



**SS-29, FINANCE TRAINING PUBLIC  
INSTITUTIONS  
MONDAY, DECEMBER 8, 3:00-4:00**

Bo Wright  
Director, Institutional  
Finance  
December 2025

# QUESTIONS TODAY:

Stop me, or

Send me an email after the session:

[bwright@sacscoc.org](mailto:bwright@sacscoc.org)

Use the word SS-29 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

# REAFFIRMATION TIMELINES (ONLINE)

Class	Level *	Orientation	Compliance Certification Due ** (Institution prepares)	Off-Site Committee Review (virtual)	Institution Responds to Off-Site Report & submits QEP & Updated Institutional Summary Form	On-Site Committee Visits Your Campus (in-person/hybrid)	Institution Responds to On-Site Committee Report (5 months after visit)	SACSCOC Reaffirmation Decision (public announcement)	Fifth-Year letter sent re-requesting report ***	Due Date - Fifth Year Report	SACSCOC Committee Reviews Fifth-Year Report
2022	A	December-19	March-21	April-21	6 wks before visit	Sept-Nov 2021	Spring 2022	June-22			
2022	B	December-19	September-21	November-21	6 wks before visit	Jan-April 2022	Fall 2022	December-22			
2023	A	December-20	March-22	April-22	6 wks before visit	Sept-Nov 2022	Spring 2023	June-23			
2023	B	December-20	September-22	November-22	6 wks before visit	Jan-April 2023	Fall 2023	December-23			
2024	A	December-21	March-23	April-23	6 wks before visit	Sept-Nov 2023	Spring 2024	June-24			
2024	B	December-21	September-23	Oct-Nov 23	6 wks before visit	Jan-April 2024	Fall 2024	December-24			
2025	A	December-22	March-24	April-24	6 wks before visit	Sept-Nov 2024	Spring 2025	June-25			
2025	B	December-22	September-24	November-24	6 wks before visit	Jan-April 2025	Fall 2025	December-25			
2026	A	December-23	March-25	April-25	6 wks before visit	Sept-Nov 2025	Spring 2026	June-26			
2026	B	December-23	September-25	November-25	6 wks before visit	Jan-April 2026	Fall 2026	December-26	April-21	March-22	June-22
2027	A	December-24	March-26	April-26	6 wks before visit	Sept-Nov 2026	Spring 2027	June-27	October-21	September-22	December-22
2027	B	December-24	September-26	November-26	6 wks before visit	Jan-April 2027	Fall 2027	December-27	April-22	March-23	June-23
2028	A	December-25	March-27	April-27	6 wks before visit	Sept-Nov 2027	Spring 2028	June-28	October-22	September-23	December-23
2028	B	December-25	September-27	November-27	6 wks before visit	Jan-April 2028	Fall 2028	December-28	April-23	March-24	April-24
2029	A	December-26	March-28	April-28	6 wks before visit	Sept-Nov 2028	Spring 2029	June-29	October-23	September-24	November-24
2029	B	December-26	September-28	November-28	6 wks before visit	Jan-April 2029	Fall 2029	December-29	April-24	March-25	April-25
2030	A	December-27	March-29	April-29	6 wks before visit	Sept-Nov 2029	Spring 2030	June-30	October-24	September-25	November-25
2030	B	December-27	September-29	November-29	6 wks before visit	Jan-April 2030	Fall 2030	December-30	April-25	March-26	April-26
2031	A	December-28	March-30	April-30	6 wks before visit	Sept-Nov 2030	Spring 2031	June-31	October-25	September-26	November-26
2031	B	December-28	September-30	November-30	6 wks before visit	Jan-April 2031	Fall 2031	December-31	April-26	March-27	April-27
2032	A	December-29	March-31	April-31	6 wks before visit	Sept-Nov 2031	Spring 2032	June-32	October-26	September-27	November-27
2032	B	December-29	September-31	November-31	6 wks before visit	Jan-April 2032	Fall 2032	December-32	April-27	March-28	April-28



## 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, Unrestricted Net Assets, **UNAEP adjusted**,  
Current ratio, Composite Financial Index, Unrestricted Cash, Accounts  
Payable, Various financial ratios, etc. **CHANGE IN UNAEP adjusted***

## 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 PUBLIC AUDIT ISSUES

- Is a System Audit okay?
- Is a State Audit okay?
- Are supplemental schedules to either okay?
- Is an audit every other year okay?

## CR 13.2 AUDIT ISSUES CONTINUED

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

*Spirit: External Verification*

## CR 13.2 UNAEP

- A statement of “position” which represents “change” in UNAEP
- Exclusive of plant- and plant-related debt
- No prescribed format
- May be prepared by auditor or institution
- OPEB, Compensated Absences, Pensions

**THIS IS A PROBLEM FOR PUBLICS**

*Spirit: Operational Resources Available*

# A UNAEP EXAMPLE — FOR DISCUSSION

ALL NUMBERS MUST COME FROM AUDIT / REVIEW									
Unrestricted Net Assets					Unrestricted net assets are already reported net of plant, SACSCOC finance evaluators also add back compensated absences, OPEB (Other Post Employment Benefit) and Pension obligations to determine operational resources.				
Add Back Compensated Absences-current									
Add Back Compensated Absences-noncurrent									
Add back OPEB liability-current									
Add back OPEB liability-noncurrent									
Less Deferred Outflows of Resources-OPEB					Currently the states in our region fund these items on a "pay-as-you-go" basis, rather than a full accrual basis. This may result in a deficit in unrestricted net position.				
Add Deferred Inflows of Resources-OPEB									
Add Liability-current, Pension					Institutions should take care to start with figures from the face of their statement of net position.				
Add Liability-noncurrent Pension GASB 68									
Less Deferred Outflows of Resources-Pension					Documentation for other entries must be provided if not provided there.				
Add Deferred Inflows of Resources-Pension									
<b>UNRESTRICTED NET ASSETS, ADJUSTED</b>		<b>\$0</b>	<b>\$0</b>	→→→→→					

# AND HOW DOES THIS AFFECT OUTCOMES?

				CHANGE IN NET EFFECT					
Net Effect of Pensions		\$0	\$0	\$0		If these obligations changed significantly you may need to discuss the effect on your operational outcome			
Net Effect of OPEB		\$0	\$0	\$0					
Net Effect of Compensated Absences		\$0	\$0	\$0					
TOTAL CHANGE IN ADJUSTMENTS (P,O,CA)									
ALLOCATED TO REVENUE / EXPENSE AND THRU TO INCOME STATEMENT?									

## CR 13.2 ANNUAL BUDGET

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

*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?

All numbers must be documented historical, not projections

*Are revenue streams stable? Consistent over time?*

*Possible trends: Operational outcomes, cash flows, revenue streams, enrollment, net tuition, net tuition per FTE, etc.*

*TWO KEY COMPONENTS – Operational outcome & cash flows*

# OPERATING OUTCOME — FOR DISCUSSION

Operating Revenues					<i>Revenues available for operations (operating and nonoperating) have been sufficient to meet operational expenses for two consecutive years (with the exclusion of depreciation, appropriate since state does not budget or fund).</i>			
Add Nonoperating Revenues								
Less Operating Expenses								
<b>INCOME BEFORE OTHER REV,EXP, GAINS, LOSS</b>		<b>\$0</b>	<b>\$0</b>		<i>Did other items affect the operational outcome on the audit?</i>			
Add back depreciation expense								
<b>OPERATIONAL "BOTTOM LINE" w/o depreciation</b>		<b>\$0</b>	<b>\$0</b>	→→→→				
<i>Did the change in the net effect of Pension or OPEB obligations significantly affect the operational outcome?</i>								
<i>If you assert this be consistent</i>								

# OPERATING CASH FLOWS — FOR DISCUSSION

Cash flows from operations								
Noncapital cash flows					Is the institution living within available cash flows to operations?			
<b>Cash flows related to operations</b>		\$0	\$0	→→→→→				
Cash and Equivalents					Are cash balances stable?			
Accounts Payable					Are accounts payable stable?			

# 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*

## S 13.4 CONTROL OF FINANCES

SPIRIT: EXTERNAL VERIFICATION OF  
INTERNAL CONTROLS

### WHAT'S NOT ACCEPTABLE

System or State Management Letter (unless institution's findings listed individually)

Management Discussion & Analysis (MD&A)

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 (if at institutional level)(excludes title IV)
- AUDITOR'S REPORT ON INTERNAL CONTROL – are there significant deficiencies or material weaknesses
- STATE / EXTERNAL OPERATIONAL AUDITS for individual institution
- STATE or SYSTEM Management Letter – if lists individual institutions & findings
- Policies & Procedures about: safeguard cash, control of expenditures, etc.
- RESOURCE MANUAL may provide more ideas

## S 13.4 STATE EXAMPLES

What does your state do?

Do reports have to be requested?

# S 13.5 CONTROL SPONSORED RESEARCH & PROGRAMS

Not Title IV

Federal Awards Audits – other than Title IV

Grants Policies (prove implementation)

State Single Audit may provide documentation

*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
- Not for state or system unless institution clearly included
- 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
- DOES NOT HAVE TO BE MOST RECENT YEAR**

*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

# BE A SACSCOC PEER EVALUATOR

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Requires President's approval

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- community service

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- free professional education

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- great networking

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- peer review is self regulation

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SUPPORT THE GREATER PURPOSE

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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

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](http://www.sacscoc.org)

*SACSCOC Resource Manual,*

*SACSCOC Handbook for Institutions Seeking Reaffirmation*

NACUBO publications – Strategic Financial Analysis

SACUBO

Your institution's Accreditation Liaison

**QUESTIONS?**

