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SC BUDGET AND CONTROL BOARD

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CHAIRMAN, HOUSE WAYS AND MEANS  
COMMITTEE

June 27, 2014

The Honorable Thomas J. Elzey  
President  
South Carolina State University  
300 College Street, NE  
Orangeburg, South Carolina 29117

Re: South Carolina State University – Final Release of Loan Funds

Dear President Elzey:

The Budget and Control Board's interagency loan resolution of April 30, 2014, authorized a loan of \$5.5 million for the benefit of South Carolina State University in order for the University to meet its obligations based upon the following prioritization:

1. Debt service and other secured obligations.
2. Payroll and other critical operating expenses.
3. Other accounts payable.

The resolution also provided that "no funds shall be released to the University under authority of this resolution after June 30, 2014." To ensure that the funding priority established in the resolution is honored and the deadline met, staff of the Budget and Control Board has been receiving on a regular basis cash flow projections from the University. Budget and Control Board staff has also, to the extent possible, confirmed the actual receipt of cash by the University. Based on these efforts, I have prepared the attached comparative cash flow analysis. This analysis compares the projected cash receipts with cash that has actually been received or that we are comfortable in projecting will actually be received by the University by the end of the fiscal year. As a result of this comparative cash flow analysis, I have been authorized to release the following amounts of loan proceeds to the University to be used to pay the obligations indicated below.

Debt Service/Payroll/Critical Operating Expenses

<u>Obligation to be Paid</u>	<u>Amount to be Paid</u>
30 June 2014 Payroll (including Retirement Contributions) and Debt Service Requirements	\$ 602,993.00
30 June 2014 Payment for Utilities (April-May) Department of Public Utilities, Orangeburg, SC	\$ 266,717.65
30 June 2014 Payment for Utilities (May-June) Department of Public Utilities, Orangeburg, SC	\$ 253,142.86

Other Accounts Payable

<u>Obligation to be Paid</u>	<u>Amount to be Paid</u>
30 June 2014 Payment for Ontario Investments, Inc.	\$ 264,151.41
For invoice No. 32915 – (1) Ricoh Pro C900S	
For Invoice No. 32916 – (124) Ricoh MPC5501	
For Invoice No. 33157 – (124) Ricoh MPC5501	
30 June 2014 Payment to Unico/DTZ	\$ 1,000,000.00
For Invoice No. 1798815 (Facility Maintenance)	
For Invoice No. 1813322 (Facility Maintenance)	
For Invoice No. 1826556 (Facility Maintenance)(Partial Payment)	
30 June 2014 Payment to SODEXO	\$ 2,266,092.08
For Invoice No. 232915 (Student 21 Meal Plan)	
For Invoice No. 232941 (Student Weekly Block Meal Plans)	
For Invoice No. 232942 (Student 21 Meal Plan)	
For Invoice No. 233019 (Student Weekly Block Meal Plans)	
For Invoice No. 233021 (Student 21 Meal Plan)	
For Invoice No. 233053 (Student 21 Meal Plan)	
For Invoice No. 233084 (Student 21 Meal Plan)(Partial Payment)	
<u>Total to be Released - June 2014</u>	\$ <u>4,653,097.00</u>
<u>Total Released - May 2014</u>	\$ <u>846,903.00</u>
<u>Total Released/to be Released to University</u>	\$ <u>5,500,000.00</u>

In order to ensure that the obligations have been paid in accordance with the authorization set out above, staff from the Budget and Control Board's Procurement Services Division (PSD) will require certification from the University that payment has been made to the appropriate vendors in the authorized amounts. PSD staff will also contact the vendors for confirmation of same.

President Elzey  
June 27, 2014  
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Additionally, prior to release of the loan funds, it has been requested that I have you sign the enclosed copy of this letter as an indication that you have read and understand the terms contained herein. Please scan the signed copy and forward it to me by e-mail at [madams@oed.sc.gov](mailto:madams@oed.sc.gov). As time is of the essence, I would ask that you sign and return the letter without delay.

Sincerely,



Marcia S. Adams  
Executive Director

I Have Read and Accept the Terms  
Of Release of the Loan Proceeds  
Set Out Above:

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Thomas J. Elzey  
President  
South Carolina State University

Enclosure (1)  
CC: B&CB Members

# South Carolina State University

## Cash Flow Plan

6/23/2014

### Current Projected Cash Flow

	SCSU Estimate		
	<u>6/23/2014</u>	Actual	Difference
Cash In Bank	\$ 6,377,665	\$ 6,377,665	\$ -
Less 1890 Cash	\$ 5,374,544	\$ 5,374,544	\$ -
Cash Available to SCSU	\$ 1,003,121	\$ 1,003,121	\$ -
Jun 16 - 30 Projected Receipts			
Summer Tuition and Fees	\$ 335,428	\$ 402,000	\$ 66,572
Auxiliary Revenues (Profits plus Commissions)	\$ 150,964	\$ -	\$ (150,964)
Athletic Revenue	\$ 70,759	\$ -	\$ (70,759)
Other Operating Revenue	\$ 39,364	\$ -	\$ (39,364)
Federal Reimbursements - 13 June Payroll	\$ 357,018	\$ 357,018	\$ -
Federal Reimbursements - Felton	\$ 16,000	\$ 16,000	\$ -
1890 Salary Reimbursement 15 June	\$ 47,000	\$ 47,000	\$ -
Donation Funds for Scholarships	\$ 300,000	\$ 300,000	\$ -
SCB&CB Loan for Debt Service	\$ 504,748	\$ -	\$ (504,748)
SCB&CB Loan for Vendors	\$ 4,148,349	\$ -	\$ (4,148,349)
Jun 16 - 30 Projected Expenses			\$ -
Payroll (Include P13 Cut, plus SSI)	\$ (1,824,998)	\$ (2,007,045)	\$ (182,047)
Debt Service	\$ (504,748)	\$ (504,748)	\$ -
Remaining Bond Covenant Requirement	\$ (216,339)	\$ (216,339)	\$ -
Utilities (April-May)	\$ -	\$ (266,718)	\$ (266,718)
Utilities (May-June)	\$ -	\$ (253,143)	\$ (253,143)
Ontario Payment	\$ -	\$ (264,151)	\$ (264,151)
SODEXO Payment	\$ (3,426,666)	\$ (2,266,092)	\$ 1,160,574
Unico/DTZ	\$ (1,000,000)	\$ (1,000,000)	\$ -
July 1 Available Cash	\$ -	\$ (4,653,097)	\$ (4,653,097)

### Planned Use of \$5.5M SCB&CB Loan as of 6/23/2014

30 May 2014 Payroll Supplement	\$ 600,000		
30 May 2014 Debt Service Requirement	\$ 246,903		\$ 846,903
30 June 2014 Payroll (including Retirement Contributions) and Debt Service Requirements	\$ 602,993		
30 June 2014 Payment for Utilities (April-May)	\$ 266,718		
30 June 2014 Payment for Utilities (May-June)	\$ 253,143	\$ 1,122,854	
30 June 2014 Payment to Ontario	\$ 264,151	\$ 264,151	
30 June 2014 Payment to Unico/DTZ	\$ 1,000,000		
30 June 2014 Payment to SODEXO	\$ 2,266,092	\$ 3,266,092	\$ 4,653,097
	\$ 5,500,000		\$ 5,500,000