Section 13. Financial and Physical Resources

1. The institution has sound financial resources and a demonstrated, stable financial base to support the mission of the institution and the scope of its programs and services. (Financial Resources) (Core Requirement)

2. The member institution provides the following financial statements:
   a. An institutional audit (or Standard Review Report issued in accordance with Statements on Standards for Accounting and Review Services issued by the AICPA for those institutions audited as part of a system wide or statewide audit) for the most recent fiscal year prepared by an independent certified public accountant and/or an appropriate auditing agency employing the appropriate audit (or Standard Review Report) guide.
   b. A statement of financial position of unrestricted net assets, exclusive of plant assets and plant-related debt, which represents the change in unrestricted net assets attributable to operations for the most recent year; and
   c. An annual budget that is preceded by sound planning, is subject to sound fiscal procedures, and is approved by the governing board.

For applicant and candidate institutions... (see) “Accreditation Procedures for Applicant Institutions”. (Financial Documents) (Core Requirement)

3. The institution manages its financial resources in a responsible manner (Financial Responsibility)

4. The institution exercises appropriate control over all its financial resources (Control of Finances)

5. The institution maintains financial control over externally funded or sponsored research and programs (Control of sponsored research/external funds)

6. The institution
   (a.) is in compliance with its program responsibilities under Title IV of the most recent Higher Education Act as amended and,
   (b.) audits financial aid programs as required by federal and state regulations. In reviewing the institution’s compliance with these program responsibilities under Title IV, SACSCOC relies on documentation forwarded to it by the U.S. Department of Education. (Federal and State responsibilities)

7. The institution ensures adequate physical facilities and resources, both on and off campus, that appropriately serve the needs of the institution’s educational programs, support services, and other mission-related activities (Physical Resources)

8. The institution takes reasonable steps to provide a healthy, safe and secure environment for all members of the campus community (Institutional Environment)
Section 4. Governing Board

1. The institution has a governing board of at least five members that:
   a. Is the legal body with specific authority over the institution
   b. Exercises fiduciary oversight of the institution
   c. Ensures that both the presiding officer of the board and a majority of other voting members of the board are free of any contractual, employment, personal, or familial financial interest in the institution.
   d. Is not controlled by a minority of board members or by organizations or institutions separate from it.
   e. Is not presided over by the chief executive officer of the institution.

(Governing board characteristics) (Core Requirement)

Section 5. Administration and Organization

2. The Chief Executive Officer has ultimate responsibility for, and exercises appropriate control over the following:
   a. Educational, administrative, and fiscal programs and services (CEO Control)
   b. Intercollegiate athletics program (Control of intercollegiate athletics)
   c. Institution’s fund-raising activities (Control of fund-raising activities)

3. For any entity organized separately from the institution and formed primarily for the purpose of supporting the institution or its programs:
   a. Legal authority and operating control of the institution is clearly defined with respect to that entity
   b. Relationship of that entity to institution and extent of any liability arising from that relationship are clearly described in a formal written manner.
   c. Demonstrates that (1) CEO controls any fund-raising activities of that entity or (2) fund-raising activities are defined in a formal, written manner which assures that those activities further the mission of the institution

Section 12. Academic and Student Support Services

6. The institution provides information and guidance to help student borrowers understand how to manage their debt and repay their loans (Student debt)

DONNA’S TAKEAWAYS
- Eliminated Management Letter Requirement but NOT financial controls
- Still allows Professional Judgement over whether or not an issue rises to a Core Requirement