



**SS-17, FINANCE TRAINING PRIVATE
INSTITUTIONS
MONDAY, DECEMBER 8, 10:30-11:30**

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Director, Institutional
Finance
December 2025

QUESTIONS TODAY:

Stop me, or

Send me an email after the session:

bwright@sacscoc.org

Use the word SS-17 in the subject

Please send questions by 12-18-25

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

TOPICS

Finance Standards

Examples

Writing a Clear Report

Why be an Evaluator



CR 13.1 RESOURCES & BASE

Sound Financial Resources

Demonstrated Stable Base

Financial Documents (see CR 13.2)

CR 13.1 RESOURCES & BASE

SPIRIT

Is the institution stable over time?

Is this institution, overall, a sustainable entity?

Does the institution have a sufficient resource base to support its mission and programs?

CR 13.1 RESOURCES & BASE

Sound Financial Resources

Demonstrated Stable Base

- Rely on Financial Statements
- Multi-year trends demonstrate stability
- MD&A is great supplemental data
- No prescribed format

Possible trends: Total net assets, Net Assets w/o Donor Restriction, UNAEP, Current ratio, Auditor's Liquidity footnote, Composite Financial Index, Unrestricted Cash, Accounts Payable, Various financial ratios, DOE score, Endowment, etc.

CR 13.2 FINANCIAL DOCUMENTS

Audited Financial Statements

And Statement of Unrestricted Net Assets w/o plant

And Annual Budget

And Sound Planning

And Sound Fiscal Procedures

And Proof of Board Approval

NO MANAGEMENT LETTER (removed December 2017)

CR 13.2 PRIVATE AUDIT ISSUES

- "w/o donor restriction = unrestricted for SACSCOC
- UNAEP – statement of financial position? Footnote?
Investment in plant, net (dep & debt)
- Restricted by Time & Purpose
- Restricted in Perpetuity, understand your footnote
- Unrestricted Operating Measure

IF YOU DON'T PROVIDE, PEERS WILL TRY TO FIGURE IT OUT

CR 13.2 AUDIT ISSUES CONTINUED

- “for the most recent year”
- “an audit”
- One year of data is not enough
- Dollars and English
- Do not send drafts

Spirit: External Verification

IN A PERFECT AUDIT...

UNAEP identified, trended over multiple years BONUS IF ON STATEMENT OF POSITION

At least on year of comparative date – FULL statement of activities (not just comp. totals)

Accounts Payable broken out– Trade vs. Plant

Debt broken out – Operational vs. Plant

Clear operating measure (without donor restriction and total)

Capital releases considered non-operational

Clear operational releases in unrestricted operational income

Depreciation included in operational expenses

Interest expense included in operational expenses

Endowment spending per policy in operational revenue w/o restriction

Gains/Losses (excess of endowment spend, sale of assets, etc.) non-operational

Restricted and unrestricted cash in separate line items

CR 13.2 UNAEP

- A statement of “position” which represents “change” in UNAEP, must be multi-year
- Exclusive of plant- and plant-related debt
- No prescribed format
- May be prepared by auditor or institution
- May be in chart narrative, footnote, on face of balance sheet, MD&A
- NOT THE SAME as auditor’s liquidity footnote, though it may point out some unavailable resources to UNAEP

Spirit: Operational Resources Available

UNAEP — IS IT REALLY AVAILABLE

Work off the audited statement of net position (balance sheet)

PLANT ASSETS

- Include plant, net of depreciation
- Include debt proceeds held for capital expansion

PLANT-RELATED DEBT

- Bonds and related swaps
- Notes for construction, renovation, refinance of plant
- Accounts Payable —plant
- Construction Loans —if LOC be sure to indicate plant, best if note specific project

LOC ARE USUALLY OPERATIONAL, DO NOT INCLUDE IN PLANT DEBT

UNAEP — IS IT REALLY AVAILABLE?

EVALUATORS MAY BACK OUT FROM UNAEP

- Artwork (held as investment)
- Horses
- Investment Land
- Intangibles
- Debt Service Reserves
- Anything not readily available to meet obligations
- HINT: Auditor's Liquidity footnote may be a clue...

CR 13.2 ANNUAL BUDGET

- Sound planning with PROOF
- Sound fiscal procedures
 - Balanced
 - Contingency
 - Amendment Process
 - Ability to react
- Approved by board with PROOF

Spirit: Deliberate financial planning w/controls

S 13.3 FINANCIAL RESPONSIBILITY

Is the institution living within revenues available to operations?

Is the institution living within cash flows available to operations?

Are financial behaviors sustainable?

Externally documented historical, not projections

Are revenue streams stable? Consistent over time?

Possible trends: Operational outcomes w/o restriction, operational outcomes total, operational cash flows, various revenue streams, enrollment, net tuition, net tuition per FTE, Budget vs Actual, etc.

CR 13.1 VERSUS S 13.3

13.1 Core requirement versus 13.3 standard

13.1 Not reaffirmed versus 13.3 reaffirmation

13.1 Sanction versus 13.3 no sanction required

Sanction could be Warning or Probation

Think about whether financial distress has risen to a level that undermines the overall stability and/or resources of the institution



THERE IS NO ONE WAY TO DO THIS

DO NOT SAY “BO WRIGHT SAID...”

DO NOT USE THIS IN YOUR COMPLIANCE
CERTIFICATION

S 13.4 CONTROL OF FINANCES

SPIRIT: EXTERNAL VERIFICATION OF
INTERNAL CONTROLS

WHAT'S NOT ACCEPTABLE

Internal Audit Reports – not enough alone, may create more problems

S 13.4 CONTROL OF FINANCES

IDEAS FOR DOCUMENTATION

- LACK OF FINANCIAL STATEMENT / CONTROL FINDINGS IN FEDERAL AWARDS AUDIT (excludes title IV)
- AUDITOR'S REPORT ON INTERNAL CONTROL – are there significant deficiencies or material weaknesses
- EXTERNAL OPERATIONAL AUDITS for individual institution
- Management Letter – if you still get something like it...
- Policies & Procedures about: safeguard cash, control of expenditures, etc.

DO NOT INCLUDE INTERNAL AUDIT INFORMATION

S 13.5 CONTROL SPONSORED RESEARCH & PROGRAMS

Not Title IV

Federal Awards Audits – other than Title IV

Grants Policies (prove implementation)

Spirit: If you take someone's money you have to follow their rules.

S 13.6 FEDERAL & STATE RESPONSIBILITIES

- Audits of federal and **state** financial aid for individual institution
- Does not have to be for most recent year; most recently issued
- Critical to address previous findings
- Perfection not required
- No PPA, No ECAR, no IPEDs required **PLEASE**
- No USDOE correspondence required unless specific to an issue
- Describe process & timing
- COMMON OMISSION: STATE FINANCIAL AID AUDIT**

Spirit: Is your federal & state financial aid externally audited?

Spirit: Are findings minor, isolated, new (not repeats?)

S 13.7 PHYSICAL RESOURCES (RED COMMON ISSUES)

- describe **all sites**, on and off campus
- "adequately serve"** educational programs, support services, & mission-related activities
- include the library
- are there specific areas of concern (not unusual)
- are specific areas of concern being addressed?
- Risk? Maintenance? Inventory? (include examples)
- Is **"technological infrastructure"** sufficient for DL (REQUIRED)

See Resource Manual for ideas

S 13.8 INSTITUTIONAL ENVIRONMENT

Pandemic plans

Safety plan

Security function, in-house? Outsourced?

Relationship to local law enforcement

Crisis communications plan? Tested?

How are alerts disseminated?

Buildings reviewed for safety concerns

On and off-campus

REQUIRED: Investigations by USDE Office of Civil Rights re: sexual violence? (see RESOURCE MANUAL for language)

S 12.6 STUDENT DEBT

Information and guidance to help student borrowers understand

- How to manage debt
- How to repay loans

NOT A FEDERAL AWARDS STANDARD

Examples of documentation include:

Student education – might be embedded in coursework, might be provided as information, etc.,

DO NOT DESCRIBE FEDERAL REQUIREMENTS FOR EXIT / ENTRANCE COUNSELING

A DOZEN FISHY BEHAVIORS

Operational deficits without restriction, operational deficits total

Negative operational cash flows

Deficit in UNAEP

Prior year restatements, particularly frequent & favorable

Including LOC with maturity less than 1 year in long-term debt

Movement of plant assets into investments

Revaluations supporting operational revenues (artwork, investments)

Endowment borrowing (from or against), or draws above policy

Not including depreciation as an operational expense

Increase in enrollment w/o corresponding increase tuition, net

Land and real estate in endowment

Pledges supporting operational revenues, in particular OLD and UNPAID

STEP BACK AND LOOK BUDGET, INTERIM STATEMENTS & AUDIT

If the audited operating measure does not mirror the budgeted operating measure, it perpetuates the inability of the board to read audited financial statements.

Further, it perpetuates the inability of the board to hold management accountable for operational results.

BE A SACSCOC PEER EVALUATOR

Requires President's approval

- community service

- free professional education

- great networking


- peer review is self regulation

SUPPORT THE GREATER PURPOSE

BE A PART OF THE WHOLE

HOW TO SIGN UP AS AN EVALUATOR

-Your Institution's Accreditation Liaison enters your basic information in the SACSCOC portal



-Your President gets an email link to approve your participation



-You get an email asking for more information



-When reviewed you get a Welcome email

BE CLEAR WHEN REVIEWING

What did you see?

What did you think?

Provide basis for compliance or not

Cite source of numbers

The best case is





BE TIMELY

Respond to requests to serve promptly

Stay for the whole visit

Become part of the committee

BE REASONABLE

No institution is perfect

Does the institution meet the standard?

NEED MORE INFORMATION

www.sacscoc.org

SACSCOC Resource Manual,

SACSCOC Handbook for Institutions Seeking Reaffirmation

NACUBO publications – Strategic Financial Analysis

SACUBO

Your institution's Accreditation Liaison

QUESTIONS?

