



Financial Plan

February 2024

Administration of Fiscal Resources

Southeastern Technical College is a state supported unit under the authority of the Technical College System of Georgia (TCSG). The financial resources received from state, federal, and local sources are adequate to provide and maintain quality programs and services and to provide clean, comfortable, and attractive facilities. Southeastern Technical College's ability to fulfill its mission is closely correlated with its ability to acquire adequate financial resources for divisional units. The Administration and Board of Directors of Southeastern Technical College are committed to securing the necessary resources and to managing and controlling these resources through effective planning and budgeting. The procedures and policies used by Southeastern Technical College to prepare the budget, maintain financial stability, administer finances, initiate and secure purchases, and distribute student refunds are explained in the sections that follow.

Financial Records

Financial records are maintained so that the fiscal position of the College may be analyzed in a timely manner as a basis for management and budgeting processes. Monthly budget reports are generated from the subsidiary ledgers of the State of Georgia's accounting software system, PeopleSoft. These reports are distributed by the 20th of the month to the appropriate project administrators for their review. Financial queries, which show the detail of the budget reports, are also electronically mailed upon request to all project managers. This review process allows the business office and project administrators to reconcile on a monthly basis. To ensure the Local Board of Directors is kept abreast of the financial position of the College, the Vice President for Administrative Services (VPAS) prepares a financial report and distributes at each monthly meeting.

Financial Management

The institution demonstrates responsible financial management with funds sufficient to maintain quality educational programs and to complete the training of all students enrolled. Tuition and fees are collected each semester, while state and federal funds are received monthly. All federal, state, and local funds are budgeted and closely monitored to ensure all enrolled students are able to complete any and all necessary

training through their selected program. The VPAS monitors funds received and funds expended on a monthly basis to ensure fund availability. Southeastern Technical College demonstrates sound financial management as evidenced by audit engagements conducted by the State of Georgia Department of Audits and Accounts (DOAA). There are three types of audit engagements that an institution may undergo. The first and lowest level is an Agreed Upon Procedures Report. This report was developed jointly by the Department of Audits and Accounts and the TCSG to review certain items on a College's financial statements. There are 14 procedures involved in this engagement and it ensures the accuracy of the College's annual financial statements for inclusion in the State of Georgia's Comprehensive Annual Financial Report (CAFR). The second and more detailed report is a Full Disclosure Management Report. This engagement is a full review of the College's financial records and statements and a brief internal control assessment is conducted. The third and most detailed engagement is a Full Audit. With this type of engagement, the auditors devote several hundred hours to the review and it includes a full review of the College's financial records and statements as well as a full assessment of the internal controls of the College. Audit reports for the five most recent fiscal years are described as follows:

Beginning with fiscal year 2016, if a college needs an audit due to SACSCOC accreditation, it will receive one. Otherwise, the college will be in a five-year rotation for an audit, also known as a Review Report. For all other years, the college will receive a desk audit from the Georgia DOAA as part of the consolidated financial statements for the entire Technical College System of Georgia. These consolidated statements are included in the State of Georgia Consolidated Annual Financial Report (CAFR). Each technical college's financial statements and findings, if applicable, are listed separately in this report. This procedure requires the college to submit certain documents, such as bank reconciliations and monthly balancing documents to the Georgia DOAA and TCSG. For fiscal years 2018, 2019, and 2020 the college received desk audits and these audits produced no findings. For fiscal year 2021, Southeastern Technical College received an individual Review Report, which included Financial Aid. A Review Report includes primarily applying analytical procedures to management's financial data and making inquiries of management. A Review Report is substantially less in scope

than a full audit. With a Review Report, the Department of Audits and Accounts' (DOAA) responsibility is to obtain limited assurance as a basis for reporting whether DOAA is aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. For FY2021, there were no findings or questioned costs nor were there any findings related to internal control deficiencies. For years FY2022 and FY2023, STC received desk audits as part of the consolidated review of the TCSG. There were no findings or deficiencies as a result of these reviews.

Disaster Recovery

Southeastern Technical College has a comprehensive Disaster Recovery Plan in place. Embedded in this Disaster Recovery Plan is a Business Continuity Plan for the Administrative Services division in the case that individual departmental plans are deployed. This plan documents the necessary actions that will be taken to recover and maintain critical business functions should a disaster take place.

Financial Planning

The institution considers its financial resources as a basis for strategic planning. In order to secure the funds necessary to provide quality education with supporting services, Southeastern Technical College uses an institutional effectiveness process. The annual planning process, which is necessary to the development of any budget, is conducted with the scope, objectives, and the mission of the College in mind. The budget process begins with faculty and staff, through divisional meetings that take place in April and May, completing their divisional unit's Strategic Planning, Improvements, Results and Implementation through Teamwork (SPIRIT) plan for the current year and preparing their division unit's SPIRIT plan for the next fiscal year. In preparing for the next fiscal year, each full-time employee determines their goals and the financial resources needed to achieve them. Each staff member then submits their needs to their supervisor and/or vice president during a one-on-one meeting held in April or early May. The vice president then consolidates his/her division's goals and objectives and the funds needed to achieve those goals and objectives and uses the results of this consolidation to prepare their budget requests for the next fiscal year. Each division

goal references a specific strategic institutional goal and includes a budget request in the division's annual SPIRIT plan if the division is requesting a budget item that is not a customary item in the division's normal operating budget. The vice presidents and their staff use their division's SPIRIT in evaluating the equipment, travel, and supply needs of their respective areas for the upcoming year. This evaluation includes a review of current expenses and revenues for the division to determine if additional funding is needed to accomplish the division's goals, which tie to the strategic plan of Southeastern Technical College. Once a division's budget needs are established, each vice president or department head presents this information to the President and VPAS for review. During the review of the budget requests by the President and VPAS, each vice president has the opportunity to defend his/her budget needs if there are non-customary items in the division's budget request. It is at this time that the state allocation from TCSG is known and tuition and fee revenues have been reasonably projected. If the total of all budget requests exceeds expected revenue, the Vice Presidents are informed that their division budget requests have been adjusted accordingly. Budget increases may be granted later in the year if funds become available. Upon approval by the President, the VPAS compiles the college budget and presents it for review to the Local Board of Directors at its June meeting. Upon review by the Local Board of Directors, the VPAS sends the vice presidents and/or department heads their final budget and inputs it into the PeopleSoft financial system. The College's preliminary operating budget is approved annually by its governing board, the State Board of the Technical College System of Georgia.

Financial Resources

The Technical College System of Georgia (TCSG) provides the primary funding for the college's budget. STC is a state-assisted institution with state appropriations making up approximately 57% of the College's budget. Tuition and Fees are sources of revenue funded by student enrollment, which may be funded through HOPE ,PELL, private student loans, other third parties, or out-of-pocket. Tuition, fees, and other local revenues make up approximately 38% of the college's budget. Reserves and federal grants, such as Carl Perkins and Adult Education, make up the remainder of the colleges' budget. Short-range planning depicts Southeastern Technical College's

strategy for a three-year planning period. These plans are dependent on the College's needs and the availability of state improvement funds. Generally, continuation funds from state, federal, and local sources are stable and short-range plans, such as the annual budget, are adequately funded. Currently, the amount of state allocations and federal grants are known or can be reasonably estimated and only revenues from tuition and fees must be projected.

Budgetary Controls and Procedures

The institution uses adequate auditing and budgetary controls and procedures in keeping with local, state, and federal requirements. Southeastern Technical College adheres to the TCSG State Policy Manual, Administration Guidelines Section II and to the Department of Audits and Accounts accounting procedures manual. The budgeting and accounting processes provide an organized system for identifying and recording all institutional revenues and expenditures. The system facilitates fiscal responsibility and the efficient management of financial resources. The procedures followed by Southeastern Technical College identify and properly document program expenditures, plant and equipment additions, receipts of deposits, and disbursements. The procedures also provide evidence of proper safeguarding and management of funds and revenues. A monthly budgetary review is conducted to maintain local control. The Vice President for Administrative Services prepares monthly reports that show each project's budget, revenues and expenses. The VPAS scrutinizes each line item of every budget for accuracy. Once reviewed, the budget report and financial queries, produced from PeopleSoft, are sent to the project administrators for their inspection. The VPAS and the President meet routinely to discuss the College's budget with special attention focused on actual revenues and expenses. It is at this time locally generated revenues, such as tuition and fees, are evaluated to determine if actual revenues are keeping pace with projections.

Financial Aid

Financial Aid programs utilizing public and/or private funds are capably administered and accurately documented. Southeastern Technical College personnel understand that

many students would not have the opportunity to attend a postsecondary institution without financial assistance. Students attending Southeastern Technical College are advised of financial aid opportunities that may be available to them. The Financial Aid Department utilizes all avenues of public and private grants and scholarships in awarding funds to students. The Financial Aid Director is responsible for the administration of student financial aid and the accuracy of all related documentation in the student financial aid records. Student financial aid is processed efficiently and meets all local, state, and federal regulations. All local, state, and federal regulations for financial aid are followed through written guidelines. Southeastern Technical College offers the following financial aid programs: Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, Federal Work Study, Georgia HOPE Program, low interest loans administered by the Georgia Student Finance Commission and Workforce Investment Act. The College also has an employee in the Financial Aid office dedicated to assisting Veterans and their families and ensuring they qualify for all benefits that they are entitled to receive. Federal financial aid needs are determined by student eligibility and are calculated by the Office of Financial Aid. Eligibility is determined by using the Institutional Student Information Report (ISIR) which is uploaded into the Banner Financial Aid System. Once awards are determined, funds are disbursed to the students' accounts through the Banner disbursement process. Each semester, the Banner Accounts Receivable Specialist reconciles, with the Director of Financial Aid, awards that have been disbursed to the student accounts. Once the two departments are in balance, the Financial Aid Director sends a memo to the VPAS requesting the Vice President to order the awarded funds from the United States Department of Education's G5 Website. The awarded monies are wired directly to the College's federal student aid bank account and spent within three days as required by the US Department of Education. State HOPE funds are electronically requested by the Director of Financial Aid and are wired directly to the College's operating bank account. Upon notification from the bank that the funds have been received, the funds are recorded as revenue into the appropriate account by the Accountant. The VPAS verifies the monies from these sources are disbursed as mandated by federal and state laws. Southeastern Technical College is annually audited by two different agencies. The

Georgia Department of Audits and Accounts annually reviews all financial records. The Financial Aid Department is examined annually by the Veterans Administration. HOPE audits are conducted every two years by the Georgia Student Finance Commission, and if no findings occur, the third year the College is exempt for that year's audit.

Procurement

Southeastern Technical College observes proper financial controls, procedures, and business practices. All purchases are made by purchase requisitions generated through the Team Georgia Marketplace state purchasing system and must be reviewed, signed, and approved by an employee's vice president before they are submitted to the business office to be ordered. If the purchase is greater than \$25,000, at least six bids must be solicited, three of which must be from minority vendors. If the purchase is greater than \$25,000, the bid package is submitted to TCSG and the purchase is handled at the system office. Any purchase greater than \$10,000 with Federal funds must have at least three bids. The bid is handled by STC's purchasing office unless it exceeds \$25,000. Any purchases over \$125,000 must have written justification and approval by the State Board of the TCSG. The VPAS approves all purchases and checks the budgets to ensure funds are available. Once the purchased material has been received, vouchers are prepared by the Accounts Payable Technician. Vouchers are matched up with purchase orders, vendor invoices, and receiving tickets. Once all documentation has been deemed correct, the voucher is ready to be paid. The Accounts Payable Technician runs the Payable Due Proof report and compares it to the payment packages that are scheduled to be paid. Upon completion, she will email the Director of Accounting and VPA to set the pay cycle. Checks and ACH payments are reviewed and compared to all supporting documentation by the Director of Accounting. Once payments are deemed accurate, the checks are delivered to the Accounts Payable Technician for distribution and control totals for the ACH payments are emailed to the bank by the VPA. The College maintains adequate records identifying expenses as they relate to the mission of Southeastern Technical College. All expenses are coded and posted to project and account numbers that correlate with the budget and account codes required by the Department of Audits and Accounts and the TCSG for use with PeopleSoft. Equipment inventory is maintained through the PeopleSoft system. When

an item is purchased, which costs \$1,000 or more, a box is checked in the Purchasing Module of PeopleSoft, which causes the item to be transferred to the Asset Management module after it has been received and paid. The Asset Management Module of PeopleSoft then helps to maintain all inventory records, such as the financial information, the locations and custodians of equipment, and the equipment's identifying information. An asset management reconciliation is completed every month to ensure that all items purchased over \$1000 are transferred into the Asset Management module. Inventory items, which cost \$5,000 or more, are automatically depreciated through the Asset Management Module. Although state and federal guidelines recommend a full inventory count once every two years, Southeastern Technical College conducts a full inventory count annually. This count is reconciled against the asset reports generated from the Asset Management module in PeopleSoft. The state's risk management system is used to maintain insurance coverage for all documented inventory and property.

Cash

The College balances cash on a timely basis. Southeastern Technical College maintains three bank accounts: Federal Student Aid Account, Operating Account, and Payroll Account. These accounts are reconciled within twenty days of receipt of the bank statement. The HOPE and Pell accounts receive funds by wire transfer. Before funds are transferred to these accounts, STC's Banner Accounts Receivable Specialist generates a spreadsheet with each student's name, financial aid award, and fee breakdown. This spreadsheet must balance with the Financial Aid Office before any monies are drawn down. Southeastern Technical College has in place strict internal controls over the handling of cash. All cash on hand is deposited daily. During the bank account reconciliation each month, the cash receipts journal is compared to cash deposits on the bank statement. Cash receipts and cash disbursements are balanced to the trial balance and bank statements monthly. Any discrepancies are investigated immediately.

Payroll

The PeopleSoft Human Capital Management System is used for personnel and payroll

transactions. Timesheets are used as documentation for all hourly full-time and part-time employees. These timesheets are electronically filled out by the employee and must be approved by the supervisor. All other employees are paid on a salaried basis. Earnings and withholdings are calculated and stored on the Human Capital Management System and then transferred monthly to the PeopleSoft Financials System through labor distribution processing to record salary expenses. Benefits include the State of Georgia Benefits Package offered to all full-time state employees. Monthly premiums and deductions for insurance benefits and other fringes are withheld from the employee paychecks and remitted to the appropriate agency or vendor by the 5th of the month following the payroll month end date.

Qualified Personnel

Qualified personnel are responsible for proper record keeping, reporting, and auditing. The business office staff is responsible for various accounting functions and is well trained in each respective area. Knowledge acquired through education, on-the-job training, seminars and workshops provide staff members with the necessary skills to perform their jobs well. The VPAS, along with any pertinent staff, based on agenda topics, attend two-day Administrative Services statewide meetings held by the TCSG five times per year. In addition to these meetings, the business office staff attends ongoing training provided by the TCSG, other state agencies, and external sources. All business office personnel also attended PeopleSoft training to ensure that staff members are knowledgeable about the proper accounting procedures needed to correctly utilize the statewide accounting software system.

Sources of Funding

Southeastern Technical College clearly identifies sources of funds and revenues and shows evidence of fiscal stability through the use of PeopleSoft, the Banner Accounts

Receivable System, and various software spreadsheets. The largest portion of the Southeastern Technical College budget comes through state and federal funds allocated and requisitioned by project and fund source from TCSG. Budget personnel at TCSG distribute budget and disbursement reports to the VPAS peer group via email at the beginning of each month. Southeastern Technical College's VPAS verifies revenue amounts for the College by verifying these disbursements reported by TCSG budget personnel. TCSG's disbursements must equal STC's receipts of state and federal funds at all times. The Banner Accounts Receivable System also produces reports with the breakdown of fees by fund source per term, which provide the supporting documentation for local fees posted to the PeopleSoft system.

Fiscal Forecast

Traditionally, the College's enrollment moves in the opposite direction of the economy. When the economy is in a downturn, enrollment is usually at increased levels. However, there are more out-of-pocket expenses for the students since the changes in HOPE Grant and Scholarship funding, so enrollment trends are not as predictable. Since FY11, enrollment has remained steady or decreased slightly. Southeastern Technical College has had to shutter the campus in Glennville and make other slight adjustments to the budget so as to maintain adequate facilities and deliver quality education. For fiscal year 2016, the College received the exact same allocation as FY15, \$8,375,019. At the mid-year point during FY16, the College received an additional \$127,504 for the addition of the new Health Sciences building in Swainsboro. For FY17, the College received \$8,500,644 in state funds. According to the formula, we should have received \$7,573,362. However, we were only held to 20% of the change based on the formula. So instead of an \$801,657 decrease, we experienced a \$160,331 decrease based on the formula. In addition, we were granted \$68,698 in stabilization funds, \$1,718 for the new travel system rollout, and \$215,540 for a merit-based increase for eligible employees. For FY17, STC was able to grant a 3% pay increase to eligible employees. For fiscal year 2018, the College received a state allocation of \$8,670,637. The increase was a result of increased employee benefits and funds to partially fund a merit-based pay raise for eligible employees. For FY18, STC was able to grant a 2% pay increase

to eligible employees. For FY19, the College received a state allocation of \$8,658,731. For FY20, STC received a state allocation of \$8,881,094. The increase provided enough funds to grant a 2% pay increase to eligible employees. For FY21, due to decreased state revenues and a decrease in the TRS contribution rate, STC state allocation decreased by \$968,795. This resulted in a state allocation of \$7,912,299. During FY21, the state restored 5% of the austerity cut, which resulted in an increase of \$44,405 to STC's state allocation. For FY22, STC received an initial allocation of \$8,051,666. This increase is a result of the TRS contribution rate increasing and for an increase in formula funding. For FY23, STC received an initial allocation of \$9,414,236. The increase is a result of a cost of living \$5,000 raise for all eligible employees, slight increases in benefits, leave sell-back and strategic initiatives. For FY24, the College received an initial allocation of \$9,705,495. In December, the governor announced a \$1000 bonus to all state employees. STC received \$127,585 to fund this bonus, which resulted in an amended state budget of \$9,833,080. Overall, Southeastern Technical College is strong fiscally. The administration anticipates a great year and is planning new programs to keep enrollment high. Southeastern Technical College continues working to achieve its mission while always being mindful of its fiscal responsibility to the people of the state of Georgia.