

Financial Improvement Plan Guidelines

A Financial Improvement Plan (FIP) is a description of planned initiatives to be taken during the authorization period to improve the institution's financial position or profitability. The FIP is intended to identify the financial issues, develop strategies for improvement, and establish measurable goals as a result of the strategies. It is developed by the institution and will be revisited during next year's Renewal of Authorization Application process.

To construct your institution's FIP, please address in narrative form each of the three sections below:

Section One: Identification and Description of the Financial Issues

- *Identify the root issue(s), not the result of the root issue, of weak financial viability. For example, if your institution is losing money, reflect and identify the underlying issue(s) that have caused the financial loss. This section should include the following:*
 - *An explanation of the issues related to cash flow, income, and student enrollment.*
 - *An explanation of the issues related to expenses and debt.*

Section Two: Strategies for Improvement

- *For each issue identified in Section One, describe the strategy or strategies that will be implemented by the institution to address and correct the core problem(s). Each strategy should be direct, and, when possible, should involve more than one way to address each issue. For each issue identified in Section One, please answer the following questions:*
 - *How is the institution going to address the issue?*
 - *When is the institution going to address the issue?*
 - *Who within the institution is responsible for addressing the issue?*

Section Three: Measurable Goals

- *For each issue identified in Section One, create a measurable goal resultant of the strategies implemented in Section Two. Answer the following questions:*
 - *What are the measurable goals you have set for your institution?*
 - *What will the measurable result be at the time you next completed fiscal year?*
 - *What will the measurable result be after the following year's completed fiscal year?*

You will be required to submit a brief report with next year's renewal application regarding the status of the institution's achievement of its goals. Whether or not the institution remains on a Financial Improvement Plan in the future will be determined based on the overall financial position of the institution.