Composite Financial Index (Goal 6)

General Definition:
The Composite Financial Index (CFI) is an overall financial measurement of an institution’s health based on the four core ratios: Primary Reserve Ratio, Net Operating Revenues Ratio, Return on Net Position Ratio, and Viability Ratio. By blending these four key measures of financial health into a single number, a more balanced view of the state of the institution’s finances is possible because a weakness in one measure may be offset by the strength of another measure.

Frame of Reference:
The CFI ranges from -4, where an institution should consider whether financial exigency is appropriate; to 10, where an institution can deploy resources to achieve robust mission. A score of 3, where an institution is in a position to direct institutional resources to allow transformation, or higher represents a relatively strong financial position. A CFI of 1.0 or lower may result in review by the Higher Learning Commission. For this KPI, the short and long term target is 3 or higher.

Frequency of Measurement:
This KPI is measured each fiscal year.

Last updated: 07-2022