing outdated systems and improving the reliability and usability of College technology.
- The scope is to replace 126 student use computers and instructor computers in the designated classrooms.
- Pursuant to the Code of Maryland Regulations §21.05.07, the Board is required to approve any procurement over $100,000.
- If a contract with an intergovernmental or cooperative entity has already been executed for the same products/services, the College can "piggyback" on this contract and use the same contract prices subject to the same terms and conditions.
- The College recommends entering into an agreement with Dell Technologies, utilizing the Maryland Education Enterprise Consortium (MEEC) IT Hardware RFP UMD-972016 to take advantage of reduced pricing.
- A Cost Justification Worksheet was reviewed by Procurement prior to submission to the Board for approval.
    - MEEC pricing provides an additional discount to the College which lowers the final purchase price by $48,396.45, or 21%.
- Funding for this project is included in FY27 operating budget through the College's consolidated fee for Information Technology.
- The College followed COMAR and the College Financial Procedures Manual.

**Attachment:** None

Frederick Community College

**Enclosure 6**
**November 2026**

# Strategic Foresight Discussion

**Context:** The Frederick Community College Board of Trustees is committed to utilizing strategic foresight to ensure the college is prepared to meet the future and the challenges it may face over the next decade and beyond.

Change is unavoidable, bringing new trends and ways of living, working, and learning. How can we prepare for a future that is difficult to envision and consider possibilities we may find unwelcome? How can we add value by examining emerging trends, recognizing signals of change, and defining a vision?

**Background:** At our May retreat, Trustees considered and discussed a significant amount of educational information and participated in skill-building exercises to develop a better understanding of strategic foresight. The Institute for the Future (IFTF) presented a horizon scan and facilitated a discussion about signals of change. The Trustees considered how to develop a set of forward-looking questions to inform future ownership linkage conversations and provide better insight into community expectations.

The Board of Trustees committed to considering additional education and training to better utilize strategic foresight and consider multiple plausible futures for the community college. Trustees recognize that our key governance role is to focus on long-term strategic foresight and implement it through policy incorporated into Ends and potentially elsewhere.

Trustees are encouraged to share resources with the Board that would be informative and relevant to the Board's understanding of strategic foresight.

Trustee Gardner offered to search for resources and materials about strategic foresight that are relevant to our work and specifically to community colleges. She identified a website https://ccfutureslab.com* which contains a variety of topics and articles related to strategic foresight and community colleges. *The information on the website is noted as free to read, print, and share with credit provided to Community College Futures Lab.*

Trustees will find a wide variety of topics, signals of change, resources, and policy briefs.

**Policy Briefs**

Trustees have expressed particular interest in considering the impact of AI on higher education, its role in the future, and its impact on policy governance.

Under policy briefs, there is a link about governance and AI that may be of particular interest to the Board - *Anticipatory Governance and Artificial Intelligence*. https://ccfutureslab.com/assets/briefs/ai-governance.pdf*

- Artificial intelligence is without a doubt reshaping higher education.
- What questions should the Board be debating to frame our strategic discussions around artificial intelligence and the implications for the future?
- Since the Frederick Community College Board of Trustees has adopted policy governance, our focus should be on the questions about Long-Term Strategy (05).
- The Board may wish to consider these questions:
    - How might today's AI decisions shape the college five or ten years from now?
    - What signals of change or indicators should we monitor as AI adoption accelerates?
    - How might AI reshape the economic and civic role community colleges play within their communities?

**Examples for discussion:**

Example 1: Suppose AI changes skills local employers expect from college graduates.

- Should the Board reconsider whether its Ends policies adequately describe the educational and workforce outcomes FCC should achieve?
- Do existing Executive Limitations adequately address relevant risks, such as protecting student information and maintaining educational quality?
- What information would the Board need before deciding whether policy revisions are warranted?

Trustees should consider the information gathered from owners and then review and determine if existing policies adequately address the emerging issue and workforce preparation. Trustees can determine if Ends policies should be modified to assure monitoring reports include information on how the College is meeting the AI skills needed.

Example 2: Suppose students, employers, faculty, and community members have different expectations about AI in education.

What should the Board learn from the College's Ownership before establishing or revising policies on long-term educational outcomes?

Questions for future Ownership Linkage activities could include**:**

- What AI-related skills should FCC graduates possess to succeed in the workforce?
- What expectations do community members have regarding the role of AI in education?
- What outcomes matter most to the community as AI changes employment and learning?

These conversations can inform future Ends policies. They should explore community values and desired outcomes, rather than ask the Ownership to choose specific technologies or manage implementation.

**MOVING FORWARD:**

**Establish a cycle of Board education and monitoring**

The Board needs a deliberate way to remain informed about significant developments and assess whether the College continues to achieve its desired outcomes.

Suppose AI capabilities and their effects on higher education change substantially over the next three years.

- What information should the Board periodically receive to understand the implications for FCC's mission and Ends?
    - What signals of change should the Board monitor?
- What evidence would help the Board determine whether the College is achieving its intended educational outcomes?
- Under what circumstances should the Board reconsider its policies?

**Connect AI governance to Ownership Linkage:**

- Develop questions about how AI impacts and influences owners into the bank of questions for ownership linkage.
- Ask how owners see the role of the community college in preparing the workforce for AI.

**Revisit policies when evidence, changing conditions, or monitoring results indicate that revision may be necessary.**

- The Board should monitor results and policy compliance, rather than routinely review individual technology purchases or direct operational decisions.

**Closing question for the Board**

"In a future shaped by AI, what outcomes must FCC achieve for students and the community, and how can our Ends and Executive Limitations policies ensure that the College pursues those outcomes while preserving the distinction between governance and management?"

**FOR FUTURE DISCUSSION (Retreat)**

Strategic forecasting involves exploring radically different futures. Trustees may wish to schedule time in the future to consider scenarios that are radically different. Plausible scenarios may challenge existing assumptions and prompt a reassessment and redesign of the institution's fundamental purpose and structure.

Consider the policy brief – *Three Scenarios for the Future of Community Colleges (https://ccfutureslab.com/assets/briefs/three-scenarios.pdf*).*

The three scenarios described are not predictions but are descriptions of plausible futures that do not fit within traditional institutional logic. They are "out of the box!" The three scenarios are worthy of robust discussion for determining signals of change and for shaping questions for ownership linkage.

* Resources referenced in this discussion item are published by Community College Futures Lab. Links are provided for educational purposes and Board discussion. All rights remain with their respective copyright holders.

Frederick Community College

**Enclosure 7**
**November 2026**

# Ownership Linkage Committee Update

**Ownership Linkage Committee:**
**Tracey McPherson, Chair**
**Jan Gardner, Co-Chair**

**Background:** The Board's first job is to understand what owners value and to translate that understanding into Ends policies that describe the results the College should achieve, for whom, and at what worth.

Consistent with Policy Governance principles, the committee supports the Board's own work and speaks only through the full Board. It does not direct or advise the President or staff, and it does not take the place of the College's operational outreach, which remains the President's responsibility.

Through this committee, the Board reaffirms its commitment to governing in close connection with the community it serves, so that Frederick Community College continues to reflect the needs and aspirations of Frederick County

**Purpose:** The Ownership Linkage Committee supports this work by planning and recommending ways for the full Board to maintain meaningful, ongoing dialogue with the College's broad ownership, including residents, employers, K–12 partners, civic and cultural organizations, and others.

- Identify who the College's owners are and which voices the Board may not be hearing.
- Recommend methods for linkage, such as community conversations, focus groups, surveys, and joint meetings with other governing bodies.
- Develop an annual linkage plan and calendar for Board approval.
- Help the Board synthesize what it learns so it can inform future review of the Ends policies.

**Next Step:**

- Identify (with board approval) specific groups to meet with based on the priorities identified at the July retreat, for the next round February, March, and April (2027) ownership linkage:
    - Seniors- Advocates for Aging, SOAR, Senior Centers Middletown, Thurmont, New Market, and others

    - Former Students- with help from FCC
    - Donors- Range of recommended donors worth with Foundation leadership
- Once we have identified the groups in January, we will agree to format and questions.
    - Work with Rose Mercier and using the FY26 ownership questions, board retreat, and IFTF work as beginning point, to develop questions that encourage future-oriented thinking and exploration of possible scenarios. (subject to board approval)
- After each Linkage meeting a summary will be shared at the board meeting for discussion and impact (if any) on Ends policies.
- The committee also recommends that the Linkage groups for the following academic year be established at the July retreat.

Frederick Community College

**Enclosure 8**
**November 2026**

# Fiscal Year-to-Date Unaudited Financial Report for the Quarter Ending September 30, 2026

**Context:** Frederick Community College prepares and distributes fiscal year-to-date financial reports to the Board of Trustees every quarter. Attached is the fiscal year-to-date financial report, which provides unaudited financial statements through the quarter ending September 30, 2026, for your information and review.

**Board Policy Reference:**

- EL-4 Financial Conditions and Activities

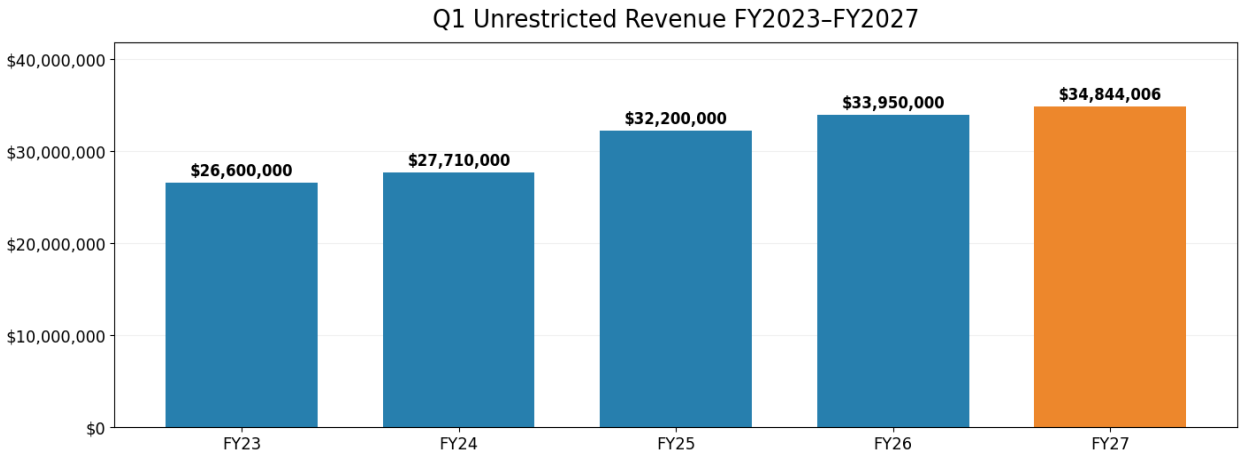
**Revenues**

- Budget-performance ratio: total revenue is at $34,844,006 or 42% of the $83,709,906 FY27 annual budget after 25% of the fiscal year. This means that 25% of the way through FY27, the College has already recognized 42% of its annual budgeted revenue which is consistent with expectations.

- Total tuition and fees remained relatively flat compared to FY2026 Q1, totaling $11,220,325 in FY2027 Q1 versus $11,350,767 in the prior year. Continuing Education tuition and fees (included in the overall Tuition and Fees) totaled $953,741, reflecting a 20% increase over FY2026 Q1 ($795,074). Tuition and fee revenue is influenced by both the number of students enrolled and the number of credit hours they take. While the College is serving more students, those students are taking fewer credit hours on average (more part-time students), which helps explain why overall tuition and fee revenue has remained relatively flat.

- State and County revenue totaled $22,860,038 in FY2027 Q1.

| Revenue Source | FY2027 Annual Budget | FY2027 Q1 Actual | % of Annual Budget Realized |
|---|---|---|---|
| County Revenue | $28,866,798 | $13,877,726 | 48% |
| Tuition and Fees | $22,993,414 | $11,220,325 | 49% |
| State Aid | $26,654,494 | $8,982,312 | 34% |
| Investment Income | $1,200,000 | $293,756 | 24% |
| Contract Revenue | $1,125,200 | $211,090 | 19% |
| Strategic Reserves | $2,320,000 | $153,308 | 7% |
| Miscellaneous Income | $200,000 | $80,238 | 40% |
| Indirect Cost Recovery | $350,000 | $25,250 | 7% |
| **TOTALS** | **$83,709,906** | **$34,844,006** | |

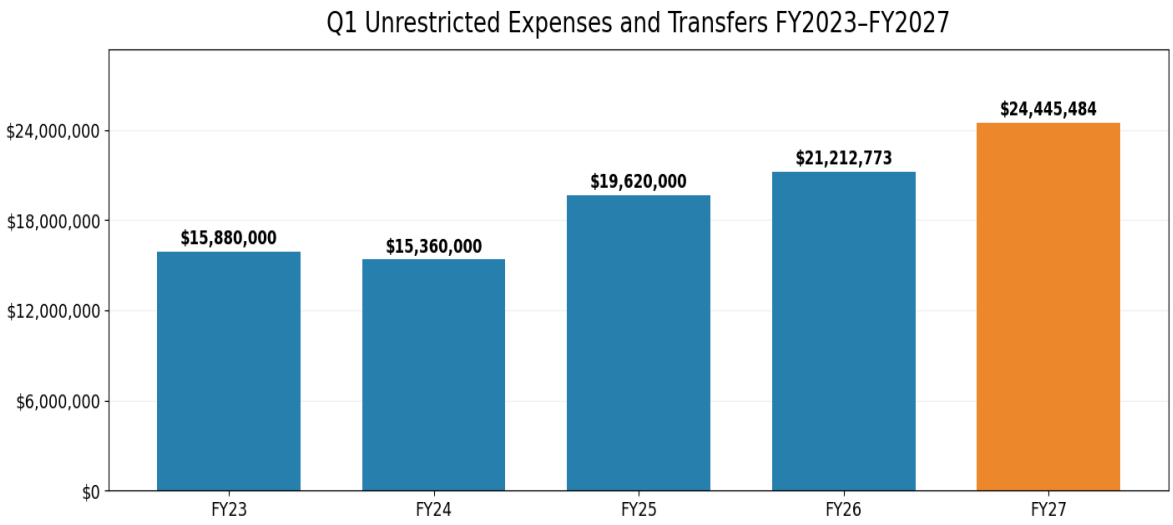



## Expenses

- Budget-performance ratio: total expenses and transfers are $24,445,484 or 29% of the $83,709,906 annual budget after 25% of the fiscal year.

- Total unrestricted expenses and transfers are up $3.2M compared to FY2026 Q1, indicating year-over-year increases in all divisions, except for Academic Support, which is currently 16% less when compared to the previous fiscal year. This decrease is due to last year's Blackboard software renewal occurring in September 2025 (Q1 FY2026), while this year's renewal occurred in October 2026 (Q2 FY2027). The increases in the other divisions are primarily due to a 3% cost-of-living (COLA) adjustment to staff salaries approved for FY2027 and higher employee benefit costs.
    - Scholarships and transfers (restricted funds) were $3,671,641, or 90% of the annual budget, with the majority recorded in the first quarter.
- Strategic Reserves' actual costs of $153,308 plus encumbrances of $624,853 indicate 32% usage of the $2,320,000 annual budget.

| Functional Area | Annual Budget | FY2027 Q1 Actual | % of Annual Budget Realized |
|---|---|---|---|
| Instruction - Academic | $29,630,819 | $7,860,925 | 27% |
| Administration | $21,167,539 | $5,155,147 | 24% |
| Scholarships/Transfers | $4,074,873 | $3,671,641 | 90% |
| Student Services | $12,664,957 | $3,477,889 | 27% |
| Plant Operations | $9,601,072 | $2,703,772 | 28% |
| Continuing Education | $4,935,366 | $1,085,703 | 22% |
| Academic Support | $1,635,280 | $490,406 | 30% |
| **TOTALS** | **$83,709,906** | **$24,445,484** | |

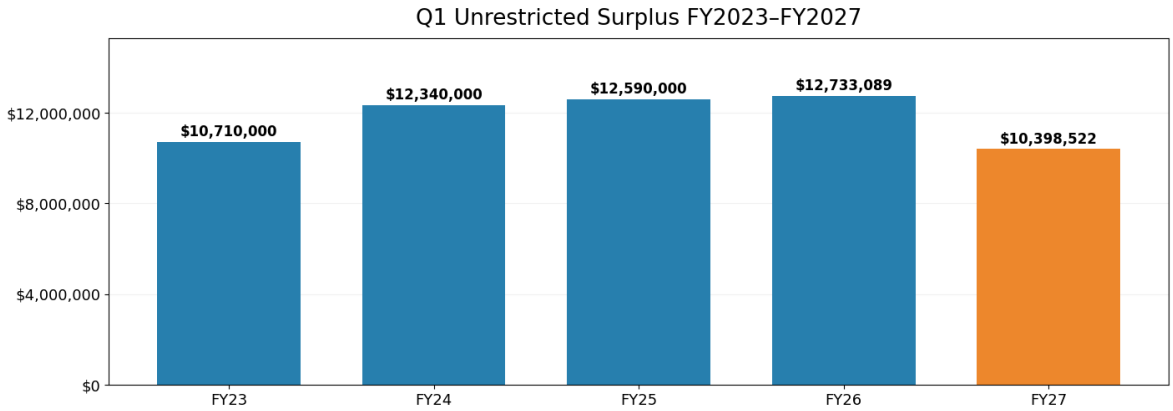



## Fund Balance

Unrestricted first-quarter revenue exceeded expenses and transfers by $10,398,522. This positive first-quarter result contributes to the College's overall financial position. Because revenue and expenses are not recognized evenly throughout the fiscal year, the surplus should be considered in the context of anticipated revenue and expenditure patterns.

| Measure | Annual Budget | FY2027 Q1 Actual | % of Annual Budget Realized |
|---|---|---|---|
| Total Revenue | $83,709,906 | $34,844,006 | 42% |
| Total Expenses & Transfers | $83,709,906 | $24,445,484 | 29% |
| **Q1 Operating Result** | **—** | **$10,398,522** | ***30%** |

*The accumulated financial resources available at quarter-end.



**Bookstore Auxiliary**

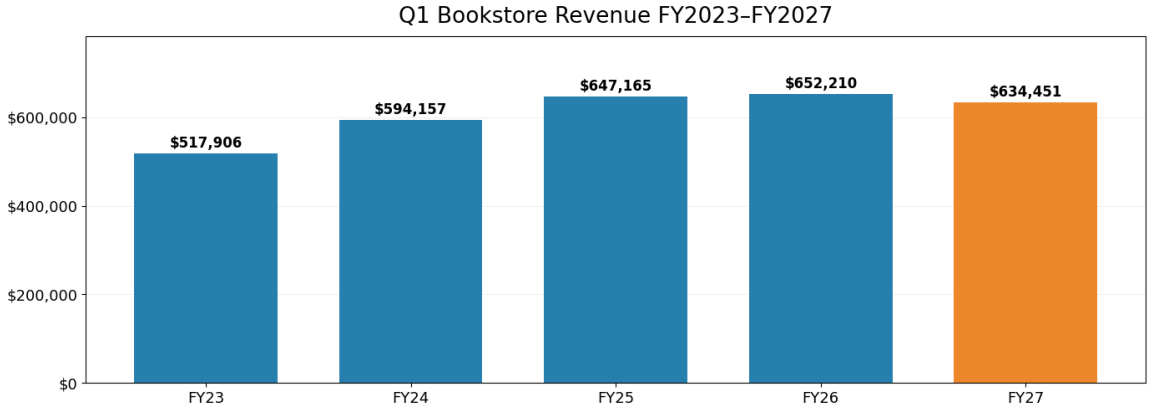
- FY2027 first-quarter bookstore revenue totaled $634,451, a decrease of $17,759 (3%) compared with $652,210 in FY2026 Q1.

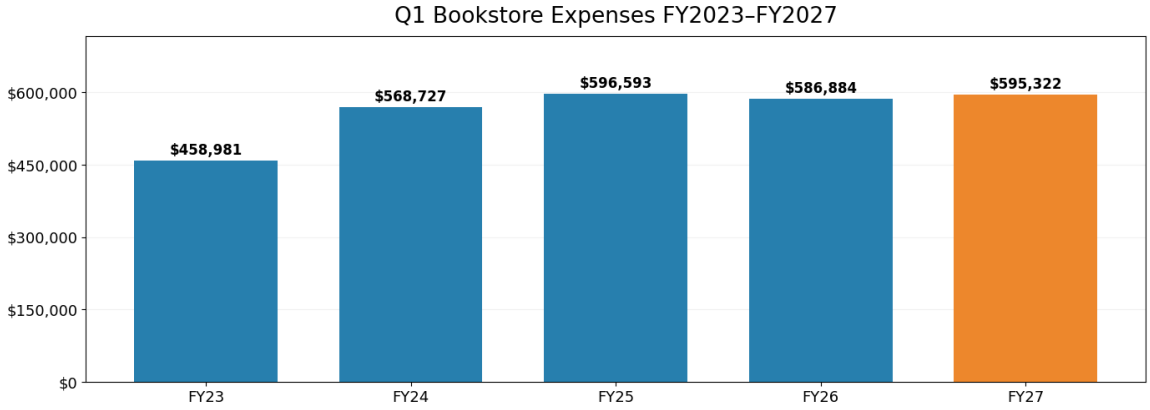
- Cost of Goods Sold decreased by $18,482 (6%) to $290,244, consistent with the decline in revenue.

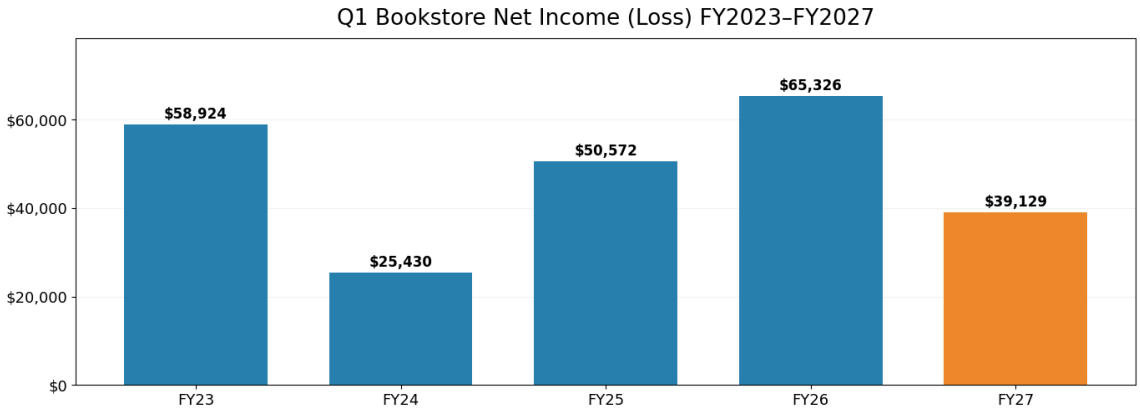
- Operating expenses, excluding Cost of Goods sold and indirect cost transfers, increased by $26,919 (11%) to $279,827. The increase was driven primarily by growth in digital subscription services for course materials.

- The Bookstore generated $39,129 in net income for FY2027 Q1, compared with $65,326 in FY2026 Q1, a decrease of $26,197 (40%). No College subsidy was recorded during the quarter.

| Bookstore | Annual Budget | FY2027 Q1 Actual | % of Annual Budget Realized |
|---|---|---|---|
| Revenue | $1,724,000 | $634,451 | 37% |
| Expenses | $1,724,000 | $595,322 | 35% |
| **Net Income** | **—** | **$39,129** | **6%** |






## Balance Sheet Highlights

- As of September 30, 2026, cash and investments totaled $51,248,116, an increase of $6,032,174 from June 30, 2026, reflecting a strong liquid position and compliance with the Board's Financial Conditions and Activities policy, which requires 16.6% of budgeted expenditures to be held in reserve.

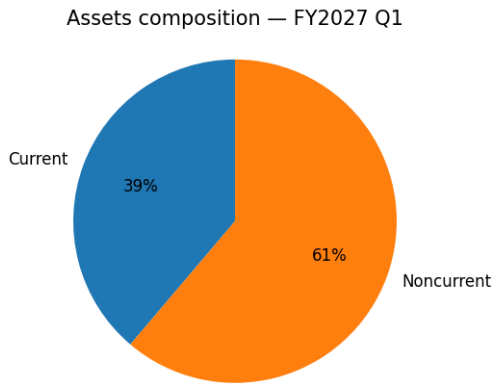
- Accounts receivable increased $3,266,823 to $8,736,304, primarily due to creation of student payment plans for the fall semester and governmental receivables related to construction projects.

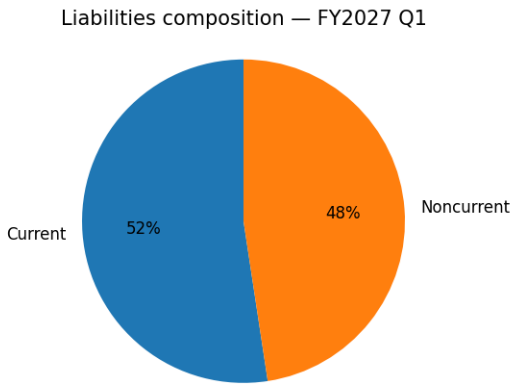
- Current liabilities decreased by $5,052,599, primarily due to reductions in accounts payable and unearned revenue.

- Long-Term Liabilities remain low, with noncurrent bond debt totaling $3,690,459. The College's debt obligation is declining as scheduled.

- Net position is $145,246,456 as of September 30, 2026, which includes the year-to-date fiscal surplus of revenues over expenses, compared to $131,751,665 at the end of FY26.

| Balance Sheet Measure | FY2027 Q1 | Prior Fiscal Year End | Change |
|---|---|---|---|
| Cash and Investments | $51,248,116 | $45,215,942 | $6,032,174 |
| Accounts Receivable | $8,736,304 | $5,469,481 | $3,266,823 |
| Total Current Assets | $60,292,746 | $51,535,407 | $8,757,339 |
| Total Current Liabilities | $5,268,521 | $10,321,120 | $(5,052,599) |
| Total Liabilities | $10,055,007 | $15,107,606 | $(5,052,599) |
| **Total Net Position** | **$145,246,456** | **$131,751,665** | **$13,494,791** |

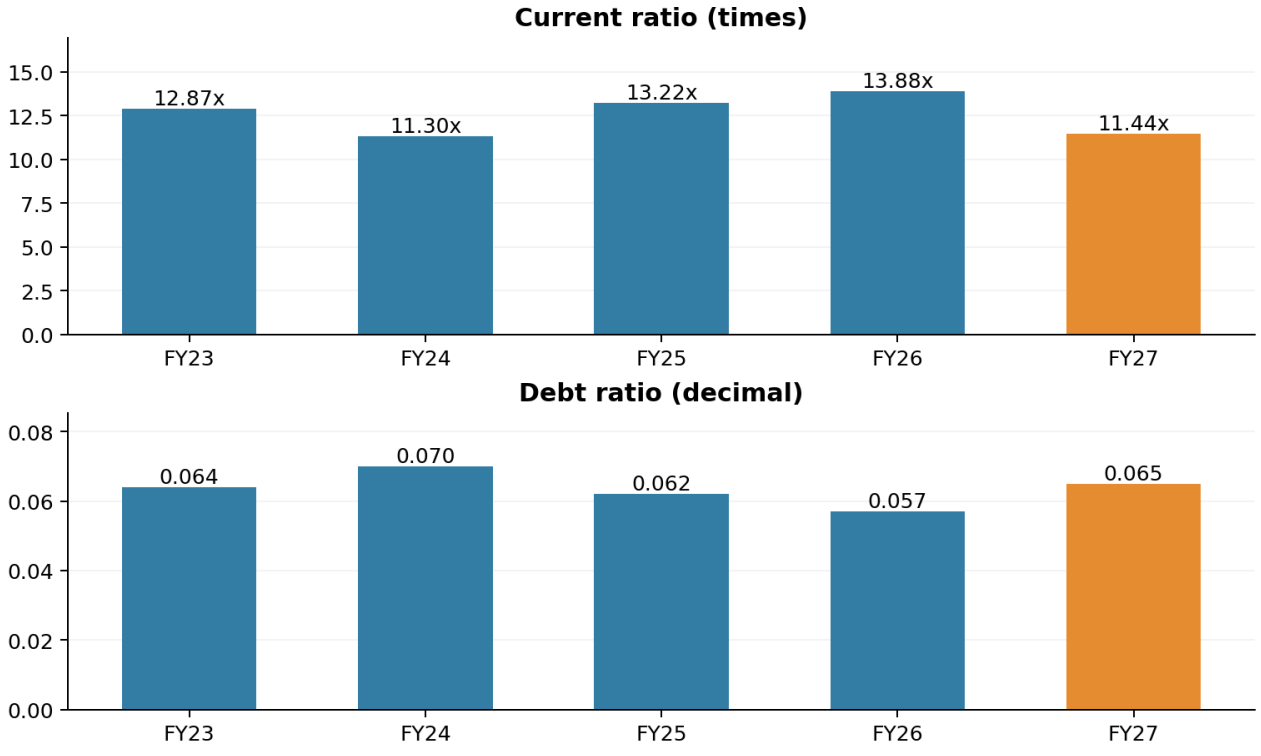



**Key Quarterly Financial Ratios***

| Ratio | FY27 Q1 | What FCC ratio means / What is a good value |
|---|---|---|
| Current ratio | 11.44 | FCC has $11.44 in current assets for every $1 in current liabilities. A ratio above 1.0 indicates coverage of short-term obligations; higher ratios generally indicate greater short-term financial flexibility. |
| Debt ratio | 0.065 | There are approximately $0.065 in liabilities for each $1 in assets.<br>Lower ratios generally indicate less reliance on debt and other liabilities and greater financial flexibility. |

*Note: Current ratio is current assets divided by current liabilities; debt ratio is total liabilities divided by total assets.



Source: Five-year Q1 ratios provided by Finance (FY2023–FY2027).

The College's first quarter financial ratios indicate a strong financial position, with substantial short-term resources relative to current liabilities and a low overall level of financial obligations. While these indicators reflect financial stability, continued attention to long-term sustainability is essential, particularly given potential changes in federal policies, state and county funding, and enrollment patterns that could affect future revenues.

**Attachment:**
Fiscal year-to-date Unaudited Financial Report through the quarter ending September 30, 2026.

**FREDERICK COMMUNITY COLLEGE**
**UNAUDITED STATEMENTS OF REVENUE, EXPENSES AND TRANSFERS**
**CURRENT UNRESTRICTED FUND - EDUCATIONAL AND GENERAL**
**FOR THE PERIOD SEPTEMBER 30, 2026**
**25% OF THE YEAR EXPIRED**

| | FY26 PYTD ACTUAL | FY27 YTD ACTUAL | ACTUALS TO ACTUALS VARIANCE | FY27 BUDGET | (OVER)/UNDER BUDGET | ACTUAL % OF BUDGET |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Tuition and Fees | | | | | | |
| Fall Tuition | $ 7,606,533 | $ 7,479,273 | 98% | $ 7,671,261 | $ 191,988 | 97% |
| Spring Tuition | (2,408) | (1,262) | 52% | 7,411,774 | 7,413,036 | 0% |
| Summer Tuition | 1,063,246 | 946,030 | 89% | 2,128,658 | 1,182,628 | 44% |
| Fees | 1,888,323 | 1,842,543 | 98% | 3,909,721 | 2,067,178 | 47% |
| Total Academic | 10,555,693 | 10,266,584 | 97% | 21,121,414 | 10,854,830 | 49% |
| Continuing Education | 795,074 | 953,741 | 120% | 1,872,000 | 918,259 | 51% |
| **Total Tuition and Fees** | **11,350,767** | **11,220,325** | **99%** | **22,993,414** | **11,773,089** | **49%** |
| State Aid | 8,660,834 | 8,982,312 | 104% | 26,654,494 | 17,672,182 | 34% |
| County Revenue | 13,127,726 | 13,877,726 | 106% | 28,866,798 | 14,989,072 | 48% |
| Investment Income | 328,855 | 293,756 | 89% | 1,200,000 | 906,244 | 24% |
| Miscellaneous Income | 38,826 | 80,238 | 207% | 200,000 | 119,762 | 40% |
| Contract Revenue | 324,730 | 211,090 | 65% | 1,125,200 | 914,110 | 19% |
| Indirect Cost Recovery | 25,250 | 25,250 | 100% | 350,000 | 324,750 | 7% |
| Strategic Reserves | 88,873 | 153,308 | 173% | 2,320,000 | 2,166,692 | 7% |
| **Total Revenue** | **$ 33,945,862** | **$ 34,844,006** | **103%** | **$ 83,709,906** | **$ 48,865,900** | **42%** |
| **Expenses and Transfers** | | | | | | |
| Instruction | | | | | | |
| Academic | $ 6,391,204 | $ 7,860,925 | 123% | $ 29,630,819 | 21,769,894 | 27% |
| Continuing Education | 991,974 | 1,085,703 | 109% | 4,935,366 | 3,849,663 | 22% |
| Total Instruction | 7,383,179 | 8,946,628 | 121% | 34,566,185 | 25,619,557 | 26% |
| Academic Support | 584,812 | 490,406 | 84% | 1,635,280 | 1,144,874 | 30% |
| Student Services | 2,810,216 | 3,477,889 | 124% | 12,664,957 | 9,187,068 | 27% |
| Plant Operation and Maintenance | 2,545,285 | 2,703,772 | 106% | 9,601,072 | 6,897,300 | 28% |
| Administration | 5,142,384 | 5,155,147 | 100% | 21,167,539 | 16,012,392 | 24% |
| Scholarships and Transfers | 2,746,898 | 3,671,641 | 134% | 4,074,873 | 403,232 | 90% |
| | | | | | | - |
| **Total Expenses and Transfers** | **$ 21,212,773** | **$ 24,445,484** | **115%** | **$ 83,709,906** | **$ 59,264,422** | **29%** |
| **Fund Balance** | **$ 12,733,089** | **$ 10,398,522** | **82%** | **$ -** | **$ (10,398,522)** | |

| | FY27 BUDGET | FY27 ACTUAL | FY27 ENCUMBRANCES | FY27 BUDGET BALANCE | (OVER)/UNDER BUDGET | ACTUAL % to BUDGET |
|---|---|---|---|---|---|---|
| **Use of Strategic Reserves** | | | | | | |
| SR - Strategic Planning & Future Proofing | $ 220,000 | $ 13,920 | $ 9,280 | $ 196,800 | $ 206,080 | 11% |
| SR - SPFP Public Safety | 265,000 | 62,510 | - | 202,490 | 202,490 | 0% |
| SR - SPFP Procurement | 200,000 | 38,000 | 162,000 | - | 162,000 | 0% |
| SR - Academic Program Initiatives | 380,000 | - | - | 380,000 | 380,000 | 0% |
| SR - Student Success & Completion | 230,240 | 1,092 | - | 229,148 | 229,148 | 0% |
| SR - Capital Projects | 289,760 | - | 289,760 | - | 289,760 | 0% |
| SR - Technology Projects - Data Warehouse | 735,000 | 37,786 | 163,813 | 533,401 | 697,214 | 27% |
| | $ 2,320,000 | $ 153,308 | $ 624,853 | $ 1,541,839 | $ 2,166,692 | 34% |

* 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 2027, this amounts to $13,510,724

# FREDERICK COMMUNITY COLLEGE
# BOOKSTORE
# FINANCIAL REPORT FOR THE PERIOD ENDING SEPTEMBER 30, 2026
# 25% OF THE YEAR EXPIRED

| | FY26 PYTD ACTUAL | FY27 YTD ACTUAL | ACTUALS TO ACTUALS VARIANCE | FY27 BUDGET | (OVER)/UNDER BUDGET | ACTUAL % OF BUDGET |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Books | $ 469,765 | $ 454,633 | 97% | $ 987,000 | $ 532,368 | 46% |
| Supplies | 73,858 | 71,456 | 97% | 211,000 | 139,544 | 34% |
| Clothing | 29,225 | 22,556 | 77% | 97,000 | 74,444 | 23% |
| Convenience | 16,925 | 16,822 | 99% | 95,000 | 78,178 | 18% |
| Gift | 9,048 | 7,267 | 80% | 47,000 | 39,733 | 15% |
| Non Merchandise | 639 | 42 | 7% | 3,000 | 2,958 | 1% |
| Commissions - Books/gifts | 2,083 | 1,493 | 72% | 9,000 | 7,507 | 17% |
| Dual Enrollment-Slingshot | 50,667 | 60,183 | 119% | 200,000 | 139,817 | 30% |
| College Subsidy | - | - | - | 75,000 | 75,000 | 0% |
| **Total Revenue** | **652,210** | **634,451** | **97%** | **1,724,000** | **1,089,549** | **37%** |
| **Cost of Goods Sold** | **308,726** | **290,244** | **94%** | **750,000** | **459,756** | **39%** |
| **Gross Profit** | **343,484** | **344,207** | **100%** | **974,000** | **629,793** | **35%** |
| **Operating Expenses** | | | | | | |
| **Compensation** | | | | | | |
| Admin/Support Staff Compensation | 55,444 | 56,199 | 101% | 264,000 | 207,801 | 21% |
| Auxiliary PT | 12,833 | 16,370 | 128% | 77,000 | 60,630 | 21% |
| Benefits | 28,060 | 24,842 | 89% | 94,000 | 69,158 | 26% |
| **Total Compensation** | **96,337** | **97,411** | **101%** | **435,000** | **337,589** | **22%** |
| Contracted Services | 7,203 | 8,100 | 112% | 55,000 | 46,900 | 15% |
| Advertising | - | - | - | 2,500 | 2,500 | 0% |
| Supplies | 2,603 | 270 | 10% | 7,000 | 6,730 | 4% |
| Digital Subscription | 95,046 | 107,329 | 113% | 230,000 | 122,671 | 47% |
| Shipping and Postage | 427 | 5,721 | 1339% | 1,000 | (4,721) | 572% |
| Telecommunications | - | - | - | - | - | - |
| Software | - | - | - | 20,000 | 20,000 | 0% |
| Travel/Professional Development | - | - | - | - | - | - |
| Dual Enrollment-Slingshot | 50,667 | 60,183 | 119% | 120,000 | 59,817 | 50% |
| Other Expenses | - | 72 | - | - | (72) | - |
| Deferred Maintenance | 625 | 625 | 100% | 2,500 | 1,875 | 25% |
| Depreciation | - | - | - | - | - | - |
| Equipment Under $5,000 | - | 116 | - | - | (116) | - |
| **Total Operating Expenses** | **252,908** | **279,827** | **111%** | **873,000** | **593,288** | **32%** |
| **Operating Profit (Loss)** | **$ 90,576** | **$ 64,379** | **71%** | **$ 101,000** | **$ 36,505** | **64%** |
| **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)** | **$ 65,326** | **$ 39,129** | **$ -** | **$ -** | **$ (39,245)** | **$ -** |
| **Gross Profit %** | **52.7%** | **54.3%** | | **56.5%** | | |
| **Operating Expense % Revenue** | **38.8%** | **44.1%** | | **50.6%** | | |
| **Net Income % Revenue** | **10.0%** | **6.2%** | | **0.0%** | | |

# FREDERICK COMMUNITY COLLEGE
## BALANCE SHEET - ALL FUNDS
## AS OF SEPTEMBER 30, 2026

| | PRIOR FYE | FY27 ACTUAL | CHANGE | % CHANGE |
|---|---|---|---|---|
| **Assets** | | | | |
| Current Assets | | | | |
| Cash | $ 1,797,240 | $ 16,211,610 | $ 14,414,370 | 802% |
| Investments | 43,418,702 | 35,036,506 | (8,382,196) | -19% |
| Total cash and investments | 45,215,942 | 51,248,116 | 6,032,174 | 13% |
| Accounts Receivable | | | | |
| Students, net of allowance | 471,536 | 1,149,698 | 678,162 | 144% |
| Governmental | 4,389,380 | 5,440,884 | 1,051,504 | 24% |
| Other | 608,565 | 2,145,722 | 1,537,157 | 253% |
| Total accounts receivable | 5,469,481 | 8,736,304 | 3,266,823 | 60% |
| Prepaid expenses | 655,969 | 39,804 | (616,165) | -94% |
| Inventory | 194,015 | 268,521 | 74,506 | 38% |
| Total Current Assets | 51,535,407 | 60,292,746 | 8,757,339 | 17% |
| Noncurrent Assets | | | | |
| Capital assets, net of accumulated depreciation | 95,323,864 | 95,008,718 | (315,146) | 0% |
| Total Noncurrent Assets | 95,323,864 | 95,008,718 | (315,146) | 0% |
| **Total Assets** | **$ 146,859,271** | **$ 155,301,464** | **$ 8,442,193** | **6%** |

| | PRIOR FYE | FY27 ACTUAL | CHANGE | % CHANGE |
|---|---|---|---|---|
| **Liabilities and Net Position** | | | | |
| **Liabilities** | | | | |
| Current Liabilities | | | | |
| Accrued salaries | $ 1,061,335 | $ 1,034,725 | $ (26,610) | -3% |
| Accounts payable | 3,636,692 | 325,581 | (3,311,111) | -91% |
| Accrued liabilities | 438,231 | 350,108 | (88,123) | -20% |
| Accrued leave | 2,469,274 | 2,469,273 | (1) | 0% |
| Bond payable | 360,000 | 360,000 | 0 | 0% |
| SBITA payable | 415,331 | 415,331 | - | 0% |
| Unearned revenue | 1,940,257 | 9,693 | (1,930,564) | -100% |
| Deposits held for others | - | 303,809 | 303,809 | - |
| Total Current Liabilities | 10,321,120 | 5,268,521 | (5,052,599) | -49% |
| Noncurrent Liabilities | | | | |
| Bond payable, net of discount | 3,690,459 | 3,690,459 | (0) | 0% |
| SBITA payable | 1,066,486 | 1,066,486 | 0 | 0% |
| Accrued leave | 29,541 | 29,541 | - | 0% |
| Total Noncurrent Liabilities | 4,786,486 | 4,786,486 | (0) | 0% |
| **Total Liabilities** | **15,107,606** | **10,055,007** | **(5,052,599)** | **-33%** |
| **Net Position** | | | | |
| Net Position Prior Year Balance (per audit) | 125,954,209 | 131,751,665 | 5,797,456 | 5% |
| Net Income (Loss) - All funds | 5,797,456 | 13,494,791 | 7,697,335 | 133% |
| **Total Net Position** | **131,751,665** | **145,246,456** | **13,494,791** | **10%** |
| **Total Liabilities and Net Position** | **$ 146,859,271** | **$ 155,301,464** | **$ 8,442,193** | **6%** |

Frederick Community College

**Enclosure 9**
**November 2026**

## IIAA FCC HR Onboarding and Offboarding Performance Audit

**Context:** The Frederick County Government Internal Audit Authority (IIAA) issued its final performance audit of the College's Human Resources onboarding and offboarding process and shared the report to the Board of Trustees on September 16, 2026. The report identified 19 recommendations concerning internal controls, documentation, consistency of procedures, and oversight across the employee life cycle. This informational update provides the Board with an overview of the College's approach to addressing the findings, including the development of a comprehensive corrective action plan and expectations for ongoing monitoring and accountability. No Board action is requested. This document is presented to the Board of Trustees by President Cheek, with preparation support provided by Dr. Bridgette N. Cofield, Vice President for Talent and Culture.

**Board Policy References:**

- EL-2 Treatment of Employees
- EL-9 Asset Protection

**Background:**

- The IIAA provides independent audit services to Frederick County Government, Frederick County Public Schools, and Frederick Community College. Its work supports institutional accountability, operational effectiveness, and the continuous improvement of administrative practices and internal controls.
- The College values its partnership with the IIAA, particularly the collaborative process through which areas for audit consideration are identified. This proactive approach provides an important opportunity to examine institutional practices, identify potential risks and weaknesses, and strengthen the effectiveness of our operations through independent assessment.
- The HR Onboarding and Offboarding Performance Audit, conducted by SC&H Group on behalf of the IIAA, examined processes and supporting data from July 2023 through December 2025. The audit identified five observations:

    1. **Access management and segregation of duties:** Controls are not formally defined or consistently documented.
    2. **Employee offboarding:** Processes lack standardized documentation and verification procedures.
    3. **Employee onboarding and transfers:** Controls, including training enforcement and documentation tracking, are inconsistently applied.
    4. **Records management and data integrity:** Controls within HR systems require strengthening.
    5. **Recruitment and hiring documentation:** Required records are incomplete or not consistently retained.

- Collectively, these findings point to the need for stronger process consistency, documentation, internal controls, and ongoing monitoring to ensure that established practices are being followed and are functioning as intended. They also provide an opportunity to examine how responsibilities, systems, and administrative practices intersect across departments and where improvements can strengthen overall institutional effectiveness.

**Management Response and Next Steps**

- The College acknowledges the findings and recommendations of the audit and has already launched a comprehensive internal review to determine the appropriate corrective actions, implementation priorities, and measures of effectiveness.
- Our approach will extend beyond the development or revision of policies, procedures, and administrative tools. While these are important steps, meaningful corrective action also requires that revised practices be consistently implemented, monitored, and evaluated to determine whether they are functioning as intended and adequately addressing any underlying weaknesses.
- Under the leadership of the Vice President for Talent and Culture, the College is developing a comprehensive corrective action plan that will guide implementation, establish accountability, and provide for ongoing assessment of the effectiveness of corrective actions.
- I anticipate returning to the Board in spring 2027 with an update on our progress, including the actions undertaken, the results of our monitoring and assessment efforts, and any areas requiring continued attention.
- The College appreciates the IIAA's partnership and the independent perspective these audits provide. We view this work as an important component of our responsibility to exercise sound institutional stewardship, strengthen internal controls, and continually improve the effectiveness of our operations.

**Attachment:** Human Resources Onboarding and Offboarding Performance Audit

Frederick Community College

# Frederick County Government

# Frederick Community College: Human Resources Onboarding and Offboarding

# Performance Audit

SEPTEMBER 16, 2026

REPORT: #25-07

sc&h

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# I. Executive Summary

SC&H Attest Services, P.C., a wholly owned affiliate of SC&H Group, Inc. (SC&H) was engaged by Frederick County Government (FCG, the County) Interagency Internal Audit Authority (IIAA) to conduct a performance audit (audit) of Frederick Community College's (FCC, the College) Human Resources Department (HRD) onboarding and offboarding processes (collectively, audit).

SC&H extends its appreciation to the FCC HRD, Talent Acquisition team, and other personnel from various divisions for their valuable assistance and partnership throughout the audit. Their collaboration was instrumental in supporting the audit process.

## What We Did

The audit reviewed FCC's HRD onboarding and offboarding processes. This included new hires, employee transfers, and employee terminations. The audit was performed in two phases: 1) planning, survey, and risk assessment phase, and 2) testing phase. Fieldwork objectives included the following:

1. Evaluate whether the HRD's onboarding activities, from job posting creation to new employee training, are performed in accordance with department policies and procedures.
2. Evaluate whether the HRD's transferring activities are performed in accordance with department policies and procedures.
3. Evaluate whether the HRD's offboarding activities are performed in accordance with department policies and procedures.
4. Evaluate the accuracy, completeness, and integrity of data maintained in HR systems supporting onboarding and offboarding processes.

## What We Found

FCC's HRD has established processes to support the employee lifecycle, including recruitment, onboarding, and offboarding activities. These processes help support hiring operations and coordination across departments.

The audit identified several areas where controls and documentation practices could be strengthened. Specifically, observations were noted in access management, onboarding and offboarding execution, documentation and data governance, and hiring process support. These were primarily related to inconsistent documentation, limited formalization of review processes, and reliance on manual or decentralized procedures. The audit identified five observations:

1. Access management and segregation of duties controls are not formally defined or consistently evidenced.
2. Offboarding processes lack standardized documentation and verification procedures.
3. Onboarding and transfer controls, including training enforcement and documentation tracking, are inconsistent.
4. Records management and data integrity controls within HR systems require strengthening.
5. Recruitment and hiring documentation is incomplete or not consistently retained.

## What We Recommend

The audit's observations include 19 recommendations focused on strengthening governance, documentation, and control execution across the employee lifecycle. These recommendations are summarized below by key theme aligned to the observations:

1. Establish and document formal access management controls, including periodic reviews, segregation of duties assessments, and evidence retention for access changes.

2. Develop and enforce standardized onboarding and offboarding procedures, including asset verification, access removal, and required documentation.
3. Strengthen onboarding and transfer processes through improved documentation requirements, training enforcement, and use of checklists or automated tracking.
4. Implement stronger records management and data governance controls, including role-based access, centralized recordkeeping, and data validation procedures.
5. Enhance recruitment and hiring documentation practices by standardizing required records and performing periodic quality assurance reviews.

# II. Performance Audit Summary

## Background

FCC's HRD is responsible for supporting the College's employee lifecycle, including recruitment, selection, onboarding, employee transfers, and offboarding. In addition to these functions, the HRD also performs other administrative and strategic human resources activities for the College. These processes help support compliance with organizational policies, maintain consistency in hiring practices, and provide a positive candidate experience.

As of August 2025, FCC had a total of 1,379 employees, of which 11 were within the HRD, responsible for supporting human resources activities across the College, including onboarding, transfers, and offboarding.[1]

From July 1, 2023, through December 8, 2025, the College had 209 new hires, 161 transfers, and 343 terminations.

### Onboarding and Offboarding Processes

#### Job Posting

The hiring process begins when a vacancy occurs due to resignation, retirement, or creation of a newly budgeted position.

For new or revised positions, the Hiring Manager prepares a job description outlining the role's duties, responsibilities, required qualifications, and supervisory expectations. The job description is submitted to the HRD for review and classification. The HRD applies a standardized Job Assessment Tool, which is used to evaluate the position based on predefined factors such as level responsibility, decision-making authority, complexity of work, leadership expectations, and working conditions.

The Job Assessment Tool assigns weighted values to each factor, which collectively inform the proposed job classification and grade. The HRD reviews the assessment results with the Hiring Manager to confirm that the position's duties and level are aligned with the assigned classification. Differences in interpretation may arise due to varying views on factors such as supervisory scope, autonomy, or technical complexity. When differences cannot be resolved through discussion, the Associate Vice President of Human Resources (AVP of HR) reviews the assessment and makes a final classification determination.

Once approved, the job description is stored in SharePoint (Microsoft online documentation management platform). Talent Acquisition then drafts the job posting, which includes essential duties, qualifications, and salary details. Salaries are based on the minimum grade plus 10%, with exceptions reviewed and approved by the AVP of HR. Exceptions may include positions requiring specialized expertise or market-based adjustments, which are reviewed and approved by the AVP of HR. The Hiring Manager completes a Requisition Information & Workforce Planning Form in PerfectForms, an electronic workflow system. The form captures position details, funding confirmation, and justification and routes electronically through multiple levels of approval, including the HR Manager, Area Vice President (Area AVP), Area Senior Leader, AVP of HR, and Talent Acquisition (a function within the HRD responsible for recruitment activities), prior to Talent Acquisition posting the job in PeopleAdmin. The form may be denied due to one or more of the levels of reviewing feeling like the job is unnecessary to be recruited for.

[1] FCC Faculty and Staff Directory: https://staffdirectory.frederick.edu/

PeopleAdmin is FCC's cloud-based recruitment platform that manages postings, applications, and candidate screening. Jobs posted in PeopleAdmin are automatically shared with major job boards (e.g., Higher Education Recruitment Consortium (HERC), Inside Higher Ed, Chronicle of Higher Education) and additional sites based on job type. All job postings are displayed on FCC's employment website, with select positions also distributed to external job sites through PeopleAdmin. Postings typically remain open for one week on FCC's employment website and two weeks on external job sites. If no qualified candidates apply, postings may be extended and shared to additional sites. Applications are submitted electronically through FCC's employment website, which routes applicant information into PeopleAdmin, FCC's recruitment platform. Applicants create a user profile, upload requirements (e.g., resume, cover letter), and complete position specific application questions. PeopleAdmin tracks application status throughout the recruitment process, including screening, committee review, interview selection, and final disposition.

## Search Committee Creation

While postings are active in PeopleAdmin, the Hiring Manager establishes a Search Committee typically consisting of three to five members with relevant subject-matter knowledge, supervisory experience, or cross-departmental representation. Committee members are required to complete Unconscious Bias Training and submit a participation questionnaire prior to reviewing applications. Unconscious Bias Training is mandatory for all Search Committee Members. Delivered online via SHIFT, an HR compliance e-learning platform, the training helps members identify and mitigate bias. The questionnaire is used to document the members who have completed the Unconscious Bias Training and their understanding of their responsibilities as a Search Committee member. The HRD receives automatic email notifications from SHIFT upon completion of the training by a Search Committee member. If a potential Committee member does not complete the training, they are unable to join the Committee.

Once the training and questionnaire are completed, the Search Committee, in coordination with the HRD, develops structured interview questions aligned to the position's minimum and preferred qualifications. The HRD reviews interview questions for consistency and compliance prior to use. If interview questions are not approved, the HRD sends feedback to the Search Committee via email, specifying the required revisions.

## Candidate Selection

Talent Acquisition screens applications in PeopleAdmin after the "best consideration date," which is the date by which applications should be received to receive initial review. This date is typically one week after posting for internal positions and two weeks for external positions and is established when the posting is created in PeopleAdmin. Postings may remain open beyond this date; however, applications received after the best consideration date are reviewed only if additional candidates are needed.

The HRD verifies applicant eligibility using qualifying questions completed in PeopleAdmin. Candidates meeting minimum qualifications are automatically advanced to "Committee Review" status within PeopleAdmin. For non-director positions, candidates are evaluated using the Application Notes and Review Form, while director-level positions are assessed using the Tier 2 Screening Rubric. These tools incorporate job specific qualifications and are used by the Search Committee to rank candidates as weak, moderate, or strong, with documented justification for each rating. Candidates that do not meet minimum qualifications receive automated disposition notices via PeopleAdmin.

Talent Acquisition compiles all completed Review forms into a comprehensive Review Results file. From this pool, the Search Committee identifies the most qualified candidates to move forward to the interview stage. The Committee Chair coordinates interview logistics by emailing HR with the selected candidates' names, proposed interview dates and times, and room information for scheduling.

## Interview and Selection

HR schedules interviews based on the Search Committee's availability. Interviews may be in-person or virtual. The first round of interviews typically includes the Search Committee, though the Hiring Manager may choose to attend. Second round interviews are optional and vary by department and candidate pool. The Hiring Manager may attend second round interviews if they choose. Second round interview questions are not reviewed by HR.

Search Committee members independently conduct interviews and complete interview evaluation forms stored on the Recruitment SharePoint site, and assign ratings based on standardized criteria aligned with the position's qualifications. Results are compiled and reviewed collectively. While the Search Committee provides an independent evaluation of candidates, the Hiring Manager retains final hiring authority to ensure alignment with operational needs, departmental priorities, and role-specific requirements. If concerns arise, the Hiring Manager discusses them with the committee to reassess candidates and confirm that the final selection is supported by documented evaluation results.

Once a candidate is selected, the Hiring Manager obtains reference checks from a current or former supervisor. Manager-level and above positions require three reference checks. Once reference checks are completed, the Hiring Manager prepares a Recommendation to Hire Package, which includes the following:

1. Interview forms
2. Rating summaries
3. Reference checks
4. Recommendation to Hire Form
5. Position details
6. Exemption status
7. Salary
8. Rationale for selection

The package is reviewed and approved by the Area Senior Leader and AVP of HR before the offer is extended.

## Job Offer

The Hiring Manager makes a verbal offer, followed by an Employment Contract and Offer Letter drafted by Talent Acquisition and approved by the AVP of HR. The Employment Contract documents the formal terms and conditions of employment, including position title, classification, salary, job status, work schedule, and applicable policies. The Offer Letter formally communicates the employment offer and summarizes compensation, benefits, start date, and employment conditions.

After acceptance, Talent Acquisition sends a Welcome Email with the contract, offer letter, and new hire requirements. Background checks are conducted by the HRD through Employer's Choice Screening, a background screening and employer background check company, and the HRD is automatically notified upon completion. If a background check identifies potentially adverse information, Talent Acquisition evaluates whether the finding is disqualifying based on job requirements. Candidates with non-disqualifying findings are issued an Adverse Action Notice and provided an opportunity to respond before a final hiring determination is made. Talent Acquisition sends a clearance email to the Hiring Manager stating the candidate has completed all hiring requirements and is clear to start. Talent Acquisition also sends an internal clearance email to relevant departments to alert them of a new hire. All related communications are documented and retained.

## Onboarding

New hires complete required paperwork (e.g., I-9, tax forms, direct deposit) and the HRD enters data into PeopleSoft. Upon entry of the new hire's information into PeopleSoft, the system automatically generates an employee ID, phone number, and email address. The HRD then manually distributes a New Hire Email to the Information Technology Department (IT), Security Department (Security), and other relevant departments to initiate system access, badge creation, and resource provisioning. The New Hire Email contains the following:

1. Employee name
2. Employee ID
3. Department
4. Supervisor
5. Start date
6. Account code
7. Work eligibility

Hiring Managers submit IT access and equipment requests in advance. Hardware is issued on the new hire's first day. Employee badges are issued when the new hire visits the Public Safety Office and requests a badge. This may occur on the employee's first day, but more commonly occurs afterward.

Orientation is conducted monthly and includes sessions led by HRD, IT, Public Safety, and other departments. New hires must complete Title IX (sexual misconduct prevention), IT, and department-specific training. The HRD sends training links through email and receives completion notifications. If the new hire does not complete the mandatory trainings, the employees receive notification reminders. If training remains incomplete after the reminders are sent, the employee's manager receives notifications from HR. All onboarding documentation is scanned into Perceptive Content, FCC's electronic record system, retained for three years post separation and destroyed thereafter.

## Transfers

Internal transfers follow onboarding procedures similar to new hires, except background checks are not required. HR updates position details, compensation, and reporting relationships in PeopleSoft and issues a revised employee contract reflecting the new role. A Transfer Email is sent to IT and other impacted departments to update system access, physical access through badging or other needs. Payroll reviews the transfer to confirm accurate pay, grade, and business unit assignments. Supporting documentation is retained in the employee's Perceptive Content file.

## Offboarding

For resignations or retirements, employees email a Resignation Letter to their supervisor and the College President. Upon receipt, the employee's supervisor notifies the HRD to initiate offboarding procedures. The HRD communicates employee separations across the College by issuing an End of Employment Email to IT, Security, Payroll, and other impacted departments. These notifications include key employee information, such as name, department, and separation date, to facilitate system access removal, asset recovery, and payroll processing.

Organizational assets (e.g., badges, keys, laptops) are collected during the exit meeting or returned directly to the employee's manager or supervisor. Exit meetings are conducted by the AVP of HR and may be held in person or virtually, depending on the circumstances and participants' availability.

In the event of involuntary terminations, access revocation and asset collection occur immediately. IT retains recovered equipment for potential departmental reuse. For remote employees, access removal and equipment return are coordinated separately.

The Sr. Benefits and Leave Specialist provides a Benefits Separation Packet outlining applicable benefits and post-employment options, including information related to the Consolidated Omnibus Budget Reconciliation Act (COBRA), Employee Assistance Program (EAP), MetLife insurance[2], retirement plans, and other voluntary benefits. Distribution of this packet may occur in person or through email, depending on timing and individual circumstances. The HRIS and Compensation Specialist is responsible for processing the employee's termination in PeopleSoft and the Sr. Benefits and Leave Specialist is responsible for processing the employee's termination in applicable vendor portals.

A Separation from Employment Form, maintained on the HR Forms SharePoint site, is issued to the supervisor to document asset collection and support final processing. The form includes the following information:

1. Employee name and ID
2. Position
3. Supervisor name, email, and department
4. Separation date
5. Last day worked
6. Inventory of assets issued and returned

While the form is intended to capture asset return and separation details, completion of the form is not currently required, and there is no formal review or verification performed by the HRD.

## Objectives

The following objectives for the testing phase were developed based upon the understanding gained during the planning phase and approved by the Director- Internal Audit Division.

1. Evaluate whether the HRD's onboarding activities, from job posting creation to new employee training, are performed in accordance with department policies and procedures.
2. Evaluate whether the HRD's transferring activities are performed in accordance with department policies and procedures.
3. Evaluate whether the HRD's offboarding activities are performed in accordance with department policies and procedures.
4. Evaluate the accuracy, completeness, and integrity of data maintained in HR systems supporting onboarding and offboarding processes.

## Scope

The audit was initiated in July 2025 and focused on onboarding and offboarding processes conducted within FCC.

1. The period in scope included onboarding and offboarding policies, procedures, and data July 1, 2023, through December 8, 2025.
2. Onboarding and offboarding processes as outlined in the planning stages.
3. Departments: HRD, IT, and Public Safety

[2] As of 7/1/26, FCC has contracted with a new life insurance vendor, The Hartford. MetLife was the life insurance vendor utilized by FCC during the period under review.

## Methodology and Approach

SC&H conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions.

In order to obtain the necessary documentation to appropriately perform and conclude upon the objectives of this audit, SC&H conducted the following procedures.

### Creation and Execution of Audit Program

Based on procedures performed during the planning, survey, and risk assessment phase, SC&H developed an audit program to achieve the objectives, which was reviewed and approved by the Director- Internal Audit Division prior to implementation. The approved program was then used as a guide throughout the audit process to achieve the objectives.

The following provides a high-level summary of procedures performed for each audit objective:

1. Selected a sample of new hires, transfers, and terminations and reviewed them to:
    a. Verify the completeness and timeliness of approval for job postings, transfers, and terminations, including required documentation and signatures.
    b. Assess whether onboarding, transfer, and offboarding activities were performed in accordance with documented policies and procedures.
    c. Evaluate the accuracy, completeness, and integrity of employee records and supporting documentation across HR systems.
    d. Confirm proper execution of background checks, training, orientation, and system access changes for new hires and transfers.
    e. Confirm timely removal of system access, asset collection, and delivery of benefits separation packets for offboarded employees.
2. Performed data analytics utilizing HR system data to identify gaps, trends, and inconsistencies in onboarding and offboarding processes.

## Summary of Work

The audit identified both strengths in FCC's HRD operations and opportunities to mitigate risks and enhance control design, documentation, and consistency across onboarding and offboarding processes.

### Commendations

1. FCC's HRD has established defined processes supporting the employee lifecycle, including recruitment, onboarding, transfers, and offboarding, with coordination across the HRD, IT, and other departments.
2. HR systems such as PeopleAdmin, PeopleSoft, and Perceptive Content are utilized to support recruitment, onboarding, and employee record management processes.

### Findings

1. Formal access management controls, including user access reviews and segregation of duties assessments, are not consistently documented or performed.
2. Offboarding processes lack standardized procedures for asset collection, termination documentation, and access removal verification.

3. Onboarding and transfer processes do not consistently enforce training requirements or maintain complete and timely documentation.
4. Records management and data governance practices require enhancement to improve data integrity, auditability, and retention of HR documentation.
5. Recruitment and hiring processes lack complete and consistent documentation to support hiring decisions and demonstrate compliance.

The following section provides detailed findings and recommendations to help mitigate associated risks.

We would like to thank the management and staff of the HRD, as well as personnel from other departments, for their valuable support and collaboration throughout this audit. Should you have any questions or require further clarification regarding the contents of this report, please feel free to reach out.

SC&H Attest Services, P.C.
Hunt Valley, Maryland
September 16, 2026

# III. Observations and Recommendations

## Observation 1

Access management controls, including user access reviews, segregation of duties, and documentation of access changes, are not formally defined or consistently performed across HR systems.

### Detail

During the audit, HR system access and security controls were evaluated to assess whether access to systems and data is appropriately restricted, monitored, and periodically reviewed. Based on this evaluation, the following was identified:

1. Although the Compensation & HRIS Specialist and IT monitor employee access termination, there is no documented evidence of these reviews or actions taken.
2. There are currently no formal HR policies or procedures to verify appropriate segregation of duties within HRD systems, including PeopleAdmin and PeopleSoft. Access is assigned based on employee role, but segregation of duties is not periodically assessed to identify or mitigate incompatible access combinations. For example, a user with the ability to both initiate and approve employee status changes (e.g., hire, transfer, or termination) could process changes without independent review.
3. HRD does not have a comprehensive, documented process to periodically review user access and role assignments for HR systems supporting onboarding and offboarding processes, including PeopleSoft and PeopleAdmin. While FCC IT performs annual user access and role assignment reviews for PeopleSoft Financials and Campus users, these reviews do not extend to HR system roles. HR access reviews are performed on an ad-hoc basis (e.g., when access must be deactivated), and IT performs annual checks to confirm that terminated employees are locked in Active Directory. However, periodic validation of HR user role appropriateness is not formally performed or documented.
4. PeopleSoft does not support system-enforced initiation and approval workflows for employee terminations. Users with job data access can directly change an employee's status from Active to Terminated, and there is no "pending" or approval state within the system. As a result, segregation of initiation and approval cannot be enforced through PeopleSoft configuration and is instead addressed through HR business processes outside the system. For example, when HR is notified that an employee's job status should be changed to terminated (e.g., email notification), a HR manager should review the request and approve, then notify a person in HR with the ability to change an employee's job status to terminated. Accordingly, segregation of initiation and approval for terminations is not system-enforced and is instead dependent on manual HR business processes.

### Risks

1. The absence of documented access reviews and segregation of duties controls limits management's ability to identify and mitigate inappropriate access, increasing the risk of unauthorized system activity and access to sensitive employee information.
2. Lack of a formal and documented access governance framework reduces accountability and auditability, limiting FCC's ability to demonstrate compliance with internal control expectations and data protection requirements.
3. Inadequate oversight of user access could result in excessive, outdated, or inappropriate access persisting over time, increasing the risk of data misuse and security incidents.

4. The absence of segregation of duties controls increases the risk that unauthorized or fictious employee records could be created and processed without independent review.

## Recommendation 1.1

FCC HR should consider, in coordination with FCC IT, implementing a documented process to evidence access termination reviews, such as tracking logs, confirmation reports, or retention of supporting system outputs.

Documenting these activities will help improve transparency, demonstrate compliance, and support future auditing and monitoring efforts.

## Management Action Plan

In response to Recommendation 1.1, FCC currently conducts a payroll cycle review whereby Payroll generates a report identifying all employee hires and separations processed during the pay period. This report is distributed to Human Resources and Information Technology for verification of employee status changes and completion of required access termination activities. To strengthen this control, HR, Payroll, and IT will develop a standardized access termination verification process that includes:

- A documented checklist identifying required offboarding actions.
- Retention of access termination reports and supporting documentation.
- Designation of responsible reviewers within HR and IT.
- Monthly reconciliation of separated employees against terminated system accounts.
- Documentation and resolution of exceptions identified during the review process.

Results of these reviews will be retained by HR as evidence of control execution and reviewed annually for effectiveness.

## Implementation Date

October 2027

## Recommendation 1.2

FCC should consider, in coordination with FCC IT, establishing and documenting a formal segregation of duties review process for HRD systems. This process should include periodic assessment of access roles, identification of incompatible duties, and documentation of mitigating controls or corrective actions where conflicts exist.

Examples of incompatible duties that should be evaluated include the ability to:

1. Initiate and approve employee status changes (e.g., hires, transfers, terminations)
2. Input and approve payroll-related changes
3. Create employee records and assign system access

Establishing these controls will help reduce the risk of unauthorized transactions or inappropriate system activity.

## Management Action Plan

In response to recommendation 1.2 – We acknowledge the importance of maintaining appropriate segregation of duties to reduce risk and strengthen internal controls. While a segregation of duties process

is currently in place, HR, in coordination with IT, will formally document role-based responsibilities and access permissions to ensure expectations and control requirements are clearly defined.

In addition, HR will incorporate a review of segregation of duties whenever a job change, transfer, promotion or reassignment occurs to ensure access privileges remain appropriate based on job responsibilities. As part of this effort, we will also evaluate and establish a formal annual review process for user access roles to verify that access permissions remain aligned with job responsibilities and identify any incompatible duties and make any necessary corrective actions where conflicts exist.

In partnership with Information Technology, will formalize and document a comprehensive HR systems access governance process. Specific actions include:

- Documenting role based access requirements for PeopleSoft, PeopleAdmin, Perceptive Content, and other HR systems.
- Creating a Segregation of Duties Matrix identifying incompatible access combinations.
- Conducting access reviews whenever an employee is hired, promoted, transferred, or reassigned.
- Implementing and documenting an annual user access certification process.
- Establishing corrective action procedures for identified access conflicts.
- Retaining review documentation and management approvals.

HR and IT will jointly review findings annually and develop remediation plans for identified risks.

### Implementation Date

October 2027

### Recommendation 1.3

FCC HR should consider establishing and documenting a formal user access review process for HRD systems, including PeopleSoft and PeopleAdmin. This process should define the frequency of reviews (e.g., annually, biannually, etc.), identify responsible parties, and require documented review of current HR user access listings to confirm access remains appropriate based on job responsibilities.

Reviews should be documented and retained as evidence, including confirmation of completion, identified access changes, and management approval of final results. Establishing a consistent review process will help strengthen oversight of HR system access, improve accountability, and reduce the risk of unauthorized or inappropriate access to employee data.

### Management Action Plan

In response to recommendation 1.3, please refer to recommendation 1.2.

### Implementation Date

October 2027

## Observation 2

Offboarding processes lack standardized procedures and documentation to verify asset return, system access removal, and completion of termination activities.

### Detail

During the audit, FCC's offboarding processes were reviewed to determine whether employee separations are consistently executed, documented, and communicated to promote timely removal of access and return of organizational assets. Based on this evaluation, the following was identified:

1. The HRD does not have a formal process to independently verify the collection and return of FCC assets during employee offboarding. While supervisors sometimes complete and submit a Separation From Employment form identifying assigned assets, per inquiry with FCC, this form is not required and there is no documented confirmation process to confirm assets were returned. As a result, the HRD relies on supervisor attestation without evidence of completion.
2. Part-time Variable Schedule (PTVS) employees do not have formal termination documentation, and HR relies on supervisor notification to update employee records. According to inquiry with the Compensation and HRIS Specialist, there are instances where PTVS employees leave mid-year and HR is not informed, resulting in incomplete termination documentation, inaccurate HR records, and delays in system access removal.
5. For 12 of 25 samples, FCC did not provide evidence to confirm the HRIS and Compensation Specialist sent an End of Employment email to IT and other relevant departments.
3. For 1 of 25 samples, FCC did not provide evidence to confirm the IT Department removed the employee's access to all applicable systems.
4. For 1 of 25 samples, the employee's access was not removed upon termination. The employee's termination date was 6/29/2024, however, as of 4/13/2026, the employee's system access was still active.
5. For 25 of 25 samples, FCC did not provide evidence to confirm that a Separation From Employment Form was completed and signed by HR.
6. For 25 of 25 samples, FCC did not provide evidence confirming that the Employee's Manager/Supervisor collected the employee's assets.

### Risks

1. The absence of formal verification procedures for offboarding activities, including asset return and access removal, increases the risk of unreturned assets, continued system access, and unauthorized use of FCC resources.
2. Inconsistent termination documentation and reliance on informal communication processes increase the risk of incomplete or inaccurate HR records, delayed access removal, and improper payroll or benefit activity.
3. Lack of standardized offboarding controls limits management's ability to demonstrate that employees are fully separated from FCC systems and resources, increasing exposure to data security, operational, and compliance risks.

### Recommendation 2.1

FCC HR should consider establishing a formal asset verification process during offboarding, including required documentation confirming asset return and review by HR.

This should include implementing a standardized employee asset checklist that is initiated at onboarding and maintained throughout the employee's time at FCC to track assigned equipment. This checklist should be used during offboarding to verify completeness of asset return.

This process should clearly define responsibilities, required evidence, and retention expectations to help improve accountability and reduce the risk of unreturned assets or continued access.

### Management Action Plan

In response to Recommendation 2.1, Human Resources will partner with Information Technology, Public Safety, and department leadership to implement a formal asset management and verification process. Specific follow up actions include:

- Developing a standardized asset inventory and return checklist for all employees.
- Establishing an official process owner responsible for monitoring compliance.
- Requiring completion of the checklist as part of the separation process.
- Requiring manager certification that all assigned assets have been returned or appropriately documented.
- Tracking outstanding assets and escalating unresolved items.
- Maintaining documentation within the employee separation record.

Additionally, HR and IT will evaluate workflow automation opportunities to support asset tracking, communication, and reporting.

### Implementation Date

October 2027

### Recommendation 2.2

FCC HR should consider establishing standardized termination documentation requirements for all employee types, including PTVS positions. Implementing uniform notification and documentation procedures will help improve accuracy of HR records, support timely access removal, and reduce reliance on informal communications.

### Management Action Plan

In response to Recommendation 2.2, HR will establish standardized separation procedures applicable to all employee classifications, including PTVS employees. Actions will include:

- Development of standardized separation documentation requirements.
- Creation of supervisor notification procedures and timelines.
- Mandatory supervisor training regarding separation responsibilities.
- Implementation of a tracking mechanism to ensure all separation activities are completed.
- Periodic audits of employee records to identify unreported separations.

Compliance results will be reviewed quarterly and corrective actions implemented as necessary.

### Implementation Date

October 2027

## Recommendation 2.3

FCC HR should consider, in coordination with FCC IT and supervisors, formalizing and documenting offboarding requirements, including:

1. Required notifications
2. Access removal confirmation
3. Asset verification

Implementing standardized offboarding checklists and retaining supporting evidence would help improve accountability and reduce offboarding related risks.

## Management Action Plan

In response to recommendation 2.3 - The current process requires the HRIS and Compensation Specialist to send an end-of-employment notification email to IT and other relevant departments on a weekly basis to support the employee separation process and facilitate timely access removal.

To strengthen this process, HR met with key stakeholders in January, including the AVP of HR, the HRIS and Compensation Specialist, the Telecomm/Network Administrator and the Chief Information Security Officer/Associate CIO Technology Infrastructure, to review the existing procedures and address identified gaps. As a result of these discussions, the process was clarified, and corrective actions were implemented to ensure appropriate communication and notification processes are consistently followed. An updated standard operating procedure document was developed (dated August 2026), which addresses the notification process and access removal. We are still working on fully implementing the notification process, especially as it relates to IT and Security. Asset verification will coincide with our response to recommendation 2.1.

## Implementation Date

October 2027

## Observation 3

Onboarding and transfer processes do not consistently enforce training requirements or maintain complete and timely documentation.

### Detail

During the audit, onboarding and transfer processes were evaluated to determine whether employees are properly onboarded, trained, and provisioned with system access in accordance with FCC policies and procedures. Based on this evaluation, the following was identified:

1. Employees are permitted to begin work and obtain access to FCC buildings and systems without completing required training within an expected timeframe (e.g., within the first one to two weeks of employment). There are no interim disciplinary actions or access restrictions for incomplete training, and consequences for noncompliance are only applied at fiscal year-end through potential impacts on contract renewal.

**New Hires**

2. For 22 of 22 samples, per inquiry with FCC, the completion date for New Hire Paperwork is not tracked, thus, SC&H could not verify the candidate completed all forms within the New Hire Paperwork- Checklist at least one week prior to the proposed start date.
3. For 18 of 22 samples, FCC did not provide evidence that HR provided the Hiring Manager with the Employee ID number, confirmation of background clearance, and IT Setup Instructions.
4. For 18 of 22 samples, FCC did not provide evidence that HR sent a New Hire Email Notification to all applicable parties.
5. For 12 of 22 samples, FCC did not provide evidence confirming the employee's attendance at New Employee Orientation.
6. For 3 of 22 samples, FCC did not provide evidence that the new employee received hardware.
7. For 22 of 22 samples, FCC did not provide evidence that HR received a notification(s) indicating the new employee completed all required new hire training.

**Employee Transfers**

8. For 10 of 16 samples, FCC did not provide evidence that the Hiring Manager sent a Transfer Email to all applicable parties.
9. For 1 of 16 samples, FCC did not provide evidence of completed and approved transfer paperwork.

### Risks

1. The absence of enforced training requirements and interim controls increases the risk that employees perform job duties or access FCC systems without completing required compliance training, potentially resulting in noncompliance with regulatory and institutional requirements.
2. Incomplete onboarding and transfer documentation limits management visibility into employee readiness and onboarding completeness, increasing the risk of operational inefficiencies and inconsistent employee experiences.
3. Limited documentation and communication of transfer activities increase the risk of inaccurate employee records, inappropriate system access, and misalignment between employee roles and assigned permissions.

## Recommendation 3.1

FCC HR should consider evaluating opportunities to strengthen enforcement of required onboarding training by implementing interim controls, such as conditional system access, temporary restrictions, or documented escalation procedures when training is not completed within defined timeframes.

## Management Action Plan

In response to Recommendations 3.1 and 3.2, Human Resources will implement a formal training compliance program to improve monitoring, accountability, and enforcement of required employee training.

Specific actions include:

- Establishing required completion deadlines for new hire training.
- Developing automated reminders and escalation notifications.
- Requiring supervisors to review and address outstanding training deficiencies.
- Creating monthly compliance reports for leadership review.
- Documenting enforcement procedures for overdue training.
- Evaluating training completion metrics and trends annually.

These enhancements will improve compliance monitoring and ensure employees complete required training within established timeframes.

## Implementation Date

October 2027

## Recommendation 3.2

FCC HR should consider documenting expected enforcement actions and monitoring responsibilities to help promote timely completion and consistent application of training requirements.

## Management Action Plan

In response to recommendation 3.2 - We will incorporate the actions outlined in recommendation 3.1 to strengthen the onboarding and training process. HR will review and evaluate the current process and will work to implement a process to ensure all employees complete the required training by established deadlines.

This review will include coordination with relevant stakeholders to ensure training assignments, tracking, and completion monitoring are consistently applied across all employee groups.

These enhancements will improve compliance with training requirements, promote timely completion of required training, and ensure employees receive essential information and resources early in their employment.

## Implementation Date

October 2027

## Recommendation 3.3

FCC HR should consider standardizing onboarding documentation requirements and clarifying expectations for tracking and retaining evidence of onboarding activities.

## Management Action Plan

In response to recommendation 3.3 - HR has already established standardized onboarding documentation and new paperwork requirements for all employees. In addition, HR utilizes an onboarding tracker to monitor the completion of required onboarding activities and documentation.

As part of the onboarding process, the tracker can be used to document and monitor the date a new employee reports to HR to complete new hire paperwork. We will continue to leverage this tool to ensure onboarding requirements are completed in a timely and consistent manner and will evaluate opportunities to enhance tracking and monitoring capabilities as needed.

## Implementation Date

The updated formalized standard operating procedure took effect in August 2026, and the tracker was placed in service the summer of 2026.

## Recommendation 3.4

FCC HR should consider evaluating opportunities to automate tracking or implementing checklists to help improve consistency and assurance that onboarding requirements are completed and documented in a timely manner.

## Management Action Plan

Please refer to recommendation 3.3

## Implementation Date

The updated formalized standard operating procedure took effect in August 2026, and the tracker was placed in service the summer of 2026.

## Recommendation 3.5

FCC HR should consider reinforcing transfer documentation requirements and ensuring all required forms, approvals, and notifications are completed and retained.

HR may consider implementing a standardized transfer checklist to improve consistency and reduce the risk of omitted steps.

## Management Action Plan

In response to Recommendation 3.5, HR will strengthen transfer processing controls through the implementation of a standardized transfer checklist and documentation review process.

Actions include:

- Reviewing and updating transfer procedures.
- Establishing required approvals and documentation standards.

- Implementing a transfer checklist that includes notification requirements and system access updates.
- Conducting periodic quality assurance reviews of transfer transactions.
- Maintaining documentation in accordance with records retention requirements.

### Implementation Date

October 2027

## Observation 4

Records management practices, including document retention, access permissions, and audit trails within HR systems, are not consistently enforced.

### Detail

During the audit, HR record management practices and system controls were assessed to evaluate whether employee records are appropriately maintained, protected, and retained in accordance with data governance expectations. Based on this evaluation, the following was identified:

1. All Human Resources Department personnel have the ability to delete documents within Perceptive Content without role-based restrictions, including sensitive employee records.
2. Document deletion within Perceptive Content does not require prior approval or secondary review, including for sensitive employee records. In addition, the system does not retain documentation of the reason for deletion or the individual authorizing it.
3. HR documentation, including employee records, was maintained by the previous Manager of Talent Acquisition within their FCC email account rather than in a centralized, department-approved repository. As a result, HR was unable to locate or retrieve required documentation in response to audit requests, indicating that HR records were not consistently stored, retained, or accessible.

**Data Accuracy, Completeness, and Integrity**

4. For 3 of 22 new hire samples, per inspection, the employee's data was not consistent across all HR systems and documentation. The commencement date reflected on the contract was inconsistent with the effective date documented in PeopleSoft.
5. For 1 of 22 new hire samples, FCC did not provide evidence of the employee's HR contract, thus, verification of data consistency between PeopleSoft and the executed employee contract could not be completed.
6. For 2 of 25 terminated employee samples, the employee's data was not consistent across all HR systems and documentation. The termination date recorded in PeopleSoft did not match the date listed on the Separation from Employment Form/LTE HR Meeting Summary.

### Risks

1. Unrestricted document deletion capabilities and lack of oversight increase the risk of unauthorized or inappropriate removal of sensitive employee records, resulting in potential loss of critical information and reduced auditability.
2. The absence of formal controls over document retention, storage, and deletion limits FCC's ability to demonstrate compliance with records management requirements and could impair responses to legal, regulatory, or audit requests.
3. Maintaining records outside approved systems and inconsistent data across HR systems increase the risk of incomplete, inaccurate, or unreliable employee information, which could impact payroll accuracy, reporting, and decision-making.

### Recommendation 4.1

FCC HR should consider, in coordination with FCC IT, evaluating role-based access within Perceptive Content and restrict document deletion capabilities to designated personnel with defined responsibilities.

Access configurations should align with records retention requirements and help support appropriate segregation of duties to reduce the risk of unauthorized or unintentional deletion of employee records.

## Management Action Plan

In response to Recommendations 4.1 and 4.2, Human Resources will collaborate with the Enterprise Applications Analyst/Programmer and Information Technology to strengthen governance over employee records maintained in Perceptive Content.

Specific actions include:

- Reviewing system permissions by role.
- Limiting document deletion capabilities to designated personnel.
- Establishing documented approval requirements for record deletions.
- Implementing an annual access certification process.
- Evaluating available audit trail functionality.
- Developing exception reporting and monitoring procedures.
- Retaining evidence of all access reviews and permission changes.

## Implementation Date

October 2027

## Recommendation 4.2

FCC HR should consider implementing formal controls over document deletion within Perceptive Content, such as required approvals, system-recorded justifications, or periodic monitoring reports. These measures would help improve auditability, reinforce accountability, and strengthen governance over sensitive personnel records.

## Management Action Plan

In response to Recommendation 4.2 - please see action plan for Recommendation 4.1

## Implementation Date

October 2027

## Recommendation 4.3

FCC HR should consider establishing and enforcing clear requirements specifying that all employee related records be maintained only within approved, centralized HR systems or repositories (e.g., PeopleSoft, Perceptive Content, or designated SharePoint locations), and not within individual employee email accounts.

HR should communicate these requirements to staff and monitor compliance to help ensure records are consistently stored, retained, and protected in accordance with FCC policies and applicable records retention requirements.

Implementing this requirement will help improve the ability to timely retrieve HR records, support audit and legal response efforts, and reduce the risk of information loss or inconsistent documentation practices.

## Management Action Plan

In response to recommendation 4.3 – Steps have been taken to strengthen the retention and accessibility of recruitment records. A new filing system has been established with the HR SharePoint site to centrally store recruitment documentation, reducing reliance on email as a repository for records.

Additionally, HR has implemented a requisition numbering system to improve record organization and retrieval. This standardized approach enables Talent Acquisition staff to more efficiently locate and access recruitment records while supporting consistency, record retention, and compliance.

We consider these recommendations implemented and will continue to monitor the process to ensure recruitment records are maintained in a complete, organized, and accessible manner.

## Implementation Date

The updated formalized standard operating procedure took effect in September 2026.

## Recommendation 4.4

FCC HR should consider evaluating opportunities to strengthen data governance practices, including:

1. Validation of key employee data across systems
2. Documentation of authoritative sources for employee information

HR should address gaps in contract retention to help ensure personnel records are complete and reliable.

## Management Action Plan

In response to Recommendation 4.4, Human Resources will implement a formal data governance and validation process to improve data accuracy, consistency, and record retention.

Specific actions include:

- Identifying authoritative systems of record.
- Establishing periodic reconciliation reviews between systems.
- Creating data validation procedures for critical employee data fields.
- Implementing contract retention review procedures.
- Documenting ownership and accountability for employee data maintenance.
- Reporting identified discrepancies and corrective actions to HR leadership.

## Implementation Date

October 2027

## Observation 5

Recruitment and hiring documentation is not complete or consistently retained.

### Detail

During the audit, recruitment and hiring processes were reviewed to assess whether candidate evaluation, selection, and approval activities are consistently documented and performed in accordance with established procedures. Based on this evaluation, the following was identified:

**Job Posting**

1. For 1 of 22 samples, according to the FY26 Hiring Process Guidelines, HR works with the Hiring Manager to determine the location and duration that each job posting should remain active. FCC did not provide evidence of the agreed-upon posting location and duration for the job posting. As a result, SC&H could not verify that the job was posted for the duration agreed upon by the Hiring Manager and HR.

   Per FCC, this evidence would have been an email or call between the Hiring Manager and previous Manager of Talent Acquisition.

2. For 22 of 22 samples, per inquiry with FCC, the Requisition Information & Approval / Workforce Planning form was implemented on August 11, 2025, and was therefore not applicable to job postings initiated prior to that date. For job postings tested that were posted prior to implementation of the form, FCC indicated that supporting approval documentation is not available, as approvals would have been sent to the former Manager of Talent Acquisition. As a result, evidence was not provided to support requisition approvals for job postings made prior to August 11, 2025.

**Search Committee**

3. For 22 of 22 samples, FCC did not provide a listing of employees who served on the Search Committee. As a result, SC&H was unable to test whether committee members completed the required Unconscious Bias training and Search Committee Participation Questionnaire.
4. For 7 of 22 samples, FCC did not provide evidence of the interview questions, therefore, verification could not be performed to test whether the questions included a diversity-related item and whether they were approved by Talent Acquisition.
5. For 22 of 22 samples, FCC did not provide evidence to verify that Talent Acquisition completed initial screening for minimum qualifications prior to forwarding applicants to the Search Committee. While inquiry with the Talent Acquisition Lead indicated that initial screening is expected to occur before screening rubrics are provided to the Search Committee, this process is not system enforced and screening rubrics are maintained as standalone templates on the Recruitment SharePoint site. As a result, FCC could not demonstrate that initial screening occurred prior to Search Committee review.
6. For 5 of 22 samples, FCC did not provide the Review Results file, therefore, verification that Talent Acquisition completed the required review documentation for candidate applications could not be performed.
7. For 6 of 8 Below-Director Level - Non-Faculty samples, 2 of 3 Director Level and Above - Non-Faculty samples, and 1 of 1 Faculty sample, FCC did not provide evidence that the Search Committee completed the required Interview Rating Summary and/or Interview Evaluation Form for the first interview.

**Interview and Selection**

8. For 4 of 8 PTVS- variable schedules- Non-Faculty samples, and 2 of 2 Coaching/Auxiliary samples, FCC did not provide evidence of completion of at least one reference check, as required for PTVS/Auxiliary/Coaching positions.
9. For 1 of 3 Director Level and Above - Non-Faculty samples, and 1 of 1 Faculty sample, FCC did not provide evidence of completion of three reference checks, with at least one being a past or current supervisor, as required for Faculty and Director-Level and Above positions.
10. For 8 of 8 PTVS - variable schedules - Non-Faculty samples, 6 of 8 Below-Director Level - Non-Faculty samples, 2 of 3 Director Level and Above - Non-Faculty samples, 1 of 1 Faculty sample, and 2 of 2 Coaching/Auxiliary - Non-Faculty samples, FCC did not provide evidence of all required Recommendation to Hire documentation.
11. For 4 of 8 PTVS - variable schedules - Non-Faculty samples, and 2 of 2 Coaching/Auxiliary - Non-Faculty samples, FCC did not provide evidence that HR issued the final approval to the Supervisor.
12. For 1 of 8 PTVS - variable schedules - Non-Faculty samples, the Personnel Recommendation to Hire form is missing the required Supervisor approval.
13. For 3 of 8 Below-Director Level - Non-Faculty samples, FCC did not provide evidence of completion of at least one reference check, which must be a past or current supervisor, as required for Non-Faculty and Below Director-Level positions.

## Risks

1. Incomplete or inconsistently retained recruitment and hiring documentation limits management's ability to demonstrate that hiring decisions were properly reviewed, supported, and compliant with established procedures.
2. Insufficient documentation of candidate evaluation and selection processes increases the risk of inconsistent or biased hiring decisions and reduces transparency in the recruitment process.
3. Gaps in pre-employment documentation, including reference checks and approval records, increase the risk of noncompliance with internal hiring policies and may expose FCC to reputational, legal, and operational risks.

## Recommendation 5.1

FCC HR should consider strengthening documentation and retention practices for recruitment and hiring approvals by standardizing required evidence and clearly defining where approvals must be documented and stored.

HR should periodically (e.g., annually) monitor compliance with these requirements to help ensure hiring activities are consistently supported by complete and auditable documentation.

## Management Action Plan

In response to recommendation 5.1 – Talent Acquisition has implemented a new requisition form and filing system to promote consistency, accountability, and proper documentation throughout the recruiting process. The requisition form standardizes the information required for hiring requests and helps ensure all necessary approvals are obtained and documented prior to recruitment activities.

In addition, the new filing system (outlined in recommendation 4.3) provides a centralized and organized repository for recruitment records, supporting consistent record retention and ease of access. These enhancements strengthen internal controls by improving documentation practices, ensuring approvals are properly maintained, and provide a more efficient process for tracking and retrieving documents.

We consider this recommendation implemented and will continue to monitor the process to ensure compliance with established procedures.

### Implementation Date

The updated formalized standard operating procedure took effect in August 2026.

## Recommendation 5.2

FCC HR should consider establishing and enforcing standardized documentation requirements for search committee activities, including the following:

1. Unconscious Bias training
2. Search Committee Participation Questionnaire
3. Screening results
4. Evaluation forms
5. Interview summaries

HR should clearly define responsibility for retaining this documentation and periodically (e.g., monthly, annually) review hiring files to help ensure required evidence is complete and consistently maintained.

### Management Action Plan

In response to Recommendation 5.2, Talent Acquisition will implement standardized documentation controls for all search committee activities and recruitment records.

Specific actions include:

- Maintaining verification of unconscious bias training completion.
- Documenting Search Committee Participation Questionnaire completion prior to search activation.
- Establishing required documentation checklists for all recruitment files.
- Defining responsibility for document retention and quality review.
- Conducting monthly audits of recruitment files for completeness.
- Reporting deficiencies and corrective actions to HR leadership.

### Implementation Date

October 2027

## Recommendation 5.3

FCC HR should consider reinforcing pre-employment documentation requirements by defining required records for each employee classification and ensuring hiring actions do not proceed without complete documentation.

### Management Action Plan

In response to recommendation 5.3 – Controls are already in place to ensure completion of required new hire documentation prior to an employee's start date. HR utilizes a standardized new hire paperwork checklist that identifies all required onboarding documents and forms. This checklist is used to track completion and ensure consistency across all new hires.

As part of the onboarding process, candidates are not authorized to begin employment until all required documentation has been received, reviewed and deemed complete.

We will continue to monitor adherence to these procedures and evaluate opportunities for process improvement to further strengthen onboarding controls and documentation practices.

### Implementation Date

The updated formalized standard operating procedure took effect in August 2026.

## Recommendation 5.4

FCC HR should consider conducting periodic (e.g., annual, semiannual) quality assurance reviews of hiring files to identify and address documentation gaps.

### Management Action Plan

In response to Recommendation 5.4, Human Resources will establish a formal quality assurance review program for recruitment and hiring files.

The quality assurance process will include:

- Annual file reviews using a standardized audit checklist.
- Validation of required approvals, reference checks, interview documentation, and hiring records.
- Identification and tracking of deficiencies.
- Development of corrective action plans for recurring issues.
- Reporting of review results to HR leadership.
- Monitoring trends and opportunities for continuous process improvement.

### Implementation Date

October 2027

Frederick Community College

**Enclosure 10**
**November 2026**

## Policy Survey Results: GP-3 Board Code of Conduct

**Context:** Board Self-Monitoring Survey Results for GP-3 Board Code of Conduct are being presented for review according to the approved Policy Review 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-3 Board Code of Conduct* at the October 14, 2026 meeting and there were no suggested changes.
- The Board Chair will present the survey results to determine compliance with policy statements.

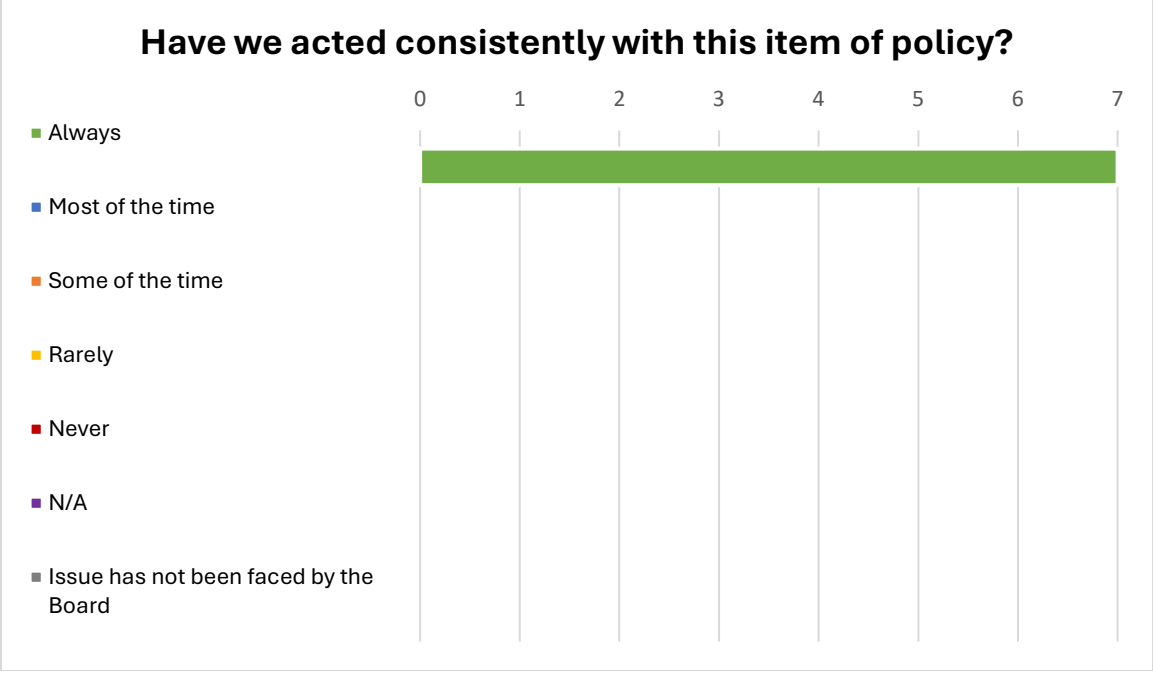
**Attachment:** Board Self-Monitoring Survey Results GP-3 Board Code of Conduct

# Frederick Community College Board of Trustees

## Board Self-Monitoring Survey Results: GP-3 Board Code of Conduct
## Date: 11/18/2026

**Number of Responses:** 7

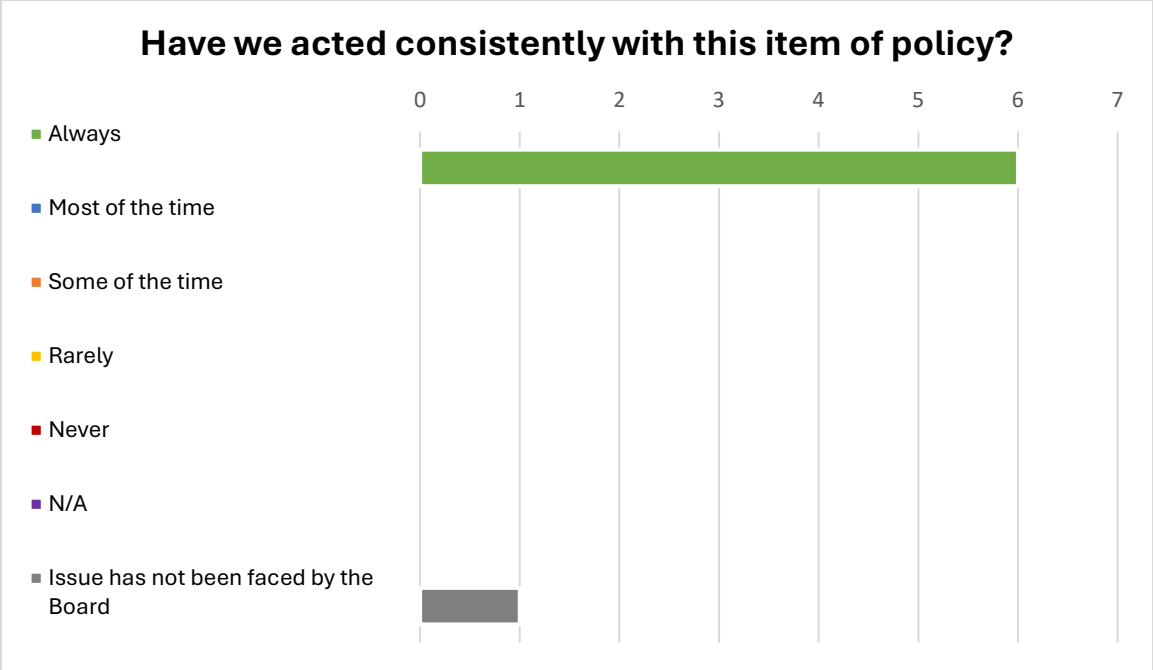
**The Frederick Community College Board of Trustees expects of itself and its members, ethical business-like and lawful conduct. This includes proper use of authority and appropriate decorum when acting as Trustees. This Code of Conduct is intended to set basic rules of conduct for Trustees in order to maintain the Board's integrity and the confidence of the community. This policy applies to all Trustees including the Board Chair.**



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

- All the Trustees have acted professionally at all the convocations, graduations, and openings of new facilities.
- To my knowledge I am unaware of any Trustee who has not displayed ethical and lawful behavior.
- Cannot think of anytime we have not followed the code.
- Each member has performed with integrity. There have been no demonstrations to the contrary.
- I support the Board's expectation of ethical, business-like, and lawful conduct, including the proper use of authority and appropriate decorum in my role as a Trustee. One way I help ensure compliance is by participating in the conflict-of-interest declaration process at each Board meeting. I strive to conduct myself with integrity, exercise my responsibilities appropriately, and maintain the public's confidence in the Board and the College.

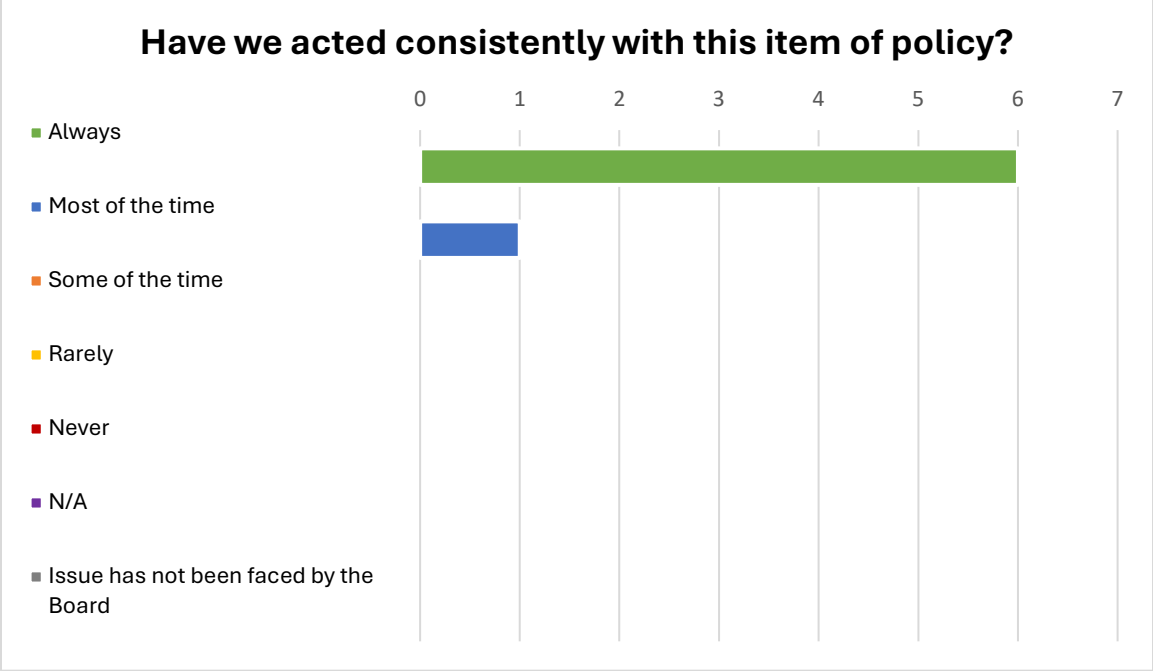
1. **Ever mindful of their responsibilities under State law, Trustees must have loyalty to the Ownership (the residents of Frederick County) that supersedes any loyalties to the appointing authority, the President, College employees, other organizations or any personal interest as a consumer. This accountability also supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other boards or staffs.**



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

- I have no knowledge of any Trustees acting in a self-serving manner.
- At this time I have no concrete knowledge of any Trustee having loyalty to advocacy or interest groups.
- I can only speak for myself I have always acted in what I believed to be the benefit of ownership.
- I comply with the requirements of GP-3, Board Code of Conduct, by maintaining my primary loyalty and accountability to the residents of Frederick County. I recognize that this responsibility supersedes loyalties to the appointing authority, the President, College employees, other organizations, advocacy or interest groups, and any personal interests. I follow the policy restrictions as required and strive to ensure that my actions and decisions as a Trustee are guided by the interests of the College's Ownership and my responsibilities under State law.

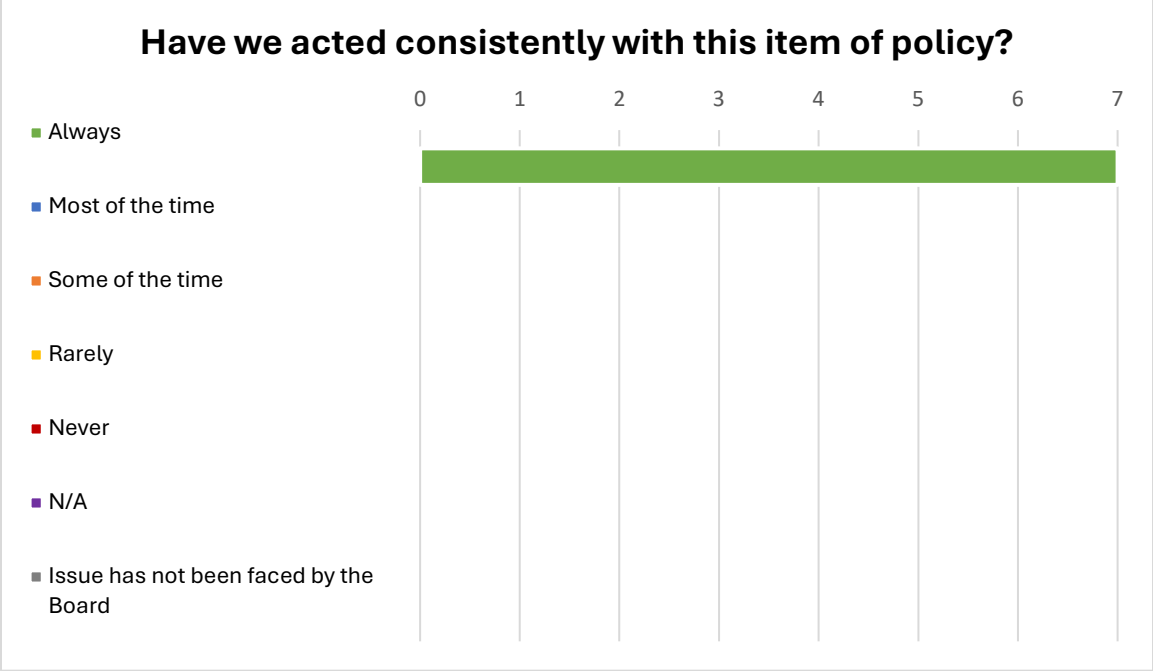
## 2. Trustees are accountable to exercise the powers and discharge the duties of their office honestly and in good faith. Trustees shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.



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

- The attendance of the Trustees to activities of the College are a testament to the duty of care.
- Various circumstances in the lives of Trustees can interfere with the duties of a Trustee. One must make an effort to prioritize the duties of the Trustee as frequently as possible.
- Again I can only speak for myself and I have never witnessed anything that would indicate otherwise.
- We consistently comply with this policy. We exercise our responsibilities as a Trustee honestly and in good faith, applying the care, diligence, and skill that a reasonably prudent person would exercise under comparable circumstances. We strive to ensure that our decisions and actions reflect sound judgment, integrity, and our fiduciary responsibilities to the residents of Frederick County and Frederick Community College.

### 3. Trustees will respect the confidentiality appropriate to issues of a sensitive nature, including at all times the content of legally held, closed meetings of the Board, in perpetuity.

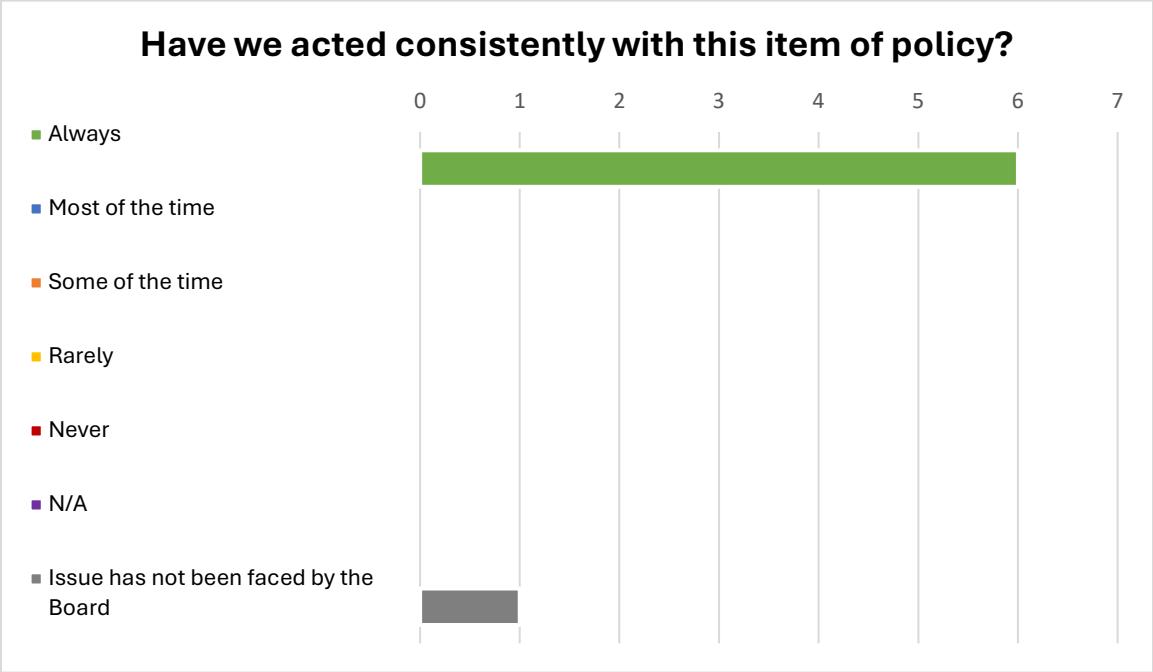


**Provide specific representative examples to support your above response when applicable.**

- No knowledge of any infraction.
- Again I can only speak for myself and I have never witnessed anything that would indicate otherwise.
- There has not been a breach of that trust.
- I/we consistently comply with this policy by respecting the confidentiality of sensitive matters discussed in my role as a Trustee. I/we maintain confidentiality as required, including the contents of legally closed Board meetings, in perpetuity, and exercise discretion and sound judgment when handling confidential Board matters.

## 4. Trustees must avoid a conflict of interest with respect to their fiduciary responsibility.

### 4.1. There must be no self-dealing or any conduct of private business or personal services between any Trustee and the organization, except as procedurally controlled to assure openness, competitive opportunity, and equal access to otherwise "inside" information. Trustees must stay informed on requirements of the State Ethics Law.



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

- We attest to this at the beginning of each meeting.
- I am not aware of this being an issue with the Board.
- I can only speak for myself and I have never witnessed anything that would indicate otherwise.
- I/we consistently comply with this policy by avoiding conflicts of interest in my fiduciary responsibilities. I/we do not engage in self-dealing or inappropriate personal or business transactions with the College. We remain mindful of our ethical obligations, maintain appropriate professional boundaries, and stay informed about Maryland State Ethics Law requirements.

### 4.2. Trustees will disclose at the regular monthly meetings any new involvements with other organizations, vendors, or any associations that might be or might reasonably be seen as being a conflict.

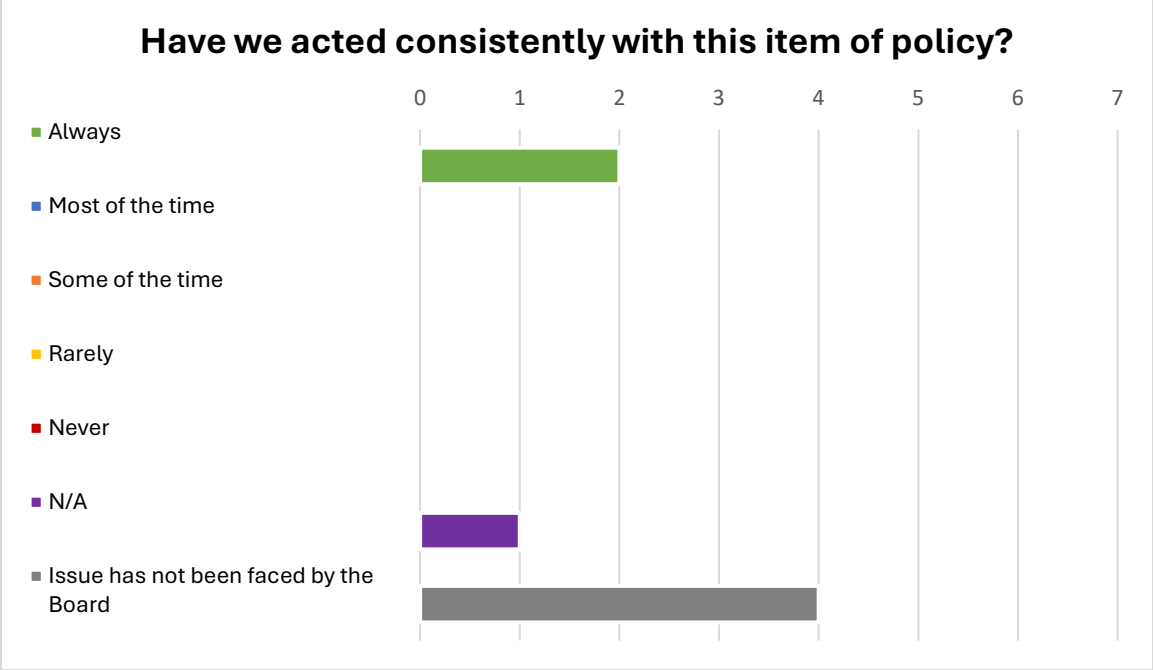



**Provide specific representative examples to support your above response when applicable.**

- Faithfully asked every meeting. No conflicts ever disclosed.
- Occurs at the beginning of every meeting.
- We have been consistent.

- We consistently comply with this policy by disclosing at regular monthly Board meetings any new involvements with organizations, vendors, or associations that might constitute, or reasonably be perceived as constituting, a conflict of interest. We remain vigilant in identifying potential conflicts and are committed to transparency, ethical conduct, and fulfilling our fiduciary responsibilities to the College and the residents of Frederick County.

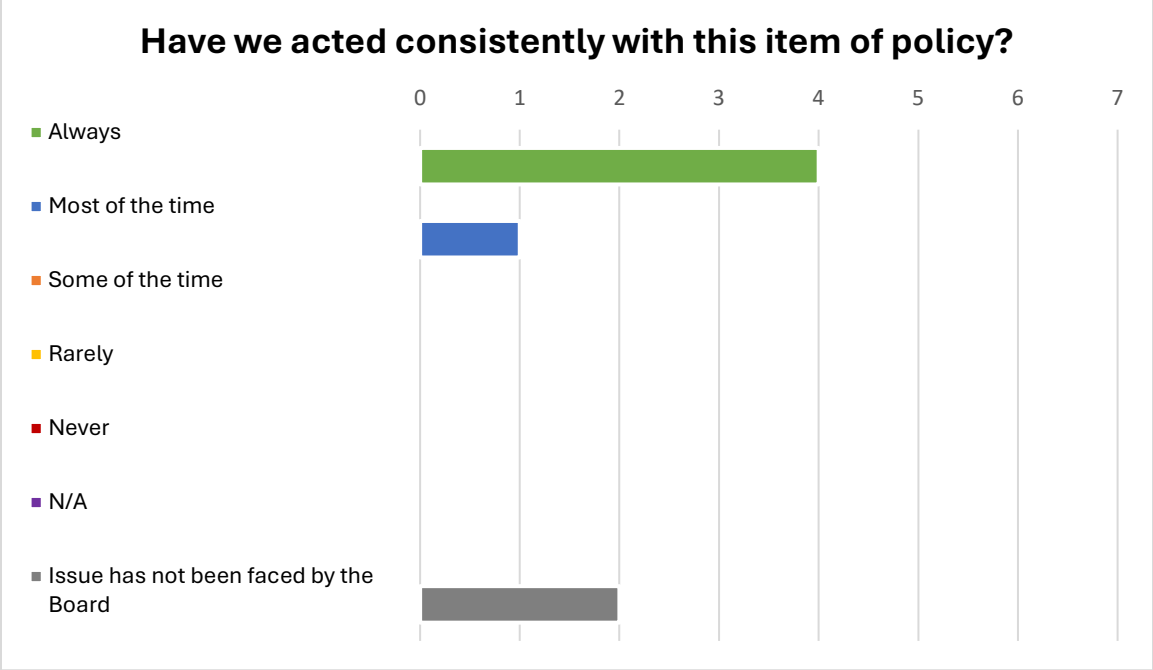
**4.3. When the Board is to decide upon an issue, about which a Trustee has an unavoidable conflict of interest, that Trustee shall recuse themselves without comment, from not only the vote, but also excuse themselves from the physical or virtual deliberation. This absence shall be recorded in the minutes.**




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

- There has been no instance of a declared conflict of interest where a Trustee has needed to recuse.

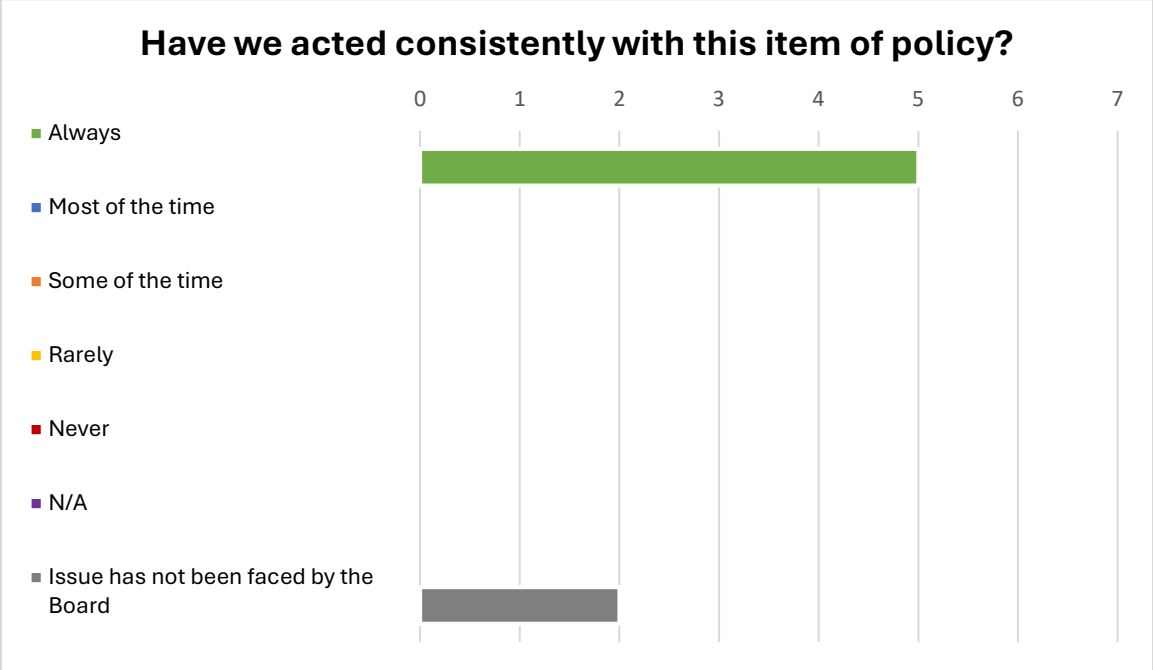
### 4.4. Trustees will not use their Board position to furnish services or goods of the College to themselves, family members, associates or organizations upon which a Trustee serves as a Board member.




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

- The answer "issue not faced by the Board" is also appropriate. I have no knowledge of any Trustee using its position for self benefit.
- There is no evidence to the contrary.
- I/we consistently comply with this policy by ensuring that I/we do not use my/our position as a Trustee to obtain College services or goods for myself/our family members, associates, or organizations on whose boards I/we serve. We remain committed to acting ethically, avoiding preferential treatment, and upholding the integrity of the Board and the public trust.

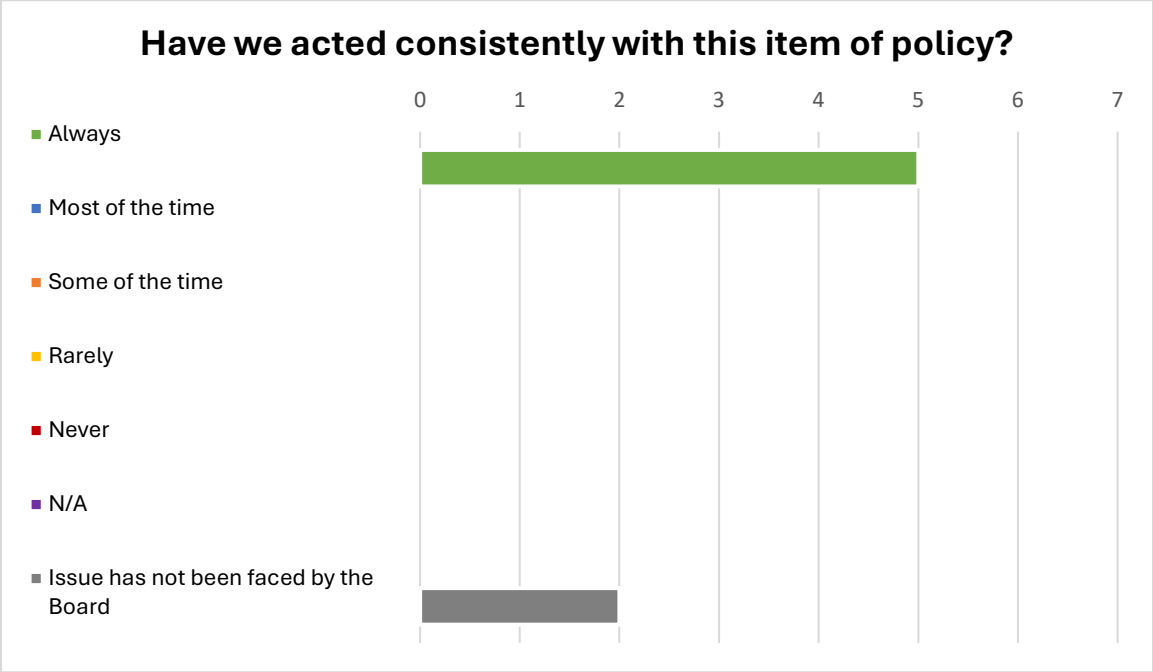
**4.5. Trustees will not use their Board position to obtain College employment for themselves, family members, or associates. Should a Trustee become employed by the College, they must resign from the Board before the first day of said employment.**




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

None

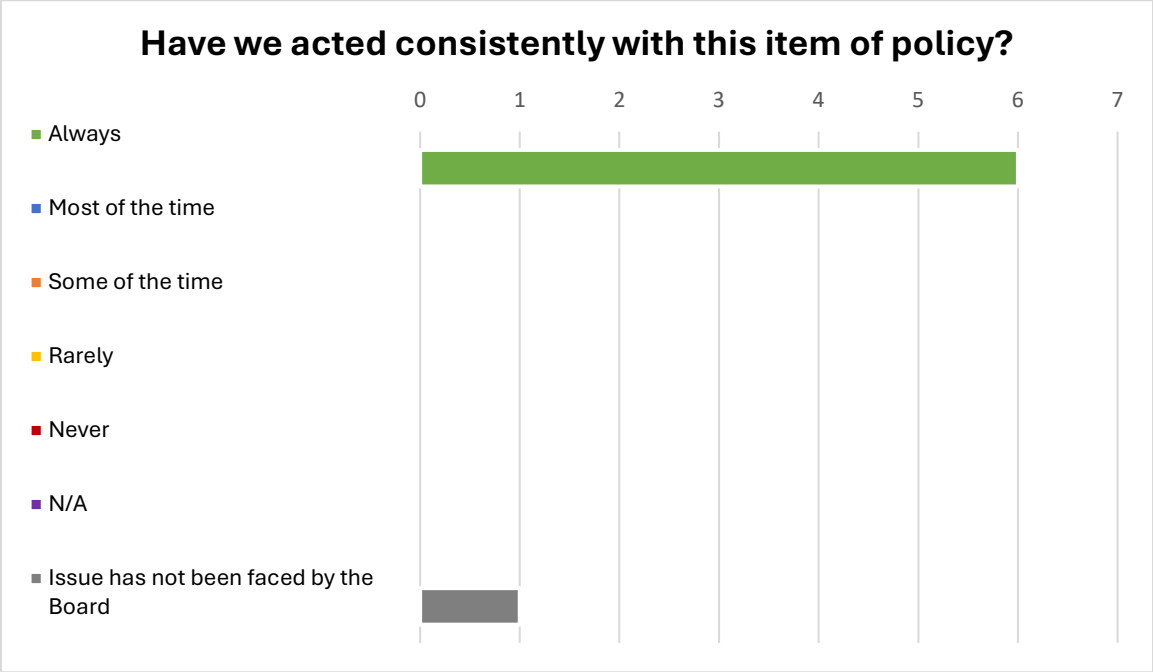
### 4.6. Trustees will maintain impartiality in hiring by neither writing letters of recommendation nor acting as a reference for candidates for any position at the College.




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

- Unaware of any Trustee violating this policy.
- The Board has no knowledge of any Trustee not following this policy.
- I am unaware of any instances where this occurred.
- There is no evidence to the contrary.
- I/we consistently comply with this policy by maintaining impartiality in the College's hiring processes. I do not write letters of recommendation or serve as a reference for candidates seeking employment at Frederick Community College. We recognize the importance of fair, objective, and equitable hiring practices and avoid actions that could compromise the integrity of the College's recruitment and selection processes.

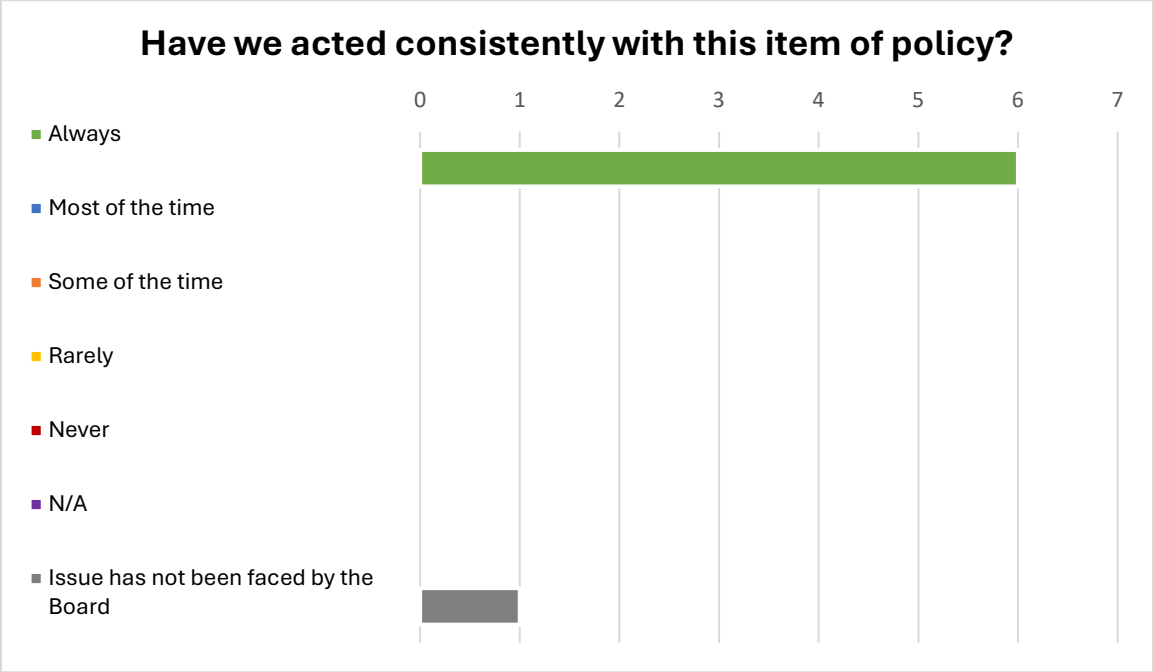
## 5. Trustees shall not attempt to exercise individual authority over the organization or the President.




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

- Individual Trustees have not directed the President.
- I am unaware of any instances.
- It seems to be clearly understood.

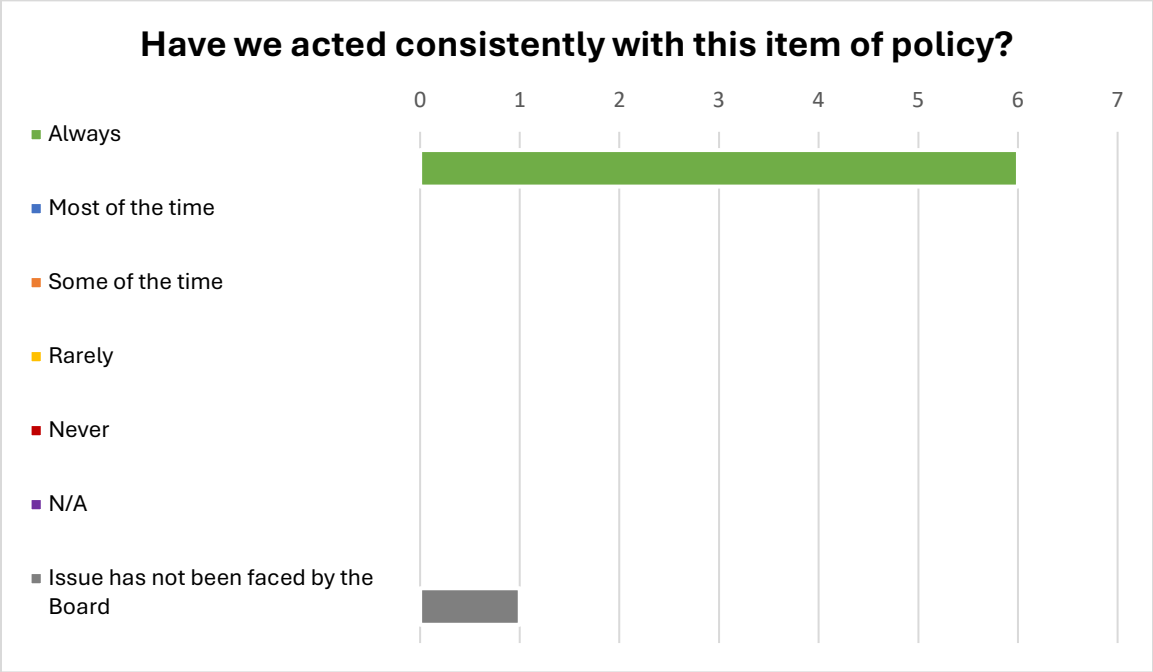
### 5.1. When interacting with College employees, Trustees must recognize that individual Trustees have no authority to instruct or evaluate employees, and no authority to insert themselves into employee operations.




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

- I/we comply with this policy by recognizing that individual Trustees have no authority to direct or evaluate College employees or interfere with their operational responsibilities. I/we respect the President's authority to manage College personnel and operations and direct my oversight and accountability activities through the Board's established policies and governance processes.

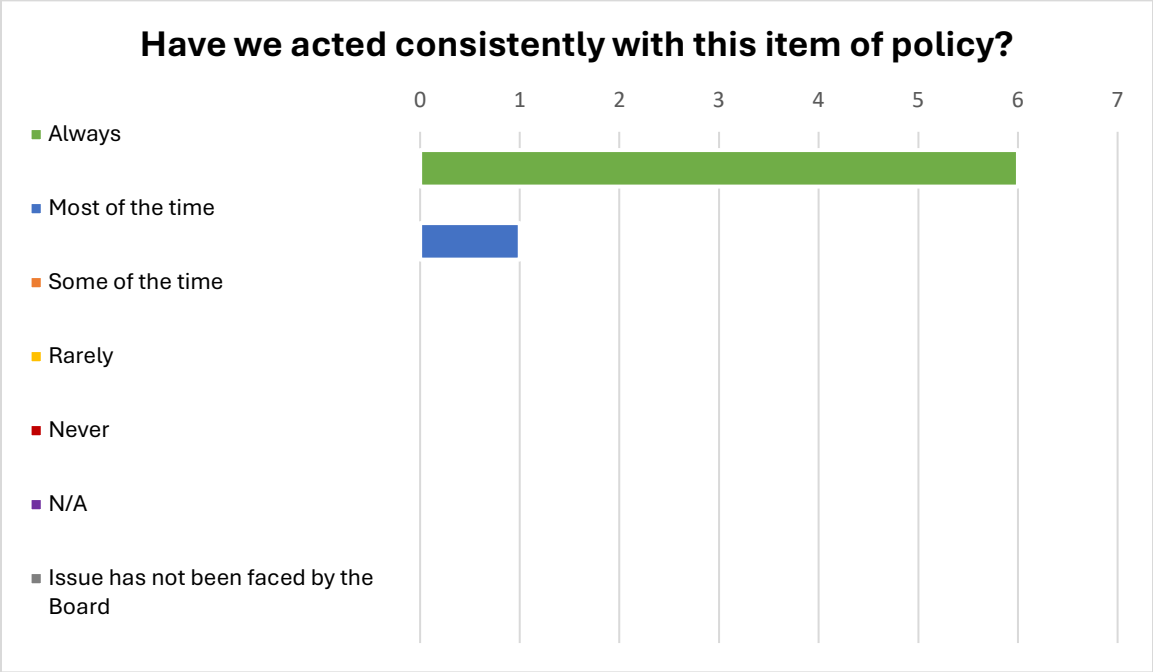
**5.2. The Board Chair or designee is the only person authorized to speak to the public, the media or other entities on behalf of the Board. Trustees shall not presume to speak for the Board when interacting with the press or the public. Media inquiries should be directed to the Board Chair.**




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

- Clearly understood and accepted.
- I comply with this policy as Board Chair. Although I have not yet received any media inquiries on behalf of the Board, I understand that I am the only person authorized to speak publicly for the Board unless I designate someone else to do so. To my knowledge, Board members are familiar with this policy and comply with its requirements, including directing media inquiries to the Board Chair and not speaking for the Board when interacting with the press or public.

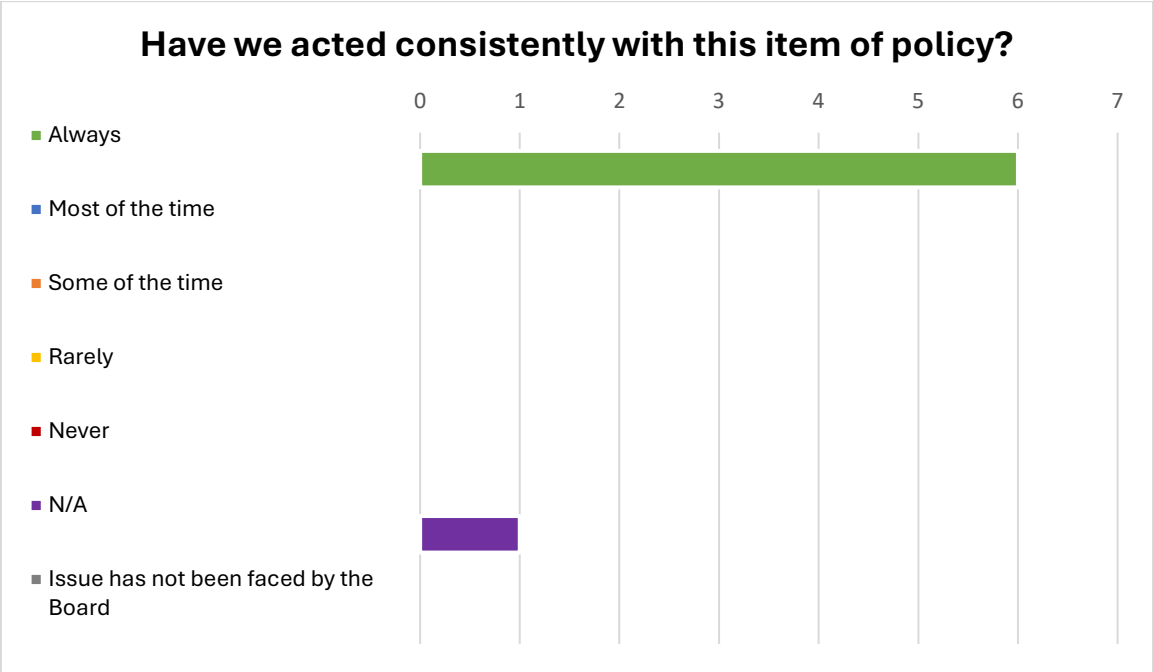
6. **Trustees shall be familiar with the incorporating documents, relevant legislation and regulations, by-laws, governing policies of the organization, issues pertaining to higher education, as well as the rules of procedure and proper conduct of a meeting so that any decision of the Board may be made in an efficient, knowledgeable and expeditious fashion.**




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

- It is hard to be familiar with all documents, legislation and issues pertaining to higher education. The Board does use the information it has obtained in its decision making process.
- Whenever there is a procedural question during our meeting, we pause to look up the answer before proceeding. The President and her staff are always helpful looking up the references that would answer the issue.
- The Trustees are constantly in a phase of learning all of the above.
- I think the Board makes an effort to be informed.
- I consistently comply with this policy. I prioritize staying familiar with the College's governing documents, relevant legislation and regulations, bylaws, governing policies, issues affecting higher education, and the rules of procedure and proper conduct for Board meetings.

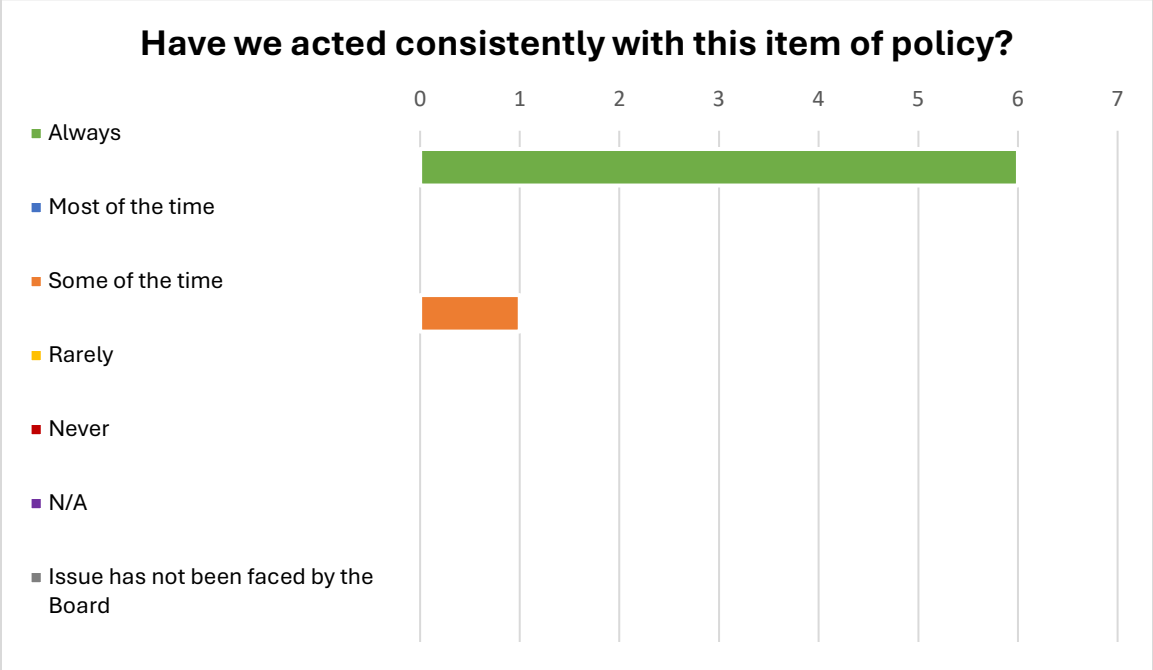
7. **Trustees will be properly prepared for Board deliberation through the review of all Board meeting materials in advance of Board meetings.**




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

- Trustees appear to be prepared for the meetings based on their questions, comments, and participation.
- Trustees participate in the discussion of the agenda items. This question can best be answered individually since I can only vouch for my personal preparation.
- To carry out the duties of trusteeship, I would hope that all Trustees give due diligence to meeting preparation.
- Based on questions and discussions it appears the Trustees are prepared.

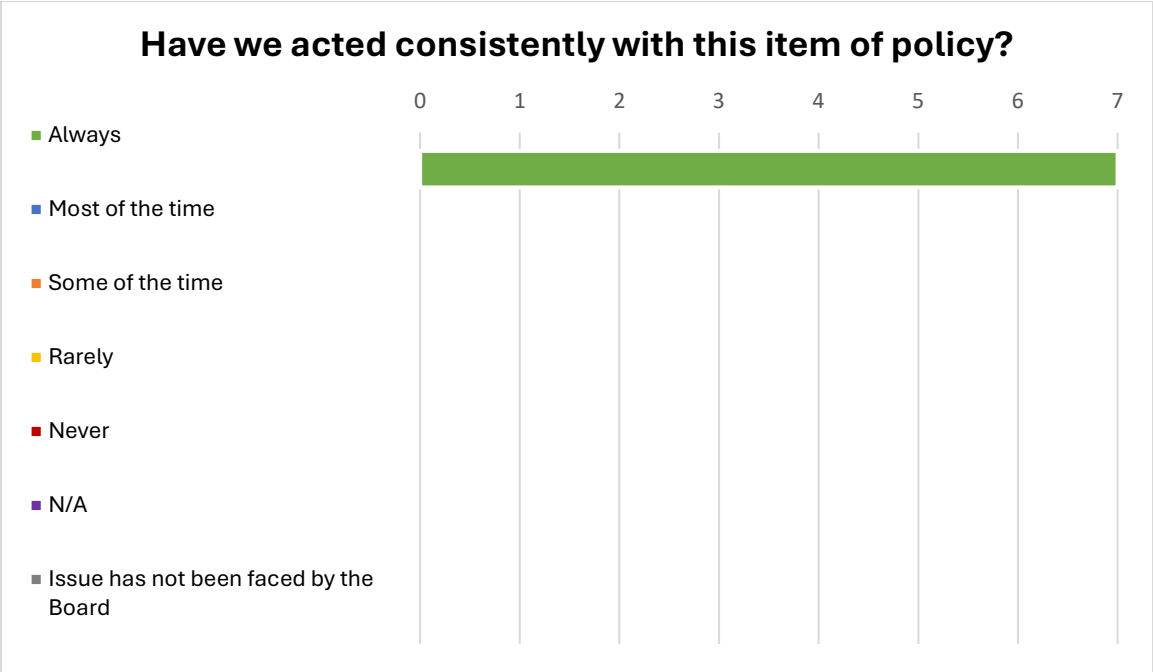
8. **Trustees will collaborate with other Trustees and share information on matters of substance related to their governance role so that no one Trustee possesses information that all other Trustees should have. Such collaboration must adhere to legal requirements of board assemblage.**




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

- I do not believe that all Trustees have knowledge of the information that is provided to the Chair and sometimes Vice-Chair. This is based on comments made at the Board meeting.
- The Chair has shared questions and observations of individual Trustees with all Board members. The President always answers individual questions to all Board members. This helps the Trustees understand another Trustee's point of view.
- I consistently comply with this policy by collaborating with fellow Trustees and sharing substantive information relevant to our governance responsibilities, while respecting legal requirements governing Board deliberations and assembly. We recently adopted a policy establishing a formal procedure for Trustees to request clarification on agenda items and receive responses before the Board meeting. This process promotes transparency, ensures that all Trustees have access to relevant information, and supports informed, efficient, and effective Board decision-making.

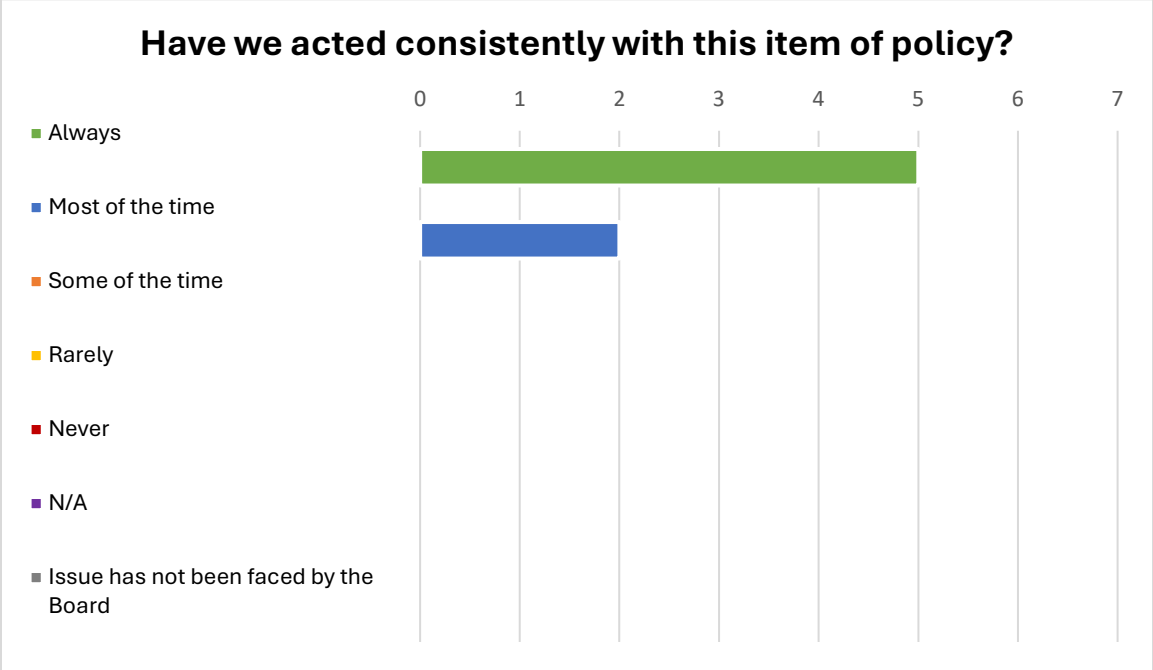
## 9. Trustees will support the authority of Board decisions, regardless of the member's personal position on the issue.




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

- We accept the Board's vote. We give everyone the opportunity to advocate for their choice.
- The Trustees are consistent with supporting the Board's decisions.
- We always leave the table with the agreed upon decisions.

**10. Trustees shall review community college publications and regularly take part in educational activities including state, regional and national meetings and events that will assist them in their ability to serve effectively as a member of the College's governing Board.**

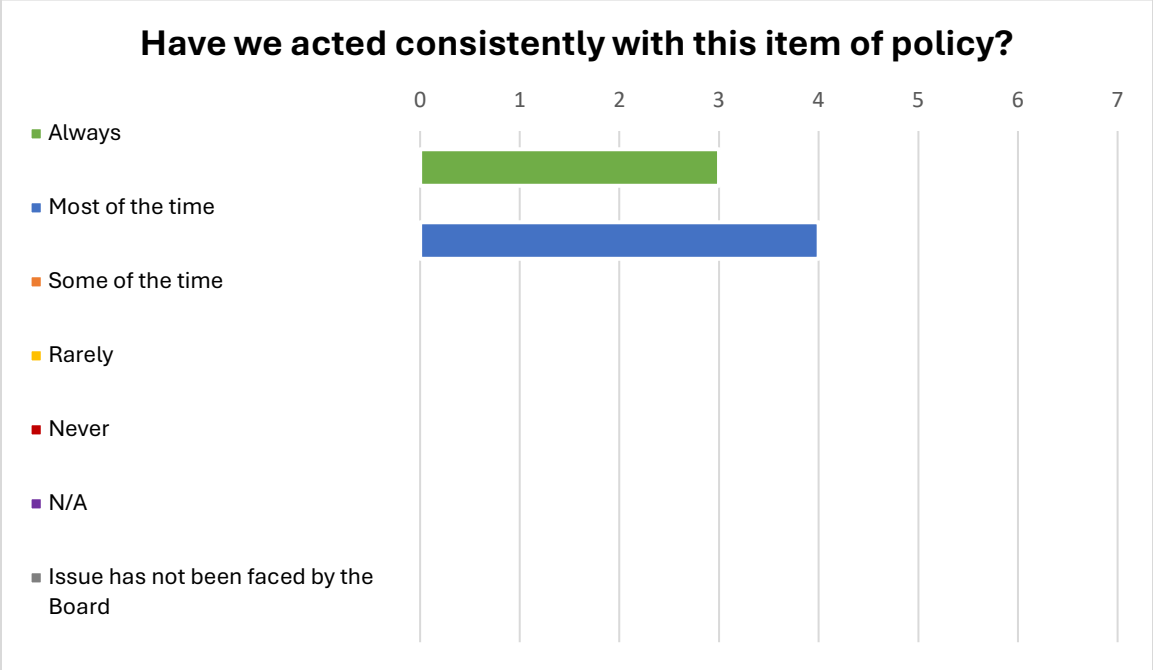



**Provide specific representative examples to support your above response when applicable.**

- Trustees regularly attend graduations, convocation, and other college events. Trustees also actively participate in training, conferences, and other opportunities.
- Again, I am speaking for myself. I have no knowledge of who goes to what meeting or event to help improve their ability to serve. I have taken part of a Governance for Impact webinar on Ends. I will be participating at the ACCT meeting in a few weeks and I have completed a review of Policy Governance under Rose Mercier.
- The Trustees understand the importance of educating themselves on current and future trends of higher education. Trustees make every effort to take advantages of opportunities to self educate.
- I think that most Trustees make every effort to be informed and participate.
- I consistently comply with this policy. I regularly engage in educational activities to strengthen my effectiveness as a member of the College's Board of Trustees. I recently returned from the Association of Community College Trustees (ACCT) national meeting, where I participated in professional development focused on community college governance. In addition, a consultant educates the Board on the Carver Policy Governance model and recently led a learning module on Policy

Governance. I consider ongoing education essential to fulfilling my governance responsibilities effectively and making informed decisions on behalf of Frederick Community College and the community it serves.

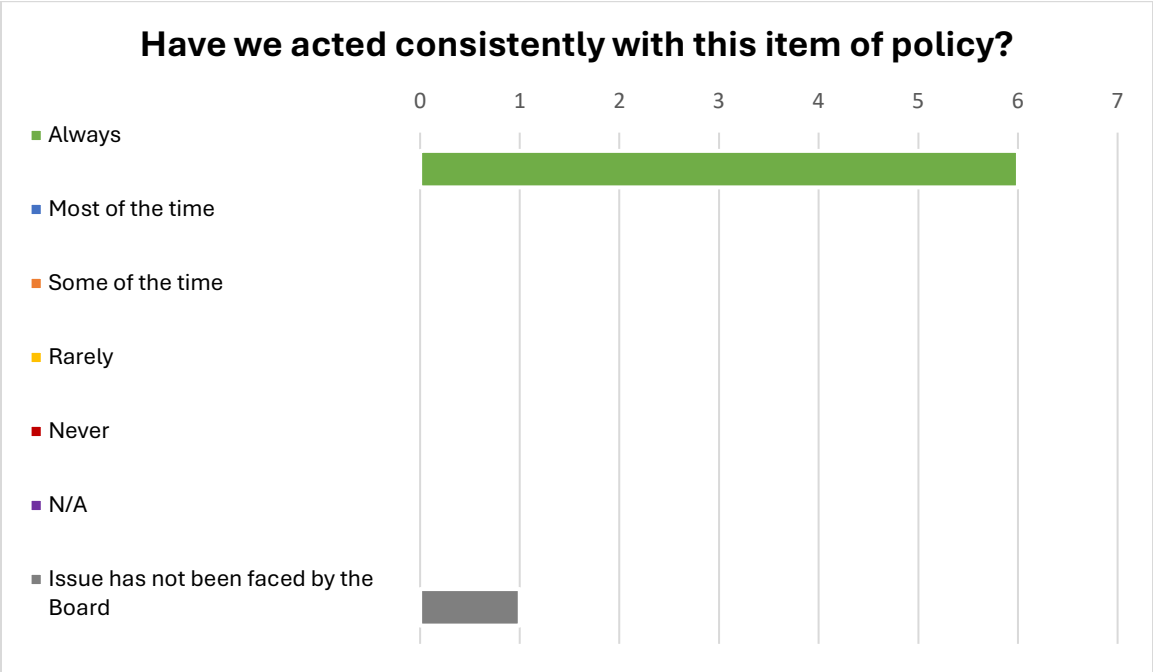
**11. Trustees are encouraged to communicate the Board's interest and respect for student accomplishments by attending student commencement ceremonies and events.**




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

- Most of the Trustees, whether employed or retired, attend ceremonies supporting students. Some may not be able to attend because of conflicts with personal time.
- Our Trustees do make every effort to support the students, the faculty, and staff by making their presence available at various college events.
- I think most of the Trustees make an effort to show up to as many events as possible and recognize the importance.

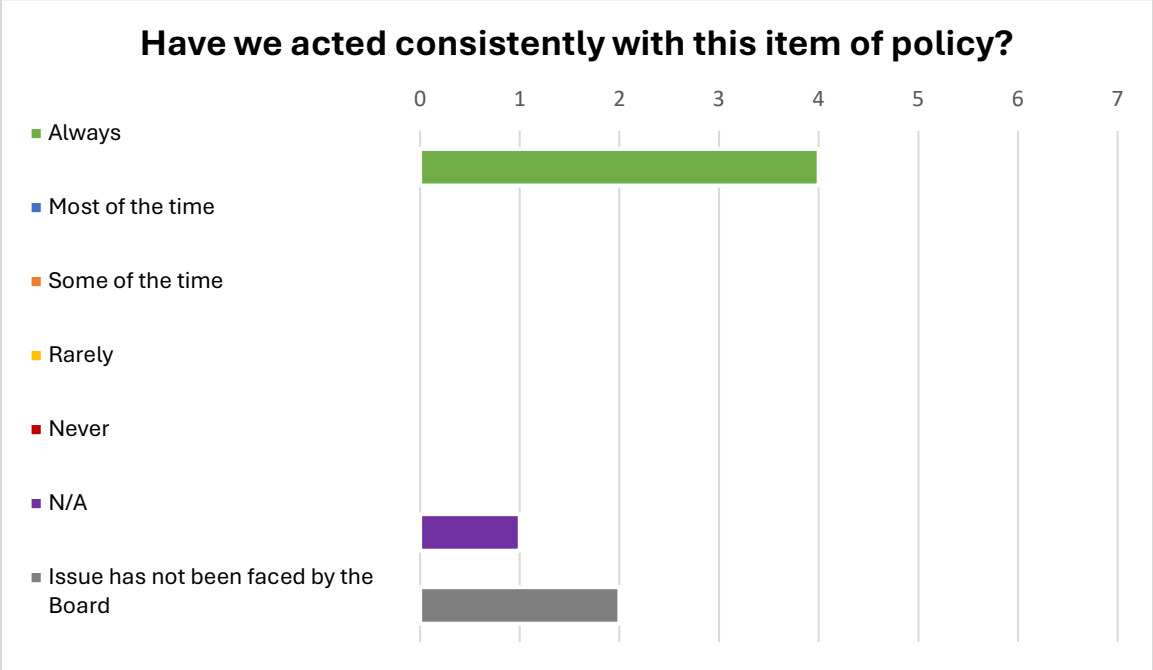
### 12. Trustees shall hold themselves and other Trustees accountable for complying with this Code of Conduct.




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

- It has never been an issue.

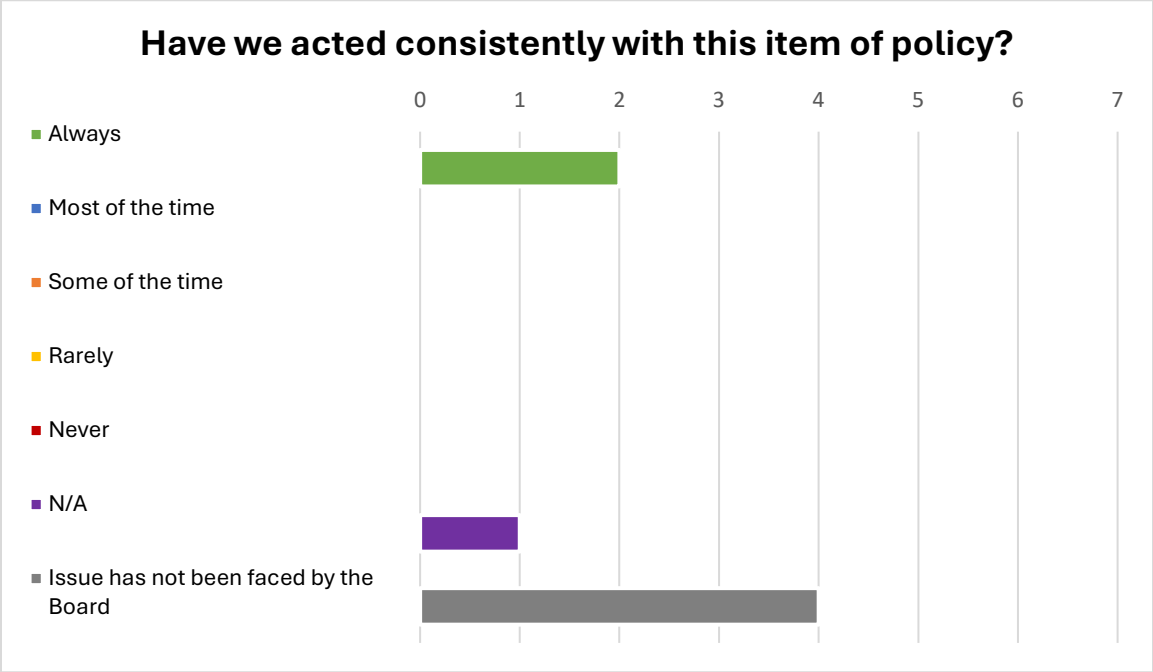
**13. If there is a perceived violation by a Trustee(s), it is incumbent upon the involved members to attempt to resolve the conflict. If resolution is not reached, members will engage the Chair in an attempt to reach resolution prior to engagement of the Board as a whole.**




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

- I am unaware of this situation ever happening.
- I comply with this policy by addressing perceived policy violations or conflicts through appropriate, respectful, and constructive communication. I believe concerns should first be addressed directly by the individual(s) involved and, if unresolved, brought to the Board Chair for attempted resolution before involving the Board as a whole. I recognize the importance of handling such matters fairly, consistently, and confidentially, with appropriate documentation and an emphasis on resolving concerns in accordance with Board policies and established procedures.

**14. Trustees who are found to have violated the Board's Code of Conduct are subject to a Board review of their actions and a possible formal Board rebuke in the form of a direct criticism noted in the Board minutes.**




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

- No Trustee has been found to be in violation of the Code of Conduct.
- It has not been an issue the Board year.

Frederick Community College

**Enclosure 11**
**November 2026**

## Recommendation for Award of Emergency Procurement to Limbach, Inc.

**Context:** The recommended award for an emergency procurement of $186,340 to Limbach, Inc. for the repair and replacement of a critical chilled water pipe serving Annapolis Hall, Braddock Hall, Catoctin Hall, the Gymnasium, Conference Center, Visual and Performing Arts Center, Student Center, Linganore Hall, and Sweadner Hall is being presented to the Board for approval. This document summarizes the recommended emergency procurement 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 Compliance Monitoring References:**

- EL-4 Financial Conditions and Activities (Section 1)
- EL-6 Planning (Section 3)
- EL-7 Land Use (Section 3)
- EL-9 Asset Protection (Sections 5.1, 9, and 9.2)

**Background:**

- On October 6, 2026, the College identified a significant failure in a chilled water line located beneath Outdoor Classroom #2 between Annapolis Hall and Linganore Hall.
- The damaged infrastructure disrupted cooling services to multiple campus facilities, creating an immediate operational and facility risk. Based on the extent of the failure and the resulting impact on campus operations, portions of the College were required to close until emergency repairs could be initiated.
- College Operations solicited four qualified contractors capable of performing emergency response services. Only one vendor, Limbach, Inc., was able to mobilize resources and respond within the required timeframe.
- Pursuant to COMAR 21.05.06.02, an emergency procurement is authorized when immediate action is necessary to protect public health, safety, welfare, or critical operations and when standard procurement procedures cannot meet the urgent need.
- Pursuant to applicable Maryland procurement regulations §21.05.07, Board approval is required for procurements exceeding $100,000.
- The College determined that immediate engagement of Limbach, Inc. was necessary to mitigate operational impacts, restore critical campus infrastructure, and protect College assets.
- The procurement was conducted in accordance with applicable COMAR emergency procurement provisions and the College's Financial Procedures Manual.
- The College followed COMAR and the College Financial Procedures Manual.
- The total project cost will initially be funded by Consolidated Fees allocated to Operations. The College is seeking reimbursement from Affiliated FM Insurance Company. There is a $25,000 deductible for the College's property insurance policy.

**Attachment:** None

Frederick Community College

**Enclosure 12**
**November 2026**

## Approval of FY 2028 – FY 2033 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. Every November, the Board of Trustees approves the College's most recent CIP budget for submission to the County. The request is based on the College's ten-year Facilities Master Plan which was completed 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:**

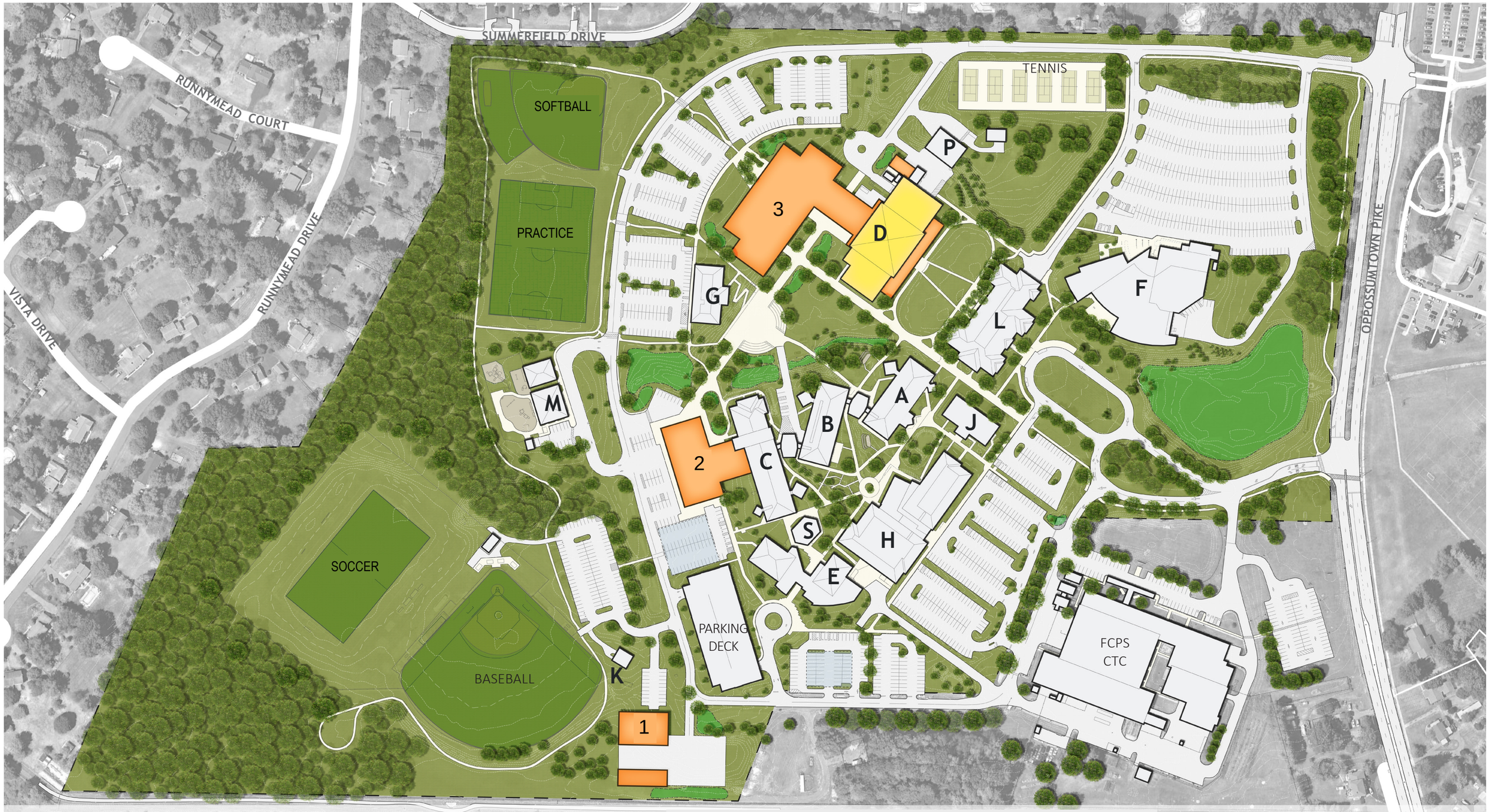
The College's six-year Capital Improvements Program budget totals $120.0 million, including County funding of $61.7 million. The plan includes two buildings to help address space needs identified in the Facilities Master Plan, as detailed below:

- **Innovation and Technology Center - $63,253,000 (see building 2 on the attached site plan).** A Facility Program Part I and Part II was submitted to the State on March 1, 2024, as required to be included in the FY27 State CIP budget request. The Maryland Higher Education Commission (MHEC) and the Department of General Services (DGS) have approved the program, and the Department of Budget and Management (DBM) is finalizing their review and approval is pending. Functions include Science and Biotechnology labs, an Innovation Center serving the FCC community and other entrepreneurial initiatives, instructional spaces for STEM programs, offices, and support spaces.

- **Health Education and Athletics Center (Building D Renovation/Addition) - $75,633,000 (see building 3 on the attached site plan)** A Facility Program Part I and Part II for this project was submitted to the State on December 15, 2023. The Maryland Higher Education Commission (MHEC) has approved the program, and the Department of Budget and Management (DBM) and the Department of General Services (DGS) are currently reviewing the program and approval is pending. The submitted Facility Program proposes renovating the existing Athletics Center (Building D) and constructing an addition to accommodate new academic needs and to improve existing athletic functions.

Overall, the total six-year CIP request of $120 million represents a decrease of $34.4M from the previous iteration due to the completion of the Campus Services Building and the County requesting that funding for the Health Education and Athletics Center be delayed until FY 2031.

**Attachments:**
- FCC Capital Improvement Site Plan FY 2028 – FY 2033 (revised November 2026)
- FCC Capital Improvement Program FY 2028 – FY 2033




# FREDERICK COMMUNITY COLLEGE | FACILITIES MASTER PLAN 2023 - 2033 | MAIN CAMPUS - CAPITAL IMPROVEMENTS FY2028-FY2033

Revised November 2026

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10 50

N

**LEGEND**

- Open Space
- Recreational / Athletic Field
- Wooded
- Bioretention Planting
- Existing FCC Building
- New Construction
- Renovation
- Primary Pathway/ Plaza
- Surface Parking / Road

**PROPOSED PROJECTS**

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

**Frederick Community College**
**Capital Improvement Program**
**FY 2028 – FY 2033**
**November 18, 2026**

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## OVERVIEW

Frederick Community College (FCC) is pleased to submit its updated Capital Improvements Program request for FY 2028– FY 2033. The request is based on the College's ten-year Facilities Master Plan which was 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*. This exercise demonstrated a significant projected need for space, with an overall space deficit of 123,598 in net assignable square feet (NASF), more than 40% above the College's current NASF of 305,354. Additional space needs were identified in almost 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.

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 of today and the future. FCC's enrollment has rebounded from COVID levels and facility needs in innovation and technology, healthcare, and workforce development will require additions and renovations to existing buildings to meet present and growing requirements.

### Capital Improvement Program Budget

**Total Six-Year CIP:** $120.0 million
**County Funding:** $61.7 million

The plan includes two major building projects, a State renewal grant, and critical infrastructure initiatives designed to sustain FCC's mission and readiness for the future. It includes two buildings to help address the identified space needs, as detailed below:

### 1. Innovation and Technology Center: $63,253,000

*(Design FY27–FY28, Construction, Furniture and Equipment FY29-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 November 12, 2024; approved by Department of General Services (DGS) May 29, 2026; pending approval by the Department of Budget and Management (DBM).

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**2. Health Education & Athletics Center (Building D Renovation/Addition):** $75,633,000
*(Design FY31-FY32, Construction, Furniture and Equipment FY33-FY34)*

**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 October 18,2026; pending approval by DBM and DGS.

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**3. State Facilities Renewal Grant:** $1,500,000
*(FY29, FY31, FY33 – $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 over $25K and 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.

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**4. Systemics (Deferred Maintenance and Capital Renewal):** $14,620,492
*(FY28 - $2,502,450; FY29 - $2,602,573; FY30 - $2,207,701; FY31 - $2,318,087; FY32 - $2,433,991; FY33 - $2,555,690)*

**Context:**
Maintaining campus infrastructure is critical to student success, safety, and institutional integrity. FCC follows best practices established by APPA (Association of Physical Plant Administrators) 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 $14.6M over six years to support campus-wide renewal, renovation, and beautification efforts.

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**5. Classroom Technology (Upgrades & Equipment):** $973,091
*(FY28 - $238,484; FY29 - $294,634; FY30 - $99,201; FY31 - $110,250; FY32 - $113,558; FY33 - $116,964)*

**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.

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6. **Technology Upgrade – PeopleSoft Upgrades:** $1,800,000
   (FY28–FY33 – $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 is required to sustain vendor maintenance compliance and ensure uninterrupted service delivery.

Frederick Community College

# Capital Improvement Program Request FY2028-2033

**November 18, 2026**

| Combined County and State Capital Funding Request | | Total Project | Other | Prior Approval | Total FY28-33 | Request FY2028 | Request FY2029 | Request FY2030 | Request FY2031 | Request FY2032 | Request FY2033 | Request After |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | |
| | **Capital Projects** | | | | | | | | | | | |
| County only | Campus Services Building | **16,238,000** | | **16,238,000** | | | | | | | | |
| County / State | Innovation and Technology Center | **63,253,000** | | **2,326,000** | **60,927,000** | **1,163,000** | **27,618,000** | **32,146,000** | | | | |
| County / State | Health Education and Athletics Center (Building D Renovation/Addition) | **75,633,000** | | | **40,192,000** | | | | **5,851,000** | **3,000,000** | **31,341,000** | **35,441,000** |
| | | | | | | | | | | | | |
| County only | **Systemics** | **17,088,288** | | **2,467,796** | **14,620,492** | **2,502,450** | **2,602,573** | **2,207,701** | **2,318,087** | **2,433,991** | **2,555,690** | |
| | Emergency repairs | | | | **340,096** | 50,000 | 52,500 | 55,125 | 57,881 | 60,775 | 63,814 | |
| | Life Safety Systems and Fire Sprinkler | | | | **757,696** | 111,395 | 116,964 | 122,812 | 128,953 | 135,401 | 142,171 | |
| | ADA Accessibility repairs / upgrades | | | | **568,275** | 83,546 | 87,724 | 92,110 | 96,715 | 101,551 | 106,629 | |
| | Roof Systems- repairs / replacements | | | | **816,230** | 120,000 | 126,000 | 132,300 | 138,915 | 145,861 | 153,154 | |
| | Site Improvements | | | | **367,813** | 54,075 | 56,779 | 59,618 | 62,599 | 65,729 | 69,015 | |
| | Mechanical / Electrical / Plumbing | | | | **367,813** | 54,075 | 56,779 | 59,618 | 62,599 | 65,729 | 69,015 | |
| | Building doors, windows, exterior facade | | | | **1,040,693** | 153,000 | 160,650 | 168,683 | 177,117 | 185,972 | 195,271 | |
| | Other deferred maintenance / backlog | | | | **4,972,198** | 731,000 | 767,550 | 805,928 | 846,224 | 888,535 | 932,962 | |
| | Pedestrian Walkway, Circulation, and Campus Core | | | | **1,000,000** | 500,000 | 500,000 | | | | | |
| | Miscellaneous Renovations | | | | **4,389,678** | 645,359 | 677,627 | 711,509 | 747,084 | 784,438 | 823,660 | |
| | | | | | | | | | | | | |
| | **Technology** | | | | | | | | | | | |
| County only | **Classroom Technology Upgrades - Equipment** | **1,083,341** | | **110,250** | **973,091** | **238,484** | **294,634** | **99,201** | **110,250** | **113,558** | **116,964** | |
| 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 | **1,827,250** | | **327,250** | **1,500,000** | | **500,000** | | **500,000** | | **500,000** | |
| | | | | | | | | | | | | |
| **Combined Total County and State Capital Funding Request** | | **177,222,879** | **-** | **21,769,296** | **120,012,583** | **4,203,934** | **31,315,207** | **34,752,902** | **9,079,337** | **5,847,548** | **34,813,655** | **35,441,000** |

Frederick Community College

# Capital Improvement Program Request FY2028-2033

**November 18, 2026**

| | | Total | | Prior | Total | Request | Request | Request | Request | Request | Request | Request |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Approval | FY28-33 | FY2028 | FY2029 | FY2030 | FY2031 | FY2032 | FY2033 | After |
| **County and State Capital Funding Shares** | | | | | | | | | | | | |
| | County Capital Funding Share | **97,542,681** | | **20,125,046** | **61,681,831** | **3,545,934** | **15,183,207** | **16,558,902** | **5,326,181** | **4,179,548** | **16,888,059** | **15,735,804** |
| | State Capital Funding Share | **79,680,198** | | **1,644,250** | **58,330,752** | **658,000** | **16,132,000** | **18,194,000** | **3,753,156** | **1,668,000** | **17,925,596** | **19,705,196** |
| **Combined Total County and State Capital Funding Request** | | **177,222,879** | | **21,769,296** | **120,012,583** | **4,203,934** | **31,315,207** | **34,752,902** | **9,079,337** | **5,847,548** | **34,813,655** | **35,441,000** |
| | | | | | | | | | | | | |
| **County Funding Request** | | **Total** | | **Prior** | Total | Request | Request | Request | Request | **Request** | **Request** | **Request** |
| | | **Project** | | **Approval** | **FY28-33** | **FY2028** | **FY2029** | **FY2030** | **FY2031** | **FY2032** | **FY2033** | **After** |
| | **Capital Projects** | | | | | | | | | | | |
| | Campus Services Building | **16,238,000** | | **16,238,000** | | | | | | | | |
| | Innovation and Technology Center | **27,452,000** | | **1,009,000** | **26,443,000** | **505,000** | **11,986,000** | **13,952,000** | | | | |
| | Health Education and Athletics Center (Building D Renovation/Addition) | **33,581,052** | | | **17,845,248** | | | | **2,597,844** | **1,332,000** | **13,915,404** | **15,735,804** |
| | | | | | | | | | | | | |
| | **Systemics** | **17,088,288** | | **2,467,796** | **14,620,492** | **2,502,450** | **2,602,573** | **2,207,701** | **2,318,087** | **2,433,991** | **2,555,690** | |
| | Emergency repairs | | | | 340,096 | 50,000 | 52,500 | 55,125 | 57,881 | 60,775 | 63,814 | |
| | Life Safety Systems and Fire Sprinkler | | | | 757,696 | 111,395 | 116,964 | 122,812 | 128,953 | 135,401 | 142,171 | |
| | ADA Accessibility repairs / upgrades | | | | 568,275 | 83,546 | 87,724 | 92,110 | 96,715 | 101,551 | 106,629 | |
| | Roof Systems- repairs / replacements | | | | 816,230 | 120,000 | 126,000 | 132,300 | 138,915 | 145,861 | 153,154 | |
| | Site Improvements | | | | 367,813 | 54,075 | 56,779 | 59,618 | 62,599 | 65,729 | 69,015 | |
| | Mechanical / Electrical / Plumbing | | | | 367,813 | 54,075 | 56,779 | 59,618 | 62,599 | 65,729 | 69,015 | |
| | Building doors, windows, exterior facade | | | | 1,040,693 | 153,000 | 160,650 | 168,683 | 177,117 | 185,972 | 195,271 | |
| | Other deferred maintenance / backlog | | | | 4,972,198 | 731,000 | 767,550 | 805,928 | 846,224 | 888,535 | 932,962 | |
| | Pedestrian Walkway, Circulation, and Campus Core | | | | 1,000,000 | 500,000 | 500,000 | - | - | - | - | |
| | Miscellaneous Renovations | | | | 4,389,678 | 645,359 | 677,627 | 711,509 | 747,084 | 784,438 | 823,660 | |
| | | | | | | | | | | | | |
| | **Technology** | | | | | | | | | | | |
| | **Classroom Technology Upgrades - Equipment** | **1,083,341** | | **110,250** | **973,091** | **238,484** | **294,634** | **99,201** | **110,250** | **113,558** | **116,964** | |
| | **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** | | **97,542,681** | | **20,125,046** | **61,681,831** | **3,545,934** | **15,183,207** | **16,558,902** | **5,326,181** | **4,179,548** | **16,888,059** | **15,735,804** |
| | | | | | | | | | | | | |
| **State Funding Request** | | **Total** | | **Prior** | **Total** | **Request** | **Request** | **Request** | **Request** | **Request** | **Request** | **Request** |
| | | **Project** | | **Approval** | **FY28-33** | **FY2028** | **FY2029** | **FY2030** | **FY2031** | **FY2032** | **FY2033** | **After** |
| | **Capital Projects** | | | | | | | | | | | |
| | Innovation and Technology Center | **35,801,000** | | **1,317,000** | **34,484,000** | **658,000** | **15,632,000** | **18,194,000** | | | | |
| | Health Education and Athletics Center (Building D Renovation/Addition) | **42,051,948** | | | **22,346,752** | | | | **3,253,156** | **1,668,000** | **17,425,596** | **19,705,196** |
| | **Other** | | | | | | | | | | | |
| | Facilities Renewal Grant - CCFRGP | **1,827,250** | | **327,250** | **1,500,000** | | **500,000** | | **500,000** | | **500,000** | |
| **Total State Request** | | **79,680,198** | | **1,644,250** | **58,330,752** | **658,000** | **16,132,000** | **18,194,000** | **3,753,156** | **1,668,000** | **17,925,596** | **19,705,196** |

Frederick Community College

**Enclosure 13**
**November 2026**

## Revisions to EL-3 Communication & Support to the Board

**Context:** Revisions to EL-3 Communication & Support to the Board are being presented for approval. This policy mandates that the President must proactively communicate, provide information, and offer counsel to the Board in a timely manner. It prohibits withholding relevant information and requires timely submission of monitoring data, notification of any actual or anticipated policy non-compliance, and keeping the Board informed of incidental information such as potential media coverage or legal actions.

**Board Policy Reference:** EL-3 Communication & Support to the Board

**Background:**

- The Board held a retreat on December 3, 2025, during which Trustees discussed decision, monitoring, and incidental information; the need to clearly identify recurring information the Board expects to receive; and the importance of providing appropriate monitoring information with Required Approvals.
- At the June 10, 2026 regular meeting, Trustees identified additional procurement information that would assist with review of significant Required Approvals, including process, evaluation, scope, bidders, pricing, and rationale.
- The Board held a retreat on July 16, 2026, during which Trustees supported codifying the information expected for significant Required Approvals and incorporating the procurement information framework into a consistent written process.
- The proposed revisions address these discussions by strengthening requirements for sufficient decision information, clarifying recurring and incidental information, establishing expectations for significant procurements, and requiring applicable monitoring information with Required Approvals. Other refinements in the markup are recommendations from the Policy Governance® consultant for the Board's consideration.
- The Board discussed the revisions at the September and October Board meetings. All feedback has been incorporated.

**Attachments:**

- EL-3 Communication & Support to the Board markup
- EL-3 Communication & Support to the Board clean




**FCC BOARD OF TRUSTEES POLICY**

**Policy Type:** Executive Limitations

**Policy Title:** Communication & Support to the Board
**Policy Number**: EL-3
**Date Adopted:** ~~10.18.2023~~11.18.2026

**Version:** ~~1~~2.0
**Date Last Reviewed:** ~~10.18.2023~~11.18.2026
**Office Responsible:** President's Office

**Reviewing Committee:** Board of Trustees

The President shall not permit the Board to be uninformed or unsupported in its work and shall not fail to proactively communicate, provide information and counsel to the Board in a timely manner.

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

1. Withhold, impede, or confound information relevant to the Board's informed accomplishment of its job.

   1.1. Allow the Board to be without sufficient and timely decision information to support informed Board choices, including, as appropriate, regular updates on the status of the Board's Policy Governance expenditures, environmental scanning data, and risk assessment.

   1.2. Neglect to submit timely monitoring data including interpretations of Board policies that provide the observable metrics or conditions that would demonstrate compliance, rationale for why the interpretations are reasonable and evidence of compliance.

   1.3. Let the Board be unaware of any actual or anticipated non-compliance with any Ends or Executive Limitations policy, regardless of the Board's monitoring schedule.

   1.4. Let the Board be unaware of any incidental information it requires, including ~~A~~anticipated media coverage, ~~A~~actual or anticipated material legal actions,

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and material or publicly visible internal changes or events, including ~~C~~changes in executive personnel.~~;~~

- 1.4.1. Anticipated noncompliance with federal law, state law or local;

1.4.2. Quarterly financial statement~~s;~~

1.4.3. Annually, year-end financial report~~; or~~

1.4.4. Annually at the beginning of the fiscal year, the ~~N~~names and titles of two executive administration members familiar with Board and presidential matters and processes and notice of changes in the executive administrative members as soon as reasonably possible in advance of the effective date of the change~~.~~

1.4.5. Quarterly, or at the request of Board, ~~At least every quarter~~ a presentation from ~~a~~ Board-designated areas~~.~~

1.4.6. ~~On a timely basis, an overview of new projects or initiatives.~~Timely notification of the initiation of the requests for proposals procurement process of budgeted items over $100,000 that identifies:

- Identification of the top three or four bidders
- The College's scoring rubric regarding how each bidder scored
- A brief statement regarding the rationale for selecting the winning bid

1.5. Allow the Board to be unaware that, in the President's opinion, the Board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of Board behavior which is detrimental to the work relationship between the Board and the President.

1.6. Present information in unnecessarily complex or lengthy form.

2. ~~Withhold from~~ Allow the Board to be without the support ~~needed~~ for ~~its~~ the Board's official functioning and communications.

~~2.~~2.1. Neglect to designate the support required for the organization and administration of regular, closed, and special meetings.

3. ~~Favor any Board Member or Members above the Board as a whole.~~Impede the Board's holism, misrepresent its processes and role, impede its lawful obligations, or assume prerogatives of the Board.

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3.1. Interact with the Board in a way that favors or privileges certain Trustees over others except when (a) fulfilling an individual request for information, or (b) responding to officers or committees duly charged by the Board.

~~2.1.~~3.2. Neglect to supply for the Required Approvals agenda all items delegated to the President, yet required by law, regulation, or contract to be Board-approved, along with the applicable monitoring information.

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| Date Of Change | Version | Description of Change | Responsible Party |
|---|---|---|---|
| 10/18/2023 | 1.0 | First release following Policy Governance consulting work. | President |
| 11/18/2026 | 2.0 | Revisions reflecting discussions at retreats and meetings. | President |

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**FCC BOARD OF TRUSTEES POLICY**

**Policy Type:** Executive Limitations

**Policy Title:** Communication & Support to the Board
**Policy Number**: EL-3
**Date Adopted:** 11.18.2026

**Version:** 2.0
**Date Last Reviewed:** 11.18.2026
**Office Responsible:** President's Office

**Reviewing Committee:** Board of Trustees

The President shall not permit the Board to be uninformed or unsupported in its work and shall not fail to proactively communicate, provide information and counsel to the Board in a timely manner.

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

1. Withhold, impede, or confound information relevant to the Board's informed accomplishment of its job.

    1.1. Allow the Board to be without sufficient and timely decision information to support informed Board choices, including, as appropriate, regular updates on the status of the Board's Policy Governance expenditures, environmental scanning data, and risk assessment.

    1.2. Neglect to submit timely monitoring data including interpretations of Board policies that provide the observable metrics or conditions that would demonstrate compliance, rationale for why the interpretations are reasonable and evidence of compliance.

    1.3. Let the Board be unaware of any actual or anticipated non-compliance with any Ends or Executive Limitations policy, regardless of the Board's monitoring schedule.

    1.4. Let the Board be unaware of any incidental information it requires, including anticipated media coverage, actual or anticipated material legal actions,

and material or publicly visible internal changes or events, including changes in executive personnel.

1.4.1. Anticipated noncompliance with federal law, state law or local;

1.4.2. Quarterly financial statement

1.4.3. Annually, year-end financial report

1.4.4. Annually at the beginning of the fiscal year, the names and titles of two executive administration members familiar with Board and presidential matters and processes and notice of changes in the executive administrative members as soon as reasonably possible in advance of the effective date of the change

1.4.5. Quarterly, or at the request of Board, a presentation from Board-designated areas

1.4.6. Timely notification of the initiation of the requests for proposals procurement process of budgeted items over $100,000 that identifies:

- Identification of the top three or four bidders
- The College's scoring rubric regarding how each bidder scored
- A brief statement regarding the rationale for selecting the winning bid

1.5. Allow the Board to be unaware that, in the President's opinion, the Board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of Board behavior which is detrimental to the work relationship between the Board and the President.

1.6. Present information in unnecessarily complex or lengthy form.

2. Allow the Board to be without the support for the Board's official functioning and communications.

2.1. Neglect to designate the support required for the organization and administration of regular, closed, and special meetings.

3. Impede the Board's holism, misrepresent its processes and role, impede its lawful obligations, or assume prerogatives of the Board.

3.1. Interact with the Board in a way that favors or privileges certain Trustees over others except when (a) fulfilling an individual request for information, or (b) responding to officers or committees duly charged by the Board.

3.2. Neglect to supply for the Required Approvals agenda all items delegated to the President, yet required by law, regulation, or contract to be Board-approved, along with the applicable monitoring information.

| Date Of Change | Version | Description of Change | Responsible Party |
|---|---|---|---|
| 10/18/2023 | 1.0 | First release following Policy Governance consulting work. | President |
| 11/18/2026 | 2.0 | Revisions reflecting discussions at retreats and meetings. | President |

Frederick Community College

**Enclosure 14**
**November 2026**

## Revisions to GP-6 Board Linkage with External Organizations

**Context:** Revisions to GP-6 Board Linkage with External Organizations are being presented for approval. This policy requires the Board to identify and maintain good working relationships with external organizations (federal, state, and local governing bodies, as well as other public and private entities) to share and enhance its role in determining the most appropriate Ends.

**Board Policy Reference:** GP-6 Board Linkage with External Organizations

**Background:**

- The Board held a retreat on December 3, 2025, during which Trustees discussed role clarity and the principle that the Board speaks with one voice through its adopted policies, rather than through the authority of individual Trustees.
- At the March 18, 2026 regular meeting, Trustees discussed strategic engagement and government relations and emphasized the need for ongoing, intentional planning, coordination, purpose, and alignment in legislative and partnership activities, appropriately coordinated with the President.
- The Board held a retreat on July 16, 2026, during which Trustees identified the Board's role in advocacy and external relations for further policy review and discussed distinguishing the Board's governance role from the administration's responsibility for coordinated government relations and relationship-building.
- The proposed revisions address these discussions by clarifying the scope and purpose of the Board's external relationships and establishing a framework for Board engagement and representation with governmental and other external entities. The specific procedures for legislative conferences, appointment of Trustee representatives, information sharing, reporting, and other implementation details reflected in the markup are recommendations from the Policy Governance® consultant for the Board's consideration.
- The Board discussed the revisions at the September and October Board meetings. All feedback has been incorporated.

**Attachments:**

- GP-6 Board Linkage with External Organizations markup
- GP-6 Board Linkage with External Organizations clean




**FCC BOARD OF TRUSTEES POLICY**

**Policy Type:** Governance Process

**Policy Title:** Board Linkage with External Organizations
**Policy Number**: GP-6
**Date Adopted:** ~~4.17.2024~~11.18.2026

**Version:** ~~1.0~~2.0
**Date Last Reviewed:** ~~10.15.2025~~11.18.2026
**Office Responsible:** President's Office

**Reviewing Committee:** Board of Trustees

The Frederick Community College Board of Trustees shall identify ~~other organizations~~ external 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. The Board's external relationships shall be conducted consistent with its governance role and shall not interfere with the President's delegated responsibility for administration and operational relationships with external organizations.

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:

    - Inviting representatives of governing bodies or boards of public or private entities to ~~those organizations to~~ Board meetings

    - Meeting jointly with other ~~B~~boards ~~on occasion~~when appropriate

2. Prior to the Maryland Association of Community Colleges (MACC) Legislative Reception or the Association of Community College Trustees (ACCT) National Legislative Summit or any similar conference where the Board interacts with elected officials, the Board shall determine matters, if any, to be addressed consistent with the Board's role.

3. Upon request for Board representation at meetings convened by state or local level governments or public or private entities, the Board will first decide whether such representation is appropriate within the Board's role in ownership linkage and future foresight. If this assessment is positive, the Board Chair will

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appoint appropriate Trustee representative(s). Issues of confidentiality and information sharing shall be clarified for the appointed Trustee(s) by the Board Chair.

3.1. Individual Trustees shall not represent that they speak on behalf of the Board unless authorized by the Board or Board Chair pursuant to Board policy.

3.2. The appointed Trustee(s) shall provide information reports as determined by the Board.

3.3. Any representations made by the Trustee on behalf of the Board shall adhere to the stated policies of the Board. Any issues requiring the statement of a new policy position on the part of the Board shall be brought to the Board for decision.

~~2.~~4. For organizational memberships relevant to governance, the Board shall consider the merits of membership in other organizations annually.

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| Date Of Change | Version | Description of Change | Responsible Party |
|---|---|---|---|
| 4/17/2024 | 1.0 | First release following Policy Governance consulting work. | President |
| 11/18/2026 | 2.0 | Revisions reflecting discussions at retreats and meetings. | President |

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**FCC BOARD OF TRUSTEES POLICY**

**Policy Type:** Governance Process

**Policy Title:** Board Linkage with External Organizations
**Policy Number**: GP-6
**Date Adopted:** 11.18.2026

**Version:** 2.0
**Date Last Reviewed:** 11.18.2026
**Office Responsible:** President's Office

**Reviewing Committee:** Board of Trustees

The Frederick Community College Board of Trustees shall identify external 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. The Board's external relationships shall be conducted consistent with its governance role and shall not interfere with the President's delegated responsibility for administration and operational relationships with external organizations.

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:

    - Inviting representatives of governing bodies or boards of public or private entities to Board meetings

    - Meeting jointly with other boards when appropriate

2. Prior to the Maryland Association of Community Colleges (MACC) Legislative Reception or the Association of Community College Trustees (ACCT) National Legislative Summit or any similar conference where the Board interacts with elected officials, the Board shall determine matters, if any, to be addressed consistent with the Board's role.

3. Upon request for Board representation at meetings convened by state or local level governments or public or private entities, the Board will first decide whether such representation is appropriate within the Board's role in ownership linkage and future foresight. If this assessment is positive, the Board Chair will

appoint appropriate Trustee representative(s). Issues of confidentiality and information sharing shall be clarified for the appointed Trustee(s) by the Board Chair.

3.1. Individual Trustees shall not represent that they speak on behalf of the Board unless authorized by the Board or Board Chair pursuant to Board policy.

3.2. The appointed Trustee(s) shall provide information reports as determined by the Board.

3.3. Any representations made by the Trustee on behalf of the Board shall adhere to the stated policies of the Board. Any issues requiring the statement of a new policy position on the part of the Board shall be brought to the Board for decision.

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

| Date Of Change | Version | Description of Change | Responsible Party |
|---|---|---|---|
| 4/17/2024 | 1.0 | First release following Policy Governance consulting work. | President |
| 11/18/2026 | 2.0 | Revisions reflecting discussions at retreats and meetings. | President |

Frederick Community College

**Enclosure 15**
**November 2026**

## Acceptance: E-1 Ends (3.0) Monitoring Report

**Context:** The Monitoring Report for E-1 Ends (3.0) is being presented for acceptance according to the Board-approved 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: E-1 Ends (3.0)

# Frederick Community College
# Board of Trustees

## Monitoring Report:
## E 1 – Ends (3.0)

**[Full Compliance]**

Report Date: 11/18/2026
Reporting Period: 7/1/2025 – 6/30/2026

This is the annual report on compliance with the Board's Executive Limitation Policy: "E-1 Ends (3.0)." 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.

Annesa Cheek 11/18/2026

Annesa Cheek, Ed.D. Date
President

### 3.0 Regional Impact and Engagement

### 3.1. All residents of Frederick County are provided entry to an inclusive, equitable, human-centered, and financially accessible post-secondary education.

## Interpretation

*I interpret "inclusive, equitable, human-centered" as being an open access institution where residents, regardless of prior academic experience, have the opportunity to participate in post-secondary education and training. I would interpret "financially accessible" as the availability of financial resources to help pay for educational expenses.*

*Compliance will be demonstrated when:*

*a. The College has a policy and process for admitting students that reflects the principles of an open access institution.*

## Evidence

On 10/15/2026, the Vice President for Student Experience confirmed that the College has a policy and process for admitting students that reflects an open access institution.

The Admissions policy and procedure affirm that admission is open to all individuals who meet established eligibility criteria and provide clear pathways for degree-seeking students, workforce learners, dual enrolled students, transfer students, and other community members seeking educational advancement.

During FY26, the College updated its admissions policy and procedure to further clarify admission categories, eligibility requirements, and enrollment processes while maintaining its commitment to broad access and student-centered service. These revisions support the College's mission of providing Frederick County residents and others who choose to enroll with accessible entry points to quality postsecondary education and workforce training.

## Status

In compliance.

## Interpretation

*b. The College complies with federal and state student financial aid award guidelines.*

### Evidence

On 10/15/2026, the Vice President for Student Experience confirmed that the College complies with federal and state student financial aid award guidelines.

Through the Financial Aid Office, FCC continued to administer federal and state financial aid programs in accordance with applicable laws, regulations, and program requirements during the reporting period. This included operational controls and compliance processes governing the administration of Federal Pell Grants, Federal Supplemental Educational Opportunity Grants (FSEOG), Federal Work-Study, Federal Direct Loans, and Maryland state financial aid programs.

The College used external audit results as evidence of accountability and continuous improvement. FCC received an unmodified audit opinion on its FY26 Maryland Higher Education Commission (MHEC) CC-4 Annual Financial Report, meaning the auditors concluded that the financial and enrollment information presented in the report was fairly stated in all material respects. Separately, the FY26 Single Audit is not complete and will be presented to the Board of Trustees upon completion. A supplemental monitoring report will be provided on this item once the Single Audit has been made available.

Together, the CC-4, Single Audit, and ongoing internal compliance reviews provide complementary evidence of the College's commitment to responsible stewardship of student financial aid resources, transparency, regulatory compliance, and continuous improvement.

### Status

In compliance.

## Interpretation

c. *The College engages in resource development activities to fund and award student scholarships.*

### Evidence

On 10/13/2026, the Interim Executive Director for Development and the FCC Foundation confirmed that the Foundation raised $819,567 in FY26 through a variety of development activities to primarily support scholarships and/or emergency financial assistance. Funds were distributed to 1,062 students with an average award of $905. Eighty two percent of funds were distributed as scholarships to credit students, 16% to students in workforce training programs, and 2% to students needing emergency financial assistance.

### Status

In compliance.

*This interpretation is reasonable because open access admission is a core principle of the American Association of Community Colleges (AACC). Additionally, Title IV of the Higher Education Act of 1965 (HEA), a section of U.S. federal law that deals with federal student financial aid programs, is the industry standard. Lastly, work by the Council for Advancement in Higher Education (CASE) supports the need for public institutions of higher education to engage in fundraising.*

**3.2. Residents of Frederick County have avenues for lifelong learning.**

## Interpretation

*I interpret "lifelong learning" as the ongoing, voluntary, and self-motivated pursuit of knowledge for personal or professional development throughout an individual's life.*

*Compliance will be demonstrated when:*

a. *The College offers Frederick County residents a wide array of learning opportunities.*

## Evidence

On 10/6/2026, the Provost and Vice President of Teaching, Learning, and Student Success confirmed that Frederick County residents had access to 60 associate degree programs and areas of concentration and 32 academic certificate programs, as described in the Academic Catalog. In FY26, 10,403 students enrolled in credit programs.

The College also provided learning opportunities for older adults. In FY26, 148 Frederick County residents age 60 or older generated 373 enrollments in credit courses, totaling 881 credits eligible for the senior tuition waiver under Maryland law. In addition, 1,097 Frederick County residents age 60 or older enrolled in 495 noncredit courses, some of which were eligible for the senior tuition waiver in accordance with Maryland Education § 16-106.

Residents also had access to workforce development, adult basic education and English as a Second Language courses, career and contract training, and personal and cultural enrichment learning experiences through the College's Continuing Education and Workforce Development unit. In FY26, 5,720 individuals pursued learning through CEWD programs.

Frederick County residents could access learning opportunities remotely, on FCC's main campus, at the Monroe Center, and through career-connected learning which includes a continuum from classroom-based career activities to work-based learning at employer sites. In FY26, 65% of FCC programs offered career-connected learning and 43% required it, connecting students to real-world applications and career pathways. Work-based learning opportunities were supported through FCC's network of more than 150 employer partners.

## Status

In compliance.

*This interpretation is reasonable because the Code of Maryland Regulations (COMAR) mandates Maryland community colleges serve their communities by providing a wide variety of continuing education and community programs that benefit citizens. Additionally, the American Association of Community Colleges (AACC) emphasizes the key role community colleges play in fostering lifelong learning.*

**3.3. The College is recognized as a distinctive, inclusive, collaborative, innovative leader in workforce training, capacity-building, and growing the economic development of the region.**

## Interpretation

*Compliance will be demonstrated when:*

*a. Stakeholder surveys affirm the effectiveness of the College's training programs and partnerships with local businesses.*

## Evidence

In last year's baseline report, the President reported partial compliance with this policy item because the College did not yet have an established mechanism for systematically measuring employers' perceptions of FCC graduates' preparation and skill development.

On 10/1/2026, the Provost and Vice President of Teaching, Learning, and Student Success confirmed that during FY26, the College maintained extensive engagement with local employers through a network of more than 150 employer partners supporting work-based learning and 19 Program Advisory Committees (PACs) connecting career and technology programs with industry expertise.

On 10/1/2026, the Chief Foresight and Decision Support Officer confirmed that the College surveyed members of its Program Advisory Committees to assess employer satisfaction with FCC graduates and their workplace skills. In the Spring 2026 Employer Satisfaction Survey, 96% of responding employers (N=23) reported satisfaction with FCC graduates they had employed. Employers also reported satisfaction with graduates' interpersonal skills (89%), critical thinking (85%), problem solving (84%), leadership (79%), and written communication (69%).

These findings were further supported by the 2025–2026 Employer Recruitment Survey. Among employers who had hired FCC students and responded to the student preparedness question (N=12), 100% rated those students as adequately prepared, well prepared, or extremely well prepared.

### Status

In compliance.

## Interpretation

*b. A third-party study analyzes the College's economic impact to the region.*

### Evidence

On 10/2/2026, the Chief Foresight and Decision Support Officer confirmed that the College's most recent third-party economic impact study was conducted by Lightcast and published in December 2024. Lightcast is a widely used economic and labor market analytics firm that conducts economic impact and return-on-investment studies for higher education institutions. The study estimated that FCC's operations, student spending, and alumni activities contributed $307.8 million in added income to the Frederick County economy, equivalent to approximately 1.8% of the County's gross regional product, and supported 3,968 jobs. The study also estimated that for every dollar of public funding invested in FCC, taxpayers receive $1.40 in benefits through increased tax revenues and reduced public-sector costs over students' working lives.

### Status

In compliance.

*This interpretation is reasonable because it aligns with the Achieving the Dream (ATD) Community Vibrancy Framework and the American Association of Community Colleges' (AACC) Workforce and Economic Development goals.*

**3.4. The College develops future-focused strategies to identify and address on-going workforce and regional economic development needs.**

## Interpretation

*Compliance will be demonstrated when:*

*a. The College gathers and analyzes future-oriented data and information related to workforce and economic trends.*

## Evidence

In last year's baseline report, the President reported partial compliance with this policy item because the College had not yet established a process for gathering and analyzing future-oriented workforce and economic trend data.

On 10/1/2026, the Provost and Vice President of Teaching, Learning, and Student Success confirmed that the College systematically gathers and analyzes workforce and economic trend data through its academic program review, program vitality, and workforce planning processes.

For academic programs undergoing program review or program vitality analysis, the College uses labor market analytics from Lightcast to examine current and future regional workforce demand, employment projections, job openings, alumni employment outcomes, and median wages. In FY26, ten programs underwent program review. The program review reports are stored in the College's assessment software site, Watermark. This information is used to assess program relevance, identify emerging workforce needs, and evaluate alignment with regional economic priorities. A program vitality analysis is conducted annually by the TLSS Leadership team to evaluate and identify thriving, stable, and at-risk programs. Those programs identified as at risk based on a rubric that includes enrollment, completion, and potential wage earnings are then further evaluated and action plans created to enhance viability or discontinuance. As an example, in FY26, based on the program vitality assessment, the College made the decision to discontinue the two-year degree program in Medical Assist and launch a short-term 5-month program in Medical Assisting that allows students a more cost effective and timely option for employment.

The College also conducted broad environmental scanning as part of the development of its two-year Workforce Growth Strategy. Information was gathered from employers, economic development organizations, workforce partners, faculty and staff, business development activities, local government priorities, and labor market intelligence. Potential opportunities were then analyzed in relation to state and regional economic priorities, high-demand occupations, wage data, and emerging workforce trends to identify priority industry sectors in which the College could have the greatest impact.

The College also uses United Way ALICE (Asset Limited, Income Constrained, Employed) data when evaluating potential new programs and workforce initiatives.

ALICE data provides insight into the financial challenges facing working individuals and families in the region and helps identify career pathways that offer family-sustaining wages and opportunities for economic mobility. This information is considered alongside labor market demand, wage data, and employer feedback to ensure new program development responds to both workforce needs and community priorities.

As an example, the College was approached about launching a massage therapy program. Using a program feasibility assessment tool developed at the College that incorporates criteria such as wages exceeding ALICE threshold and industry demand, alignment with institutional mission, and resource availability, it was determined that a massage therapy program was not feasible to pursue at this time. Alternatively, when approached by industry leaders to expand electrical training, the feasibility assessment showed high wages, strong industry demand, and resource availability that led the College to renovate existing space into an additional electrical lab to expand program offerings.

### Status

In compliance.

## Interpretation

*b. The College utilizes and integrates future-oriented data and strategies into its planning.*

### Evidence

In last year's baseline report, the President reported partial compliance with this policy item because the College had not yet established a process for integrating future-oriented data and strategies into its planning.

On 10/1/2026, the Chief Foresight and Decision Support Officer confirmed that the College integrated future-oriented information and foresight into institutional, academic, and workforce planning. FCC used its Five Future Forces and 10-Year Horizon Scan to consider emerging conditions and their potential implications for the College. Faculty and staff participated in future-focused workshops and activities examining signals of change and plausible futures, helping bring future-oriented thinking into conversations about the future of the College, teaching and learning, and institutional priorities.

For example, the College applied future-oriented analysis to specific planning efforts during FY26. Faculty analyzed personas representing potential FCC students in 2035 to inform the development of Institutional Learning Outcomes; faculty participated in a strategic foresight workshop that invited them to imagine their future selves and challenge core assumptions about instruction and higher education; and faculty and staff engaged in a "Signal Swap," a collaborative activity examining emerging technologies and discussing their potential implications for teaching, learning, students, and the College.

### Status

In compliance.

*This interpretation is reasonable because the Institute for the Future (IFTF), a widely recognized expert in foresight and futures thinking, emphasizes future-focused planning to better anticipate systemic shifts and understand their long-term impacts. Also, the National Association of College and University Business Officers (NACUBO) emphasizes that strategic planning is essential for higher education institutions to navigate financial challenges, align resources with institutional priorities, and ensure long-term sustainability.*

**3.5. The quality of life for Frederick County residents is enhanced by virtue of the College's existence.**

## Interpretation

*I interpret "quality of life" as an enhanced social and cultural experience.*

*Compliance will be demonstrated when:*

a. *The College provides opportunities for community residents to access cultural, arts, and sporting events.*

### Evidence

On 10/6/2026, the Provost and Vice President of Teaching, Learning, and Student Success confirmed that the College sponsored or co-sponsored 48 cultural events for

the FCC community with an array of community partners. This included 27 music events featuring staff or students, the FCC Film Fest, and two theatrical productions, including *Remember the Ladies*, an original piece written for the US Semi-quincentennial celebration and produced in partnership with Hood College. There were also 13 events co-sponsored between FCC and the larger community, including a co-production of the *Rocky Horror Picture Show* with the Maryland Ensemble Theater and eight collaborations with the Choral Arts Society and Frederick Symphony Orchestra. Over 5,500 guests attended the sponsored and co-sponsored events.

On 10/7/2026, the Vice President for Student Experience confirmed that FCC provided opportunities for community residents to access sporting events. FCC Athletics hosted 89 home contests across seven intercollegiate sports: baseball, softball, men's and women's basketball, men's and women's soccer, and women's volleyball. Athletics further extended its community impact by hosting four youth camps and clinics in baseball, basketball, and soccer, serving a combined 363 participants.

### Status

In compliance.

## Interpretation

*b. The College provides opportunities for community residents to access personal and cultural enrichment learning experiences.*

### Evidence

On 10/6/2026, the Provost and Vice President of Teaching, Learning, and Student Success confirmed that the College offered accessible and flexible lifelong learning opportunities that promoted personal growth, creativity, intellectual engagement, and community connection through non-credit programs for learners of all ages. Offerings included 470 personal enrichment courses in the arts, culinary topics, hobbies, wellness, technology, and cultural exploration; the Institute for Learning in Retirement, which provided older adults with courses, travel experiences, and learning excursions; youth enrichment programs; music lessons and ensembles; and Thrive programs for adults with intellectual and developmental disabilities. Adult Education and English as a Second Language offered 233 classes to further support residents in developing skills that enhance participation in community life and civic engagement.

### Status

In compliance.

*This interpretation is reasonable because the Code of Maryland Regulations (COMAR) mandates Maryland community colleges serve their communities by providing a wide variety of continuing education and community programs that benefit citizens. According to Learning Resource Network (LERN), a national organization dedicated to providing resources and support for lifelong learning programs and community education initiatives, these opportunities contribute to both economic and social cohesion in communities.*

Frederick Community College

**Enclosure 16**
**November 2026**

## 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 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: 11/18/2026
Reporting Period: 7/1/2025 – 6/30/2026

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.

Annesa Cheek 11/18/2026

Annesa Cheek, Ed.D. Date
President

**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

- On 10/1/2026, the Chief Financial Officer and Vice President for Administration (CFO/VPA) confirmed that a review of the College's FY26 quarterly financial statements indicated the year- to-date revenues exceeded year-to-date expenditures.

| Reporting Period | Board Presentation Date | Operating Revenues YTD | Operating Expenses YTD | Surplus / (Deficit) |
|---|---|---|---|---|
| Q1 – 9/30/2025 | 11/19/2025 | $33,945,862 | $21,212,773 | $12,733,089 |
| Q2 – 12/31/2025 | 02/18/2026 | $49,062,891 | $37,788,428 | $11,274,463 |
| Q3 – 3/31/2026 | 06/10/2026 | $75,910,854 | $53,793,582 | $22,117,272 |
| Q4 – 6/30/2026 | 10/14/2026 | $87,147,802 | $81,350,346 | $5,797,456 |

- The FY26 Audited Annual Financial Report was presented to the Board of Trustees on 10/14/2026.

### 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

On 10/1/2026, the CFO/VPA confirmed that the College's annual debt service obligations did not exceed its financial capacity to repay them and that all FY26 debt obligations were satisfied in accordance with the established debt repayment schedule.

Based on the College's FY26 audited financial statements, the estimated Debt Service Coverage Ratio (DSCR) was 5.71, calculated by dividing the $2,799,955 in annual cash flow available for debt service by the $490,500 in scheduled bond principal and interest payments. Cash flow available for debt service was determined by combining net cash used in operating activities, State and County noncapital appropriations, and investment income. This calculation recognizes the importance of governmental appropriations in supporting the College's ongoing operations.

The resulting ratio indicates that the College generated approximately $5.71 in available annual cash flow for every $1.00 of scheduled bond debt service. This exceeds the common industry referenced benchmark of 1.25 and provides additional evidence that the College maintained sufficient financial capacity to satisfy its FY26 debt obligations.

### 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 FY26 Audited Annual Financial Report was presented to the Board of Trustees on 10/14/2026 and it indicated that revenues exceeded expenditures by $5.8M resulting in favorable change in net position to $131.8M from $126 M in FY26. Strategic Reserve fund balance is included in the operating budget as revenue and offsetting expenses.

### 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 Board of Trustees approved the FY26 operating budget on 6/11/2025, which included an operating expense contingency of $830,190 to address unforeseen expenses during the fiscal year. The College did not need, nor did it request the

use of Strategic Reserve funds for unexpected expenses as these were accommodated within the approved operating budget.

### 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 (not included in the approved annual operating budget).*

**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

On 10/1/2026, the CFO/VPA confirmed that a review of the College's FY26 quarterly financial statements and audited annual financial statements identified no instances in which designated funds were allocated or expended for purposes other than those for which they were intended.

The College prepared quarterly financial statements throughout FY26, providing the Board of Trustees with regular opportunities to review financial activity, monitor the use of institutional resources, and exercise fiscal oversight. The quarterly financial statements were presented to the Board of Trustees on the following dates: 11/19/2025 (first quarter); 2/18/2026 (second quarter); 6/10/2026 (third quarter); 9/16/2026 (fourth quarter).

The College's FY26 Audited Annual Financial Report, presented to the Board of Trustees on 10/14/2026, provides independently audited financial information regarding the College's financial position, revenues, expenditures, and restricted

resources. The audited financial statements serve as an additional source of evidence supporting the College's financial accountability and stewardship of institutional resources.

Quarterly financial statements and the FY26 Audited Annual Financial Report are available through the Board of Trustees meeting materials on the College's website: Frederick Community College — Board of Trustees.

### 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

On 10/15/2026, the CFO/VPA confirmed that the FY26 Audited Annual Financial Report was presented to the Board of Trustees on 10/14/2026. The audit included a review of the use of restricted funds and confirmed use had been limited to its intended purpose.

The FY26 Single Audit is not complete and will be presented to the Board of Trustees upon its completion. A supplemental monitoring report will be provided on this item once the Single Audit has been made available.

### 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 10/1/2026, that the College maintained operating reserves equal to or greater than the required minimum of two months (2/12ths), or approximately 16.6%, of average annual operating expenses throughout FY26.

The following table summarizes the quarterly reporting dates, actual operating reserve balances, and reserve percentages relative to the required minimum.

| Reporting Period | Board Presentation Date | Operating Reserve Balance | Reserve as % of Annual Expenses | Minimum Required |
|---|---|---|---|---|
| Q1 – 9/30/2025 | 11/19/2025 | $13,072,845 | 17.1% | 16.6% |
| Q2 – 12/31/2025 | 2/18/2026 | $13,205,066 | 17.2% | 16.6% |
| Q3 – 3/31/2026 | 6/10/2026 | $13,326,710 | 17.4% | 16.6% |
| Q4 – 6/30/2026 | 9/16/2026 | $13,449,725 | 17.6% | 16.6% |

The lowest operating reserve percentage reported during FY26 was 17.1%, exceeding the required minimum of 16.6% by .5 percentage points. Accordingly, the quarterly financial reports demonstrate that the College maintained operating reserves in compliance with the Board's established minimum throughout FY26.

### 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 10/1/2026 that the FY26 audit verified that the payment of employees was consistent with written Human Resources agreements. The FY26 Annual Audited Financial Report was presented to the Board of Trustees on 10/14/2026. 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

On 10/1/2026 the CFO/VPA confirmed that a review of the College's accounts payable records indicated that vendor payments were paid according to agreed-upon contract terms. The accounts payable reconciliation report as of 6/30/2026, identified no material outstanding balances beyond agreed payment terms, excluding any disputed obligations. The CFO/VPA also confirmed that the College was not subject to collection activity by any vendors for unpaid goods or services.

### 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

On 10/1/2026 the CFO/VPA confirmed that the College completed its required 2025 federal and state year-end wage and tax reporting within the applicable filing deadlines, as detailed below:

| | Date submitted | Filing deadline |
|---|---|---|
| Federal W-2 | 1/27/2026 | 2/2/2026 |
| Maryland | 1/28/2026 | 2/2/2026 |
| Pennsylvania | 1/28/2026 | 2/2/2026 |
| Virginia | 1/28/2026 | 2/2/2026 |
| West Virginia | 1/28/2026 | 2/2/2026 |
| District of Columbia | 1/28/2026 | 2/2/2026 |

The CFO/VPA further confirmed that all required filings were accepted without reported errors and that no penalties were assessed.

### Status

In compliance.

## Interpretation

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

### Evidence

The CFO/VPA confirmed on 10/1/2026 that the monthly Sales and Use Tax returns for each month of FY26 were submitted by the applicable filing deadlines as outlined below:

| Reporting Period | Date Submitted | Filing Deadline |
|---|---|---|
| July 2025 | 8/19/2025 | 8/20/2025 |
| August 2025 | 9/19/2025 | 9/22/2025 |
| September 2025 | 10/15/2025 | 10/20/2025 |
| October 2025 | 11/14/2025 | 11/20/2025 |
| November 2025 | 12/12/2025 | 12/22/2025 |
| December 2025 | 1/15/2026 | 1/20/2026 |
| January 2026 | 2/20/2026 | 2/20/2026 |
| January 2026 (Amended) | 2/25/2026 | N/A — Amended Return |
| February 2026 | 3/17/2026 | 3/20/2026 |
| March 2026 | 4/17/2026 | 4/20/2026 |
| April 2026 | 5/18/2026 | 5/20/2026 |
| May 2026 | 6/18/2026 | 6/22/2026 |
| June 2026 | 7/16/2026 | 7/20/2026 |

### Status

In compliance.

## Interpretation

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

### Evidence

On 10/1/2026, the CFO/VPA confirmed that all four quarterly Federal Form 941 (Employer's Quarterly Federal Tax Return) reports applicable to FY26 were submitted to the Internal Revenue Service (IRS) by their respective filing deadlines.

| Reporting Period | Date Submitted | Filing Deadline |
|---|---|---|
| 3rd Quarter 2025 (July–September) | 10/07/2025 | 10/31/2025 |
| 4th Quarter 2025 (October–December) | 1/12/2026 | 2/2/2026 |
| 1st Quarter 2026 (January–March) | 4/17/2026 | 4/30/2026 |
| 2nd Quarter 2026 (April–June) | 7/20/2026 | 7/31/2026 |

### Status

In compliance.

## Interpretation

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

### Evidence

On 10/1/2026, the CFO/VPA confirmed that all four quarterly Maryland Unemployment Insurance (MDUI) reports applicable to FY26 were submitted to the appropriate Maryland state agency by their respective filing deadlines.

| Reporting Period | Date Submitted | Filing Deadline |
|---|---|---|
| 3rd Quarter 2025 (July–September) | 10/3/2025 | 10/31/2025 |
| 4th Quarter 2025 (October–December) | 1/15/2026 | 2/2/2026 |
| 1st Quarter 2026 (January–March) | 4/15/2026 | 4/30/2026 |
| 2nd Quarter 2026 (April–June) | 7/02/2026 | 7/31/2026 |

### Status

In compliance.

## Interpretation

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

### Evidence

The CFO/VPA confirmed on 10/1/2026 that the College completed and submitted the Department of Commerce annual survey on 4/10/2026 ahead of the 5/7/2026 deadline.

### Status

In compliance.

## Interpretation

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

### Evidence

The CFO/VPA confirmed on 10/1/2026 that the College submitted all required FY26 monthly MHEC retirement filings by the applicable deadlines. The submission dates and deadlines are detailed below.

| Reporting Period | Actual Submission Date | Required Deadline |
|---|---|---|
| July 2025 | 7/30/2025 | 8/15/2025 |
| August 2025 | 8/27/2025 | 9/15/2025 |
| September 2025 | 9/29/2025 | 10/15/2025 |
| October 2025 | 10/29/2025 | 11/15/2025 |
| November 2025 | 11/24/2025 | 12/15/2025 |
| December 2025 | 12/16/2025 | 1/15/2026 |
| January 2026 | 1/27/2026 | 2/15/2026 |
| February 2026 | 2/24/2026 | 3/15/2026 |
| March 2026 | 3/26/2026 | 4/15/2026 |
| April 2026 | 4/27/2026 | 5/15/2026 |
| May 2026 | 5/26/2026 | 6/15/2026 |
| June 2026 | 6/26/2026 | 7/15/2026 |

The CFO/VPA also confirmed that the Maryland State Retirement Agency's annual retirement report was submitted on 1/15/2026 ahead of the 1/31/2026 deadline.

### 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

On 10/1/2026, the CFO/VPA confirmed that the College submitted all required FY26 payroll withholding tax payments in accordance with applicable regulatory deadlines and the College's established payroll schedule. Federal, Maryland, Pennsylvania, and Virginia withholding taxes were remitted on a semi-monthly basis, while West Virginia and District of Columbia withholding taxes were remitted monthly, and payroll tax payment records identified no late payments or exceptions.

| Taxing Authority | Required Payment Frequency | Payments Made on Time |
|---|---|---|
| Federal (IRS) | Semi-monthly | All required payments |
| Maryland | Semi-monthly | All required payments |
| Pennsylvania | Semi-monthly | All required payments |
| Virginia | Semi-monthly | All required payments |
| West Virginia | Monthly | All required payments |
| District of Columbia | Monthly | All required payments |

### 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

On 10/1/2026, the CFO/VPA confirmed that during FY26, the College did not acquire, encumber, or dispose of any land or buildings without prior approval of the Board of Trustees. This determination is supported by a review of the College's real property records, FY26 financial records, and Board of Trustees meeting minutes and resolutions to identify any real property transactions occurring during the fiscal year.

### 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

On 10/1/2026, the CFO/VPA confirmed that the Student Finance Office completed its annual review of Standard Operating Procedures (SOPs) governing student accounts receivable and collection activities.

The College maintains comprehensive documentation of its collection efforts in PeopleSoft Campus Solutions and Perceptive Content, including multiple

collection attempts and repayment options offered to students before delinquent accounts are referred to Collections Recovery Service (CRS).

As an additional internal control, the Bursar reviews all delinquent accounts and associated collection activities before authorizing referral to CRS. This review is intended to ensure that accounts meet the established delinquency criteria, required collection efforts have been completed, and appropriate documentation is maintained. During FY26, the Bursar reviewed and approved 262 delinquent student accounts for referral to CRS.

### Status

In compliance.

## Interpretation

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

### Evidence

The CFO/VPA confirmed on 10/1/2026 that the Annual write-offs are completed prior to the end of each fiscal year. The criteria are accounts older than two 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. This procedure was completed on dates between 5/28/2026 and 6/29/2026 for FY26.

### 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 10/1/2026 the following:

- The FY26 quarterly financial statements were presented to the Board of Trustees for review as follows:
  - The 1st quarter ending 9/30/2025, was presented to the Board on 11/19/2025.
  - The 2nd quarter ending 12/31/2025, was presented to the Board on 2/18/2026.
  - The 3rd quarter ending 3/31/2026, was presented to the Board on 6/10/2026.
  - The 4th quarter ending 6/30/2026, was presented to the Board on 9/16/2026.

### 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 10/1/2026, that the College adhered to Frederick County's established budget submission and approval timelines for FY26.

The College's proposed FY26 operating budget was presented to and approved by the Board on 2/19/2025 and subsequently submitted to the Frederick County Executive on 2/21/2025, in accordance with the County's annual budget development process.

The final FY26 operating budget was presented to and approved by the Board on 6/11/2025 and submitted to Frederick County on 6/12/2025. The Frederick County Council ratified the College's FY26 operating budget on 6/17/2025, prior to the June 30 fiscal year-end deadline.

### 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 that the College provided all necessary information and fully cooperated with the College's external auditors, S B & Company, LLC, during the FY26 annual financial statement audit. During a meeting held on 10/2/2026, Partner Tobi Hollander confirmed that the College Administration had provided all requested documentation and fully cooperated throughout the audit process.

The FY26 Annual Audited Financial Report and CC4 Report were submitted to the Maryland Higher Education Commission (MHEC) on the 10/1/2026 due date.

Documentation supporting the submission is maintained by the College's Finance Office.

The FY26 Annual Audited Financial Report was subsequently presented to the Board of Trustees by S B & Company, LLC, on 10/14/2026, providing the Board with an opportunity to review the College's year-end financial statements and independent audit results.

The FY26 Single Audit of Federal Awards is a separate audit deliverable and will be presented to the Board of Trustees upon completion. It must be submitted to Federal Audit Clearinghouse (FAC) no later than the earlier of 30 days after receiving the auditor's report or nine months after the fiscal year end. A supplemental monitoring report will be provided on this item once the Single Audit has been made available.

### 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 that the FY26 Annual Audited Financial Report was presented to the Board of Trustees on 10/14/2026 by the College's external auditors S B & Company, LLC and there were no findings.

The FY26 Single Audit is not complete and will be presented to the Board of Trustees upon its completion. A supplemental monitoring report will be provided on this item once the Single Audit has been made available.

No Interagency Internal Audit Authority (IIAA) audits were completed in FY 2026.

### 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 CFO/VPA confirmed that, as part of the FY26 budget development process, the College Administration reviewed the College's operating fund balance to determine the availability of resources above the required 16.6% operating reserve threshold.

Based on this assessment, the College Administration recommended segmenting funding across eight categories:

- Academic Program Initiatives
- Capital Projects
- Emergencies
- Strategic Planning and Future-Proofing
- Student Success and Completion Initiatives
- Talent Cultivation
- Technology Projects
- Unplanned Capital Repair & Replacement

## 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*.

Frederick Community College

**Enclosure 17**
**November 2026**

## 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 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: 11/18/2026
Reporting Period: 7/1/2025 – 6/30/2026

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.

Annesa Cheek 11/18/2026

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 10/1/2026, the Chief Financial Officer and Vice President for Administration (CFO/VPA) confirmed that McGriff Insurance Services, which has specialized expertise in higher education insurance, evaluated the adequacy of the College's insurance coverages and limits as part of the annual renewal process. This assessment considered the College's institutional size, operational scope, property values, risk exposures, and the nature of its educational activities. Based on this evaluation, McGriff recommended insurance coverages and corresponding limits appropriate to the College's size, type, and scope of operations. The Board approved these recommendations on 6/11/2025 as part of the FY26 insurance renewal. The approved coverages included property, casualty, cyber, umbrella, and international travel insurance.

### 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 10/1/2026, the CFO/VPA confirmed that HCA Asset Management, commissioned by Frederick County, completed an appraisal of all Frederick Community College (FCC) property on 3/13/2025. The CFO/VPA further confirmed that, in consultation with the College's independent insurance broker, McGriff Insurance Services, the updated property valuations were reviewed and used to establish appropriate property insurance coverage limits for FY26, effective 7/1/2025.

### Status

In compliance.

### Interpretation

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

### Evidence

The CFO/VPA confirmed on 10/1/2026 that McGriff Insurance Services annually evaluates the College's insurance coverage needs, including potential operational

disruptions, and recommends appropriate coverage types and limits based on the College's identified risks and exposures. This assessment includes consideration of business interruption, extra expenses, and other applicable operational risks.

McGriff also utilizes property valuations provided by HCA Asset Management to recommend appropriate property insurance limits based on estimated replacement costs.

The Board of Trustees approved McGriff's recommended insurance coverage for FY26 on 6/11/2025.

### 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 10/1/2026, the CFO/VPA confirmed that HCA Asset Management, commissioned by Frederick County, completed an appraisal of all College property, including buildings and contents, on 3/13/2025. McGriff Insurance Services utilized the updated property valuations to establish the recommended blanket insurance coverage limit for buildings and contents, effective 7/1/2025 ensuring that coverage limits were informed by current replacement cost valuations.

The CFO/VPA further confirmed that the College received its insurance Policy Binder and supporting documentation from McGriff Insurance Services on 8/1/2025. These documents identify the established blanket coverage limit, applicable premiums, deductibles, and other relevant policy provisions.

### 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

On 10/1/2026, the CFO/VPA confirmed that the College maintained comprehensive crime insurance coverage throughout FY26, including protection against employee dishonesty, embezzlement, forgery, and other covered criminal acts. The coverage, provided under the College's casualty insurance program, was reviewed and recommended by the College's independent insurance broker, McGriff Insurance Services, and approved by the Board of Trustees on 6/11/2025, as part of the FY26 insurance renewal.

### 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

The Interim CIO confirmed on 10/6/2026 that during FY26 the College maintained cybersecurity measures designed to mitigate operational disruptions and cyber threats. The cybersecurity awareness training was delivered through Vector Solutions and remains a required annual compliance activity for all employees. The cybersecurity measures include but are not limited to multi-factor authentication, audits, security assessments, system upgrades, patching to address common vulnerability exposure and software updates, and other preventive controls. Periodic network penetration testing occurs biannually, with the most recent in FY26. The Interim CIO further confirmed that the College's cybersecurity practices are reviewed against applicable regulatory requirements and recognized information security standards.

On 10/1/2026, the CFO/VPA confirmed that the College's Information Technology and Finance teams collaboratively completed the cyber insurance renewal process for FY26, including the cybersecurity questionnaire required by the insurance carrier. The College successfully obtained and maintained cyber liability insurance coverage throughout FY26, with coverage limits recommended by its independent insurance broker, McGriff Insurance Services, based on the College's cybersecurity risks and insurance needs. The Board of Trustees approved McGriff's recommended coverage and limits on 6/11/2025, as part of the FY26 insurance renewal.

### 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

The CFO/VPA confirmed on 10/1/2026 that there were no IIAA audits completed in FY26.

The Interim CIO confirmed on 10/1/2026 that the IT department performed penetration testing in FY26 and that identified findings were evaluated and addressed through the College's established risk-based remediation process. Supporting documentation of remediation activities is maintained by the IT department and is not included in this report due to its sensitive security nature.

### Status

In compliance.

*This interpretation is reasonable because the insurer and the IIAA are third-party experts that 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

On 10/1/2026, the CFO/VPA confirmed that the College maintained Directors and Officers (D&O) liability insurance and Employment Practices Liability Insurance

(EPLI) throughout FY26. These policies provide liability protection, subject to policy terms and exclusions, for covered claims involving the College and its insured trustees, officers, administrators, and employees. D&O coverage addresses covered claims arising from governance and management decisions, while EPLI provides protection against covered employment-related claims, including allegations of discrimination, harassment, and wrongful termination.

The coverage and corresponding limits were recommended by the College's independent insurance broker, McGriff Insurance Services, which maintains a specialized Public Entity/Education practice serving colleges and universities. The Board of Trustees approved the recommended insurance coverage on 6/11/2025, as part of the FY26 insurance renewal.

### 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

On 10/1/2026, the CFO/VPA confirmed that the College maintained international travel insurance throughout FY26, providing coverage for accidental loss sustained by students, employees, and members of the Board of Trustees while traveling internationally on behalf of the College. The CFO/VPA further confirmed that the coverage limits established under the FY26 policy were consistent with those recommended by the College's independent insurance broker, McGriff Insurance

Services. The Board of Trustees approved McGriff's recommended coverage and limits on 6/11/2025, as part of the FY26 insurance renewal.

### 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

On 10/1/2026, the CFO/VPA confirmed that the College maintained theft and crime insurance coverage throughout FY26 at levels recommended by the College's independent insurance broker, McGriff Insurance Services. The CFO/VPA further confirmed that McGriff's recommended coverage limits were based on an assessment of the College's institutional type, size, scope of operations, and associated risk exposures. The Board of Trustees approved McGriff's recommended coverage and limits on 6/11/2025, as part of the FY26 insurance renewal.

### 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 10/1/2026, the CFO/VPA confirmed that the College maintained policies, procedures, protocols, and risk management plans throughout FY26 designed to mitigate institutional liability. These safeguards include campus safety and emergency response procedures, workplace safety protocols, facilities inspection and preventive maintenance practices, cybersecurity and information security measures, and established procurement and contract management procedures.

The College periodically reviews and updates these practices to address emerging risks, regulatory requirements, operational changes, and recommendations received from its insurance carriers and independent insurance broker, McGriff Insurance Services. As part of the annual insurance renewal and risk management process, the College evaluates applicable carrier recommendations and incorporates necessary improvements into its policies, procedures, and operational practices.

### 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

On 10/1/2026, the CFO/VPA confirmed that all 23 material contracts approved by the Board of Trustees during FY26 underwent legal counsel review prior to execution. This confirmation was based on the College's contract approval and execution records, which document legal counsel's review of each agreement.

### Status

In compliance.

## Interpretation

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

### Evidence

On 10/26/2026, the VP for Talent and Culture confirmed that all material internal human resource documents during FY26 underwent legal counsel review prior to execution. This confirmation was based on the review of internal documents drafted, reviewed by legal counsel, as well as the accuracy verified by legal counsel on 11/2/2026.

### 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 5/28/2025, the CFO/VPA confirmed with the College's independent insurance broker, McGriff Insurance Services, that all insurance companies selected to provide insurance coverage for FY26 maintained an A.M. Best financial strength rating of Excellent (A) or better, as reflected in the broker's insurance renewal documentation.

### 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

On 10/1/2026, the CFO/VPA confirmed that the College, Frederick County Government, and Frederick County Public Schools jointly conducted a competitive bidding process for independent professional auditing services through RFP #21MISC7. Following this process, SB & Company received the award for FY21-FY23 in March 2021, with the option for three annual renewals (FY24-FY26). The Board subsequently approved a three-year contract with SB & Company and each annual

renewal on 2/21/2024 (FY24), 2/19/2025 (FY25), and 2/18/2026 (FY26), prior to the start of any audit work.

### Status

In compliance.

## Interpretation

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

### Evidence

On 10/15/2026, the CFO/VPA confirmed that the College's independent external auditors presented the FY26 Audited Annual Financial Report to the Board of Trustees on 10/14/2026. The audit was completed with no material findings identified.

The FY26 Single Audit is not complete and will be presented to the Board of Trustees upon its completion. A supplemental monitoring report will be provided on this item once the Single Audit has been made available.

### 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

On 10/15/2026, the CFO/VPA confirmed that the College's FY26 Audited Annual Financial Report was presented to the Board of Trustees by the College's independent external auditors on 10/14/2026. The audit identified no material weaknesses in internal control over financial reporting.

The FY26 Single Audit is not complete and will be presented to the Board of Trustees upon its completion. A supplemental monitoring report will be provided on this item once the Single Audit has been made available.

### Status

In compliance.

## Interpretation

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

### Evidence

On 10/15/2026, the CFO/VPA confirmed that the FY26 Audited Annual Financial Report, presented to the Board of Trustees on 10/14/2026, identified no internal control deficiencies requiring corrective action. Accordingly, the requirement to correct identified deficiencies within 90 days was not applicable for FY26, as no corrective actions were necessary.

The FY26 Single Audit is not complete and will be presented to the Board of Trustees upon its completion. A supplemental monitoring report will be provided on this item once the Single Audit has been made available.

### 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 10/1/2026 the CFO/VPA confirmed that the College maintained and adhered to established purchasing policies and procedures that supported the purchase of quality products at a reasonable cost and exhibited overall effective resource management. As part of the FY26 annual financial audit, the College's independent external auditors reviewed a statistically valid sample of procurement transactions to assess compliance with applicable purchasing requirements. The review identified no instances of noncompliance with the College's established purchasing policies and procedures, providing independent evidence that the College followed its required procurement protocols.

### 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 10/6/2026, the VP for Talent and Culture confirmed that a review of the Maryland State Ethics Commission annual disclosure reports confirmed they were conducted for designated positions identified by the Commission under the Maryland Public Ethics Law. 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. Employees serving on a procurement evaluation committee sign the Evaluation Committee Responsibilities and Overview form which includes a conflict of interest disclosure requirement.

### 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 10/1/2026, the CFO/VPA confirmed that the FY26 annual financial audit included testing of a sample of procurement transactions to assess compliance with College's established purchasing policies and procedures. The audit was presented to the Board of Trustees on 10/14/2026 and no procurement-related conflicts of interest were reported in the FY26 audit.

### Status

In compliance.

## Interpretation

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

### Evidence

On 10/1/2026, the CFO/VPA confirmed there were no material conflicts of interest that were identified for disclosure in the FY26 annual audited financial report which was subsequently presented to the Board on 10/14/2026.

### 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 10/1/2026 that a statistically valid sample of procurement documents and transactions was tested by SB & Company, LLC and found compliant for adherence to FCC's purchasing policies and was included in the FY26 annual audit presented to the Board on 10/14/2026.

### Status

In compliance.

## Interpretation

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

### Evidence

The CFO/VPA confirmed on 10/1/2026 that a statistically valid sample of procurement documents and transactions was tested by SB & Company, LLC and found compliant for adherence to COMAR and was included in the FY26 annual audit presented to the Board on 10/14/2026.

### 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 10/6/2026, the Provost and Vice President 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.

| Program | Accrediting Body | Date of Annual Data Submission |
|---|---|---|
| AAS Culinary Arts and Supervision;<br>Culinary Skills Certificate;<br>AAS Baking & Pastry Arts;<br>Baking and Pastry Arts Certificate | American Culinary Federation Education Foundation Accredit Commission (ACFEFAC) | October 2025 |
| AAS Physical Therapist Assistant | Commission on Accreditation in Physical Therapy Education (CAPTE) | September 2025 |
| AAS Public Safety and<br>Areas of concentration in Emergency Management;<br>National Security and Intelligence | Council for the Accreditation of Emergency Management and Homeland Security Education (CAEMHSE) | None required |
| AS Nursing;<br>Certified Nursing Assistant (CNA) | Maryland Board of Nursing (MBON) | December 2025 |

| Program | Accrediting Body | Date of Annual Data Submission |
|---|---|---|
| AS Nursing | Accreditation Commission for Education in Nursing (ACEN) | December 2025 |
| AAS Respiratory | Commission on Accreditation for Respiratory Care (CoARC) | July 2026 |
| AAS Surgical Technology | Commission on Accreditation of Allied Health Education Programs (CAAHEP) | May 2026 |
| Dental Assisting; Oral Radiography | Maryland State Board of Dental Examiners | None is required |

### Status

In compliance.

## Interpretation

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

### Evidence

On 10/6/2026, the Chief Foresight and Decision Support Officer confirmed that the College is in good standing with institutional accrediting and regulatory 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.

On 10/6/2026, the Provost and Vice President for Teaching, Learning, and Student Success confirmed that the College has fourteen accredited programs and is in good standing with their respective program accrediting bodies.

| Program | Accrediting Body | Date by which next Accreditation Review is expected (Date of last accreditation) |
|---|---|---|
| AAS Culinary Arts and Supervision;<br>Culinary Skills Certificate;<br>AAS Baking & Pastry Arts;<br>Baking and Pastry Arts Certificate | American Culinary Federation Education Foundation Accredit Commission (ACFEFAC) | December 2028<br>(2023) |
| AAS Physical Therapist Assistant | Commission on Accreditation in Physical Therapy Education (CAPTE) | June 2029<br>(2024) |
| AAS Public Safety and<br>Areas of concentration in Emergency Management;<br>National Security and Intelligence | Council for the Accreditation of Emergency Management and Homeland Security Education (CAEMHSE) | May 2028<br>(November 2023) |
| AS Nursing;<br>Certified Nursing Assistant (CNA) | Maryland Board of Nursing (MBON) | Nursing: 2034<br>(June 2026)<br>CNA: 2028 (2026) |
| AS Nursing | Accreditation Commission for Education in Nursing (ACEN) | Nursing: 2034<br>(June 2026) |
| AAS Respiratory | Commission on Accreditation for Respiratory Care (CoARC) | July 2032<br>(2022) |
| AAS Surgical Technology | Commission on Accreditation of Allied Health Education Programs (CAAHEP) | Expected in Nov 2026 (2015) |
| Dental Assisting;<br>Oral Radiography | Maryland State Board of Dental Examiners | 2028<br>(2018) |

The current status for program accreditations can be found on FCC's Accreditation web page.

## 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 VP Advancement/Executive Director of FCC Foundation confirmed on 10/6/2025 that the College followed the Foundation Gift Acceptance Procedure and did not accept private gifts of value in FY26 except through the FCC Foundation. The Foundation processed one gift utilizing the Foundation Gift Acceptance Procedure.

### 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

On 10/1/2026, 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 and updated on 10/1/2026.

### 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

On 11/9/2026, the Chief of Staff to the President confirmed that administrative policies, news releases, and public statements issued on behalf of the College during FY26 were politically neutral. The confirmation was based on real-time review of official College communications, including administrative policies, institutional news releases, and public statements. These communications reflected the College's institutional mission and responsibilities and did not endorse or oppose political parties, candidates, or campaigns.

### 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

On 10/1/2026, the CFO/VPA confirmed that the College's contractual relationships during FY26 were subject to established procurement and contract review processes designed to ensure that vendors and contractual arrangements are

consistent with the College's Mission, Vision, Values, Strategic Priorities, and the Board's Ends.

The College's procurement process incorporates vendor qualification and responsibility assessments, competitive solicitation requirements, and contract reviews, as applicable, to evaluate vendors' qualifications, experience, business practices, and ability to fulfill contractual obligations. These processes provide a framework for identifying potential concerns and ensuring that contractual relationships support the College's institutional objectives and operational requirements.

The Associate Vice President for Procurement and Contract Management oversees the application of these procedures, including appropriate review and approval of contractual commitments. During FY26, the College's established procurement and contract review procedures served as the primary mechanisms for assessing vendor suitability and institutional alignment.

Based on these established oversight processes, and subject to confirmation of their application during FY26, the CFO/VPA affirmed that the College's contractual relationships were consistent with the Board's Ends and the College'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

On 10/1/2026, the CFO/VPA confirmed that he met with the President and each Vice President and no owner/stakeholder relations matters requiring resolution remain unresolved as of 6/30/2026.

### 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 10/1/2026, the CFO/VPA confirmed that no change to the College's name occurred during FY26; therefore, no Board action was required under this interpretation.

### 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 10/1/2026 that no changes to the College's name were proposed during FY26; therefore, no request for approval by the Middle States Commission on Higher Education was necessary.

### 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 10/1/2026 that no changes to the College's name were proposed during FY26; therefore, no request for approval by the Maryland Higher Education Commission was necessary.

### 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 10/1/2026 that no changes to the College's name, image, likeness or institutional positioning occurred during FY26; therefore no Board action was required under this interpretation.

### 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 10/1/2026, the CFO/VPA confirmed that no subsidiary corporation was created or purchased during FY26. This was further confirmed by the Board's external auditor, SB & Company, LLC, on 9/30/2026, as part of its FY26 audit procedures.

### 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.*

Frederick Community College

**Enclosure 18**
**November 2026**

## Acceptance: EL-10 Investments Monitoring Report

**Context:** The Monitoring Report for EL-10 Investments is being presented for acceptance according to the approved 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: 11/18/2026
Reporting Period: 7/1/2025 – 6/30/2026

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.

Annesa Cheek 11/18/2026

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 10/1/2026, the CFO/VPA confirmed that, during FY26, the College maintained its funds through established financial institutions and investment arrangements designed to preserve principal, maintain liquidity, and safeguard public funds. The College does not currently utilize investment advisors.

The College maintained money market deposit accounts with Truist Bank, an FDIC-insured financial institution. Truist collateralizes the College's deposit balances to protect public funds, providing security beyond applicable FDIC insurance coverage. Truist serves as the College's depository institution rather than as an independent investment advisor.

The College participated in the Maryland Local Government investment Pool (MLGIP) a pooled investment vehicle available to Maryland governmental entities. The pool operates under established investment policies and professional management arrangements. PNC Bank provides services associated with the pool's administration and investment operations. The College's participation in the MLGIP does not constitute a direct engagement of PNC Bank as an independent investment advisor.

These arrangements provide the College with access to established financial institutions and professionally managed investment vehicles. The College does not independently direct individual securities purchases within the MLGIP.

The CFO/VPA confirmed that these investment arrangements were maintained during FY26 and were consistent with the College's objectives of preserving principal, maintaining liquidity, and exercising prudent stewardship of public resources.

### 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 10/1/2026, the CFO/VPA confirmed that, during FY26, the College maintained its funds in accounts established exclusively in the College's name.

The College maintained money market deposit accounts with Truist Bank, an FDIC-insured financial institution that collateralizes the College's deposit balances to safeguard public funds. The College also participated in the Maryland Local Government Investment Pool (MLGIP), a professionally managed governmental investment pool.

The CFO/VPA's confirmation is supported by the College's FY26 bank account statements and MLGIP investment account statements, which identify Frederick Community College as the account holder.

The College did not directly engage an independent investment advisor to purchase individual securities on its behalf during FY26. Accordingly, the requirement concerning securities purchased by an investment advisor and held in the College's name was not applicable to the College's direct investment activities. Securities held within the MLGIP are managed collectively through the investment pool rather than individually titled in the College's name.

### 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 10/1/2026, the CFO/VPA confirmed that in FY26, the College maintained money market deposit accounts with Truist Bank and investments in the Maryland Local Government Investment Pool (MLGIP).

The College did not engage an independent investment advisor with discretionary authority to withdraw funds from its accounts. Truist Bank served as the College's depository institution, while the College's participation in MLGIP was administered through the pool's established financial management arrangements.
The College's FY26 bank and investment account statements and applicable financial agreements provide the basis for verifying that withdrawals and fees were

consistent with authorized account activity and contractual provisions. The statements are reviewed and reconciled monthly.

The CFO/VPA confirmed that the College's financial management arrangements did not provide an independent investment advisor with unrestricted withdrawal authority. Any fees assessed by the financial institutions or investment pool were subject to the terms of the applicable agreements, and other withdrawals were subject to the College's established financial authorization procedures.

### 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 cash flow needs of the College based upon a planned schedule; and*

### Evidence

On 10/1/2026, the CFO/VPA confirmed that, during FY26, the College maintained its investments in liquid cash and cash-equivalent accounts, including money market deposit accounts with Truist Bank and investments in the MLGIP.

These investments were maintained without fixed maturity dates and were available to meet the College's operating and financial obligations as needed. Accordingly, a formal investment maturity schedule was not necessary.

The College monitors its cash position and anticipated financial obligations through established budget development, financial reporting, and cash management

processes. These processes consider anticipated revenue receipts, operating expenditures, payroll obligations, and other scheduled financial commitments to ensure sufficient liquidity is maintained to meet projected cash flow requirements.

The College's FY26 bank and investment account statements, operating budget, and periodic financial reports provide supporting documentation of the availability of funds and the College's ongoing monitoring of its financial position.

### Status

In compliance.

## Interpretation

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

### Evidence

On 10/1/2026, the CFO/VPA confirmed that actual interest revenue earned during FY26 was consistent with anticipated returns, based on a review of the College's investment earnings and financial records.

Anticipated investment returns were evaluated based on actual cash and investment balances, applicable interest rates, and expected earnings from the College's money market accounts with Truist Bank and investments in the MLGIP. Actual interest earnings were compared with these expectations to assess investment performance and identify any significant variances.

The College's FY26 bank and investment account statements, interest earnings records, and general ledger activity provide supporting documentation for this assessment.

The CFO/VPA further confirmed that no early withdrawal penalties or other withdrawal-related penalties were incurred during FY26, consistent with the liquid nature of the College's investments.

### 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 10/1/2026, the CFO/VPA confirmed that the College did not undertake any new borrowing during FY26.

The College's FY26 financial records, including general ledger activity and outstanding debt obligations, provide the basis for confirming that no new debt was incurred during the fiscal year. Any debt-related activity during FY26 was associated with existing obligations rather than new borrowing.

Accordingly, no new borrowing was undertaken for either educational or speculative financial purposes during FY26, and the College remained in compliance with the Board-accepted interpretation.

### 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

On 10/1/2026, the CFO/VPA confirmed that, during FY26, the College participated in the MLGIP.

The MLGIP operates under the oversight of the Maryland State Treasurer's Office and is governed by investment requirements established pursuant to Maryland law. These requirements restrict the pool's investments to legally authorized investment instruments.

The College's participation in MLGIP during FY26 was consistent with applicable Maryland law and the Board's EL-10 Investments policy.

### Status

In compliance.

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

Frederick Community College

**Enclosure 19**
**November 2026**

## 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 polices 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 delegatees, 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.***

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*Reference: Carver Guides, 2nd Edition, 2009*