

**THREE RIVERS COLLEGE  
GENERAL ADMINISTRATION POLICY**

Section: 1000 General Administration	
Sub Section: 1100 College Operations	
Title: GAP 1150 Financial Exigency	Page 1 of 4
Associated Policy: BP 0340 Code of Ethics	
References:	
Supersedes: NA	
Responsible Administrator: College President	
Initial Approval: 04-19-2017	Last Revision:

Three Rivers College has developed this policy to be followed in the event of financial exigency. The policy and procedures cover emergency steps, including reduction-in-force.

**Definition of Financial**

Financial Exigency is the formal declaration by the Board of Trustees that Three Rivers College faces imminent financial crisis, that there is a current or projected absence of sufficient funds (appropriated or non-appropriated) for the college as a whole to maintain current programs and activities at a level sufficient to fulfill its educational goals and priorities, and that the budget can only be balanced by extraordinary means which include the termination of existing and continuing academic and non-academic appointments.

**Actions Required Prior to Declaration of Financial Exigency**

Financial exigency results from an imminent fiscal crisis. The condition of financial exigency may not be declared at a level below that of the entire college. In light of the gravity of consequences resulting from a declaration of financial exigency, the process leading to the recommendation to Board of Trustees that financial exigency be declared will be cautious, fair, well informed, and as responsive as possible to the interests of various segments of the college.

- a. The College President is responsible for initiating a proposal of declaration of financial exigency. The College President shall provide assurances and documentation that all available reductions in expenditures have occurred and that every effort has been made to enhance revenues.
- b. Prior to proposing the declaration of financial exigency, the College President shall share all pertinent data pertaining to the college's financial problems with members of his/her immediate staff who shall be responsible for communicating with the college as a whole. The College President shall request that these members actively pursue recommendations for solutions within the parameters of maintaining sound educational programs.
- c. The College President shall review all proposed solutions and advice. If the College President remains convinced that conditions warrant a recommendation for declaration of financial exigency, he/she shall present the recommendation and supporting documentation to the Board of Trustees.

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**Actions Required Subsequent to the Declaration of Financial Exigency**

In the event the Board of Trustees declares that a condition of financial exigency exists at Three Rivers College, the College President shall, within a reasonable time, initiate a proposed plan allocating necessary funding reductions among the college's budgetary units.

The following procedures and activities will go into effect immediately after the College President initiates the college's plan of allocating reductions.

- a. The College President shall develop a plan in concert with his/her direct reports. The President may elect to include additional members to represent the college's constituencies.
- b. The College Cabinet must consider the following factors when developing the plan:
  1. academic priorities,
  2. institutional priorities,
  3. administrative organization, and
  4. applicable state and/or federal laws regarding fair employment practices in light of the magnitude of proposed reductions in each primary budgetary unit.
- c. The College Cabinet shall be guided by the following general principles:
  1. Retrenchment other than reduction-in-force should reflect as its major priority maximum protection for the academic programs of the college and the educational needs of students.
  2. When an academic or administrative unit undergoes reduction-in-force, the principal consideration in determining which persons to retain and which to terminate should be the maintenance of viable academic or support programs within that unit.
  3. To avoid the possibility of compromising the quality of highly productive programs within the college and to recognize the best interests of continued academic excellence, reduction-in-force cannot normally be accomplished on a strictly across-the-board basis.
  4. Unless an exception is made for maintaining a viable academic or support program the college cabinet will consider the following factors, not necessarily in the order listed:
    - Criticality of the position to the mission, goals, and objectives of the college.

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- Area(s) and level(s) of competence indicated by standard certification and degree.
  - Experience, professional training, and length of service within the college and the work assignment.
  - Quality of performance including teaching capacity and/or executive ability.
  - Skills in areas where the college has instructional and/or supervisory needs.
  - Fiscal impact of the reduction.
- d. The College President shall communicate the plan for reducing expenditures to the entire campus community.
- e. The College President shall submit for approval by the Board of Trustees the college's plan for effecting budgetary reductions as required by the fiscal condition of the college. The President's submission shall include (1) the President's plan for allocating necessary funding reductions to primary budgetary units and (2) plans for the primary budgetary units affecting their designated budget reductions.

**Continuing Rights of Persons Terminated Under Conditions of Financial Exigency**

No vacancy caused by a termination under conditions of financial exigency shall be filled for a period of three years from the time of notice of termination without first offering the position to the person terminated (academic or non-academic), provided that the person terminated keeps the college informed of his or her current mailing address. If the person previously terminated is offered the position and accepts, he or she will be returned in the same status.

**Termination of Declaration of Financial Exigency**

If the financial health of the college improves sufficiently, the College President shall initiate a proposal for the termination of a declared state of financial exigency. The procedures established by this policy shall continue in effect during the period of a state of financial exigency. At the termination of a declared state, that action by the Board of Trustees shall cause all procedures, and bodies created in this policy for the sole purpose of making and implementing exigency decisions to cease to exist.

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**04-19-2017:** Initial approval of policy GAP 1150 Financial Exigency.