

# 2019-20 CDAM ADDENDUM

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June 15, 2020

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## **COVID-19 PANDEMIC – IMPACT TO AUDIT PROCEDURES**

Due to the COVID-19 pandemic, 2019-20 CDAM audit procedures are modified due to various emergency allowances and protections. This addendum describes those modifications.

In March 2020, the Board of Governors conferred on the Chancellor emergency powers to take all appropriate actions, including the issuance of executive orders, to allow for the continued education of community college students during the period of emergency proclaimed by the Governor of the State of California on March 4, 2020. This authority allows the temporary suspension of regulations adopted by the Board of Governors and the suspension of local rules and regulations that are a barrier to the continuity of educational services.

Title 5 section 58146 further provides authority to the Chancellor's Office to grant emergency conditions allowances for the Full-Time Equivalent Student workload measure.

Additionally, the state administration has proposed legislation that would affect the calculation of the Fifty Percent Law.

## **ALL CDAM AUDIT PROCEDURES - SIGNATURES AS EVIDENCE**

Guidance Memo [Emergency Technology Resources for College Responses to COVID-19](#) describes availability of Adobe Sign to remove the need for wet signatures on documents. The California Secretary of State has certified both e-signatures and Adobe Sign as legally binding methods for document execution.

## **421 – SALARIES OF CLASSROOM INSTRUCTORS (50 PERCENT LAW)**

The state administration has proposed legislation exempting COVID-19-related expenditures from the Fifty Percent Law. The proposal recognizes these costs as outside the scope of normal business and does not limit the exemption to costs incurred during a specific period.

Please watch for further announcements on this topic as legislation is finalized.

## **424 – STUDENT CENTERED FUNDING FORMULA BASE ALLOCATION: FTES**

### **All Suggested Audit Procedures – Emergency Protection for Apportionment Calculations**

California Code of Regulations (CCR), title 5, section 58146 specifies the criteria for providing funding modifications due to emergency conditions including pandemics. The intent behind this section is that districts should not lose apportionment as a result of emergency conditions. The Chancellor's Office is operating under these regulations to protect districts from FTES declines in 2019-20 as described in [Fiscal Services Memorandum FS 20-06 – Emergency Protections for Apportionment Calculations](#).

If districts chose this option, audit testing should include consideration of contact hours/FTES reported on the January 15, 2020 P1 CCFS-320. See [Attachment A](#) for a list of districts opting in.

Additional audit procedures could include:

- 1.** Confirm COVID-19 Emergency Allowance Form was approved by either Board of Trustees, or if authority delegated to Chancellor, signed by Chancellor.
- 2.** Analytical Procedures to determine reasonableness of reported P1 could include comparisons of:
  - Reported FTES at P1 to reported FTES at P1 in prior years.
  - Reported FTES at P1 in prior years as percentage of subsequent final FTES at Recal.
  - Annualizer used at P1 to annualizer used at P1 in prior years.

### **Suggested Audit Procedure 3 – Use of Appropriate Attendance Accounting Procedure**

[Executive Order 2020-01](#) – Temporary Suspension of Student Withdrawal Regulations suspends title 5, sections 55024(e)(1), 55024(e)(3), and 58509(c). Guidance Memo [Attendance Accounting Implications and Guidance \(revised\)](#) and the related FAQ [Attendance Accounting – COVID-19 Emergency Conditions](#) describe that, until further notice, colleges may continue to use the weekly or daily census attendance accounting method for courses designed and planned as face-to-face but converted to an online format due to COVID-19. Positive attendance courses converted to synchronous online instruction may continue to take daily attendance through an online platform. Positive attendance courses converted to asynchronous online instruction should use the Alternative Attendance Accounting Method,

but may estimate contact hours if the course was in progress as of March 13, 2020. No other estimations of contact hours are allowed.

### **Suggested Audit Procedure 4 (f) – Contact Hours are Computed in Accordance with Regulation and SAAM**

Guidance Memo [Attendance Accounting Implications and Guidance \(revised\)](#) and the related FAQ [Attendance Accounting – COVID-19 Emergency Conditions](#) describe that Positive Attendance Courses in progress as of March 13, 2020 and converted to asynchronous online courses may estimate contact hours. Contact hour estimation is not allowed for any other courses.

Noncredit positive attendance courses converted to correspondence should follow the same guidance as positive attendance courses converted to asynchronous distance education. Courses that were planned as correspondence courses are delivered asynchronously only and typically follow alternative attendance accounting procedures, so it would be rare to see the estimation method used.

The Chancellor's Office provided a suggested estimation method and spreadsheet for district use. The suggested method uses a three-year average of enrollment in the course, or similar course. If a district's estimated contact hours are material, the estimation method and results may be tested. All data and assumptions used to estimate contact hours are subject to audit. Audit procedures may:

- Consider materiality when selecting a sample to test
- Use analytical procedures (compare to prior years or reporting periods)
- Include recalculation, footing, cross-footing
- Assess reasonableness, if substitutes were made
- Assess reasonableness of the district method if method deviates from Chancellor's Office recommended estimation method

## **426 – STUDENTS ACTIVELY ENROLLED**

### **Suggested Audit Procedures 5 and 6 - test of disenrollment records and funding eligibility**

[Executive Order 2020-01 – Temporary Suspension of Student Withdrawal Regulations](#) suspends title 5, sections 55024(e)(1), 55024(e)(3), and 58509(c). Guidance Memos

Attendance Accounting Implications and Guidance (revised) and Clarification on Apportionments, Withdrawals and Student Fee Refunds describe that, until further notice, students withdrawing due to COVID-19 may be counted toward enrollment for apportionment purposes.

When testing disenrollment records, any students withdrawing due to COVID-19 after the census date and receiving no evaluative symbol or an EW may be categorized as “actively enrolled” on census dates for apportionment purposes.

Students that dropped a course before the course start date and contact hours for courses that were cancelled before the start date cannot be counted toward apportionment.

## **427 – DUAL ENROLLMENT - CCAP**

### **CCAP Suggested Audit Procedure 3 - Course Published in Official Catalog**

Per title 5, section 58104, courses which are established or conducted after publication of the general catalog or regular schedule of classes shall be ‘reasonably well’ publicized. There is no requirement that a course schedule be published in a hardcopy format or for a specific time. However, for Non-CCAP courses, the 30 day advertising requirement is still in place, so there are no changes to Non-CCAP suggested audit procedure 2.

## FISCAL REPORTING DUE DATES

Executive Order 2020-06 - Temporary Suspension of Regulations related to Community College District Fiscal Reporting Due Dates and Guidance Memo Extension of Fiscal Reporting Due Dates suspend fiscal reporting due dates as shown in table below.

Financial Reporting Requirement	Regulatory Due Date	New Due Date	CCR Title 5 Section
Submit tentative budget to county officer.	July 1	August 1	58305(a)
Make available for public inspection a statement of prior year receipts and expenditures and current year expenses.	September 15	October 31	58300
Hold a public hearing on the proposed budget.  Adopt a final budget.	September 15	October 31	58301  58305(c)
Complete its adopted annual financial and budget report and make public.	September 30	November 15	58305(d)
Submit an annual financial and budget report to Chancellor's Office.	October 10	November 30	58305(d)
Submit its annual audit report to the Chancellor's Office.	December 31	February 28	59106

## ATTACHMENT A -COVID-19 EMERGENCY FTES ALLOWANCE

### Districts that opted to use P1 FTES for 2019-20

Allan Hancock	Long Beach	Rio Hondo
Antelope Valley	Los Angeles	Riverside
Chabot-Las Positas	Los Rios	San Diego
Chaffey	Marin	San Jose/Evergreen
Coast	Mendocino-Lake	San Luis Obispo Co.
Compton	Merced	Santa Clarita
Contra Costa	Mira Costa	Santa Monica
Copper Mountain	Monterey Peninsula	Sequoias
Desert	Mt. San Antonio	Shasta-Tehama-Trinity
El Camino	Mt. San Jacinto	Siskiyous Joint
Foothill-DeAnza	Napa Valley	Solano
Gavilan	North Orange Co.	Southwestern
Glendale	Ohlone	State Center
Grossmont-Cuyamaca	Palo Verde	Yosemite
Imperial	Pasadena Area	Yuba
Lake Tahoe	Peralta	
Lassen	Rancho Santiago	