



SACSCOC ANNUAL MEETING CS-17
DECEMBER 2019

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DISCLAIMER

- General comments, not institution specific
- Not your assigned SACSCOC staff member
- Not your committee member
- Not a SACSCOC Board Member (no vote)
- For members
- No one "right" way to do this
- Unrestricted = w/o Donor Restriction for privates

TOPICS

- Accreditation –risk management
- Reaffirmation Timing
- Select New Standards (as of Dec. 2017)
- Risky Financial Behaviors related to Accreditation
- Resources

ACCREDITATION EFFECTS

Accreditation Troubles can affect:

- Enrollment
- Parents
- Donors
- Creditors
- Recruitment – esp. faculty

REAFFIRMATION TIMELINES

Know your timeline

Think about

- when audits are due
- when additional audits might be introduced
- when to change auditors / software

FIND YOUR REAFFIRMATION CLASS:

www.sacscoc.org, click tab member institutions, search database for your institution, when you find it click on additional information

PRINCIPLES OF ACCREDITATION FOR DISCUSSION

Section 13 – Financial & Physical Resource Standards

Section 4 – Governing Board (select)

Section 5 – Administration & Organization (select)

Section 12 – Academic & Student Support Services

Core Requirement vs. Standard

CR 13.1 FINANCIAL RESOURCES

- Sound Financial Resources
- Demonstrated, stable financial base over time

IDEAS FOR RESPONSE:

Trend audited numbers: Total Net Assets, Unrestricted Net Assets (w/o donor restriction), UNAEP, Endowment, Debt levels & trends, CFI etc.

THINK BIG



CR 13.2 FINANCIAL DOCUMENTS

- An institutional audit
- A statement of UNAEP
- An annual budget
- sound planning
- sound fiscal procedures
- Evidence of board approval

FOR SUCCESS, DON'T MISS A PIECE!

S 13.3 FINANCIAL RESPONSIBILITY

MANAGES RESOURCES IN RESPONSIBLE MANNER

IDEAS FOR DISCUSSION, TRENDS OF:

- Operational outcomes
- Operational cash flows
- Change in UNAEP – positive vs. negative (why?)
- Enrollment – trends vs. tuition revenues, net, FTE
- Revenues & Expenses

FOR SUCCESS, USE AUDITED NUMBERS
(not projections or internal statements!)

BEST FINANCIAL BEHAVIORS-PRIVATE INSTITUTIONS

- Clear audited unrestricted operational outcomes (w/o donor restriction)
- UNAEP identified in audit (face of balance sheet or footnotes)
- Clear indication of purpose of debt in footnotes (operational vs plant)
- Breakout of temporary and permanent restrictions (in Net Asset footnote? on face of statements?)
- Exclusion of capital releases, gains/loss endowment, gains/loss on sales of property, revaluations, reclassifications, etc. from operational income
- Inclusion of endowment spending per policy, interest expense, etc. in operational revenue and expense
- Accounts Payable (plant versus trade)
- Full comparative data from prior year (not just totals)

SUCCESS -EVERYONE UNDERSTANDING YOUR FINANCIAL STATEMENTS
 FASB MINIMUMS CAN BE LIMITING, GET WHAT YOU NEED

COMMON EXCLUSIONS PRIVATE UNAEP



PUBLIC UNAEP – GASB CHANGES

SACSCOC Evaluators are currently adjusting for:
 Pensions
 OPEB (Healthcare Obligations for Retirees)
 Compensated Absences (Accrued Leave)

SEE HANDOUT

Also: for additional detail, go to www.sacscoc.org/dlbarrett.asp and look for 7 minute presentation on UNAEP Publics

S 13.6 FEDERAL & STATE RESPONSIBILITIES

- Audits federal and state financial aid programs
- Can prove compliance for the member institution
 - Not the state
 - Not the system
- Findings?
 - Repeat?
 - Serious?
 - Isolated? Minor? Small questioned costs?
 - NO PPA IS REQUIRED
 - NO USDOE CORRESPONDENCE is required

S 13.7 ADEQUATE PHYSICAL FACILITIES & RESOURCES

- Discuss all locations, on and off campus
- Are overall facilities appropriate?
- Master plan – in place? Updated? Integrated into Strategic plan?
- Asset controls – Inventory, Tagging, Tracking, Disposals
- Maintenance – in-house? Outsourced? Regular?
- Insurance coverage for loss and loss of use
- DON'T FORGET – “appropriately serve” - need to discuss adequacy of facilities

S 13.8 HEALTHY, SAFE SECURE ENVIRONMENT

- Safety Plan / Emergency Procedures – disseminated?
- Building Access
- Campus Security – in-house? Outsourced?
- Crisis Management – have communications been tested?
- Handling of Hazardous Materials
- Contingency plan for operations: weather, pandemics, fire, hurricane
- Discuss all locations
- IMPORTANT NOTE:
- page 138 Resource Manual describes requirement to disclose investigations by the US Dept of Ed Office of Civil Rights re: sexual violence.

CR 4.1(B) GOVERNING BOARD

- Ensures fiduciary oversight of the institution
- noncompliance here may indicate a disengaged board
- NOTE: It's a Core Requirement

S 12.6 STUDENT DEBT

Institution provides information and guidance to help student borrowers understand how to manage debt and repay loans

NOT A FINANCIAL AID STANDARD

- * Not a requirement for exit counseling
- * Not a requirement for federal loan information

* THIS IS A GENERAL STANDARD THAT APPLIES TO ALL STUDENTS WHETHER BORROWING THROUGH THE FEDERAL GOVERNMENT OR NOT

RESOURCES

www.sacscoc.org

SACSCOC Resource Manual –common interpretations of standards

SACSCOC Handbook for Institutions Seeking Reaffirmation –process information about reaffirmation and fifth-year interim

SACUBO & NACUBO – for excellent financial information from your peers

NACUBO publications – Strategic Financial Analysis examples

www.sacscoc.org/dbarrett.asp for documents from this meeting and various presentations

The SACSCOC app
