



Executive Subcommittee of SC House  
Legislative Oversight - Presentation

Curtis M. Loftis, Jr.  
State Treasurer

May 7, 2015



South Carolina Office of  
the State Treasurer

# Mission Statement

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“To serve the citizens of South Carolina by providing transparent, accountable and efficient banking, investment and financial management services for South Carolina State Government. Our commitment is to safeguard our State’s financial resources and to maximize return on our State’s investments.”

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## South Carolina Office of the State Treasurer

# Functions

### ■ **Treasury Management Function:**

- Receives and disburses funds from all sources; approximately \$34 billion to include disbursement of statewide payroll
- Distributes shared revenue to local subdivisions
- Manages banking relationships for central state government and state agencies
- Manages and reconciles all bank accounts for the state
- Tracks the flow of cash revenues and expenditures, funds accounts as needed and reports balances to the investment division in order to enable use of all current and anticipated deposits

### ■ **Investment Management Function:**

- Manages approximately \$14.1 billion in assets for both the State and local governments
- Invests and manages State funds, local government funds, and provides custodial services for \$30 billion in retirement funds
- Is responsible for all custody and reporting of State, local government and retirement investment funds
- Invests the State's local government investment pool, receiving and transferring funds to local governments as needed

### ■ **Debt Management Function:**

- Issues and maintains all state debt
- Publishes the annual local government debt report, manages the state's master lease program, manages the affairs of the Tobacco Settlement Revenue Management Authority and the South Carolina Resources Authority, and provides oversight of budgetary and certain business matters of the South Carolina Education Assistance Authority
- Provides advice and counsel on debt, fiscal policy and related issues



## South Carolina Office of the State Treasurer

# Functions

### ■ **Unclaimed Property Program:**

- Administers the Program in accordance with the SC Uniform Unclaimed Property Act
- Educates citizens about their right to claim property
- Educates companies of their responsibility to report unclaimed property, holds property and processes claims on property for citizens
- Maintains all files, processes all claims and receives all monies due to the state's unclaimed property program
- Performs routine audits focused on assisting holders with reporting requirements
- Paid 26,768 claims totaling more than \$15.9 million returned to rightful owners last year

### ■ **College Savings Program:**

- Manages the South Carolina's Future Scholar 529 College Savings Plan; a tax advantaged investment program, offering investors a flexible and designated method to save for a college education.
- Manages the South Carolina Tuition Prepayment Program that allowed citizens to prepay for college expenses. The program is now closed to new enrollees.
- Administers the 5,700 existing contracts of the South Carolina Tuition Prepayment Program (program now closed to new enrollees)
- Oversees Future Scholar's 113,000 accounts (72,000 owned by SC residents) and \$2.2 billion in assets.



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# Who We Serve

- State Agencies
- State Employees and Retirees
- State's Vendors
- Taxpayers
- School Districts
- The SC Retirement Systems
- Holders of the State's General Obligation and Revenue Bonds
- Rightful Owners of Unclaimed Property
- Contributors to and Beneficiaries of College Savings Plans
- Institutions of Higher Learning
- SC General Assembly
- State's General Fund
- County & Local Government Officials



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# Differences of Agencies

- Treasurer – provides the most efficient banking, investment and financial management services for South Carolina State Government.
- Comptroller General – supervises state spending, keeps the state's books and maintains accounting controls over state agencies.
- Auditor - performs financial audits of state agencies.



## South Carolina Office of the State Treasurer

# Agency Achievements

- Successfully maintained the State's stable credit ratings: AAA rating from Moody's and Fitch; AA+ rating from Standard & Poor
- Issued more than \$363 million in new and refinanced debt and achieved \$4.2 million in present value savings for the State and its institutions and authorities in FY 2013-14.
- Refinanced nearly \$2.3 billion in debt with attendant present value savings of more than \$233 million since January of 2011.
- Generated investment interest earnings of more than \$877.1 million for the State over the last five (5) years to include more than \$19.5 million for the legislature to appropriate back to the State General Fund; more than \$132 million was returned to agencies.
- Continued to conduct annual GAAP audits; for FY 2013, in the auditors opinion, the financial statements were presented fairly in accordance with GAAP.
- Oversee cash management of all statewide disbursements and receipts totaling approximately \$34 billion.
- Continues to successfully convert the State Treasurer's Office more than 30-year old Treasury, Investment and Debt Management systems to SCEIS.



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# Agency Achievements

- Most recently, the General Assembly recognized our agency's Unclaimed Property Program by proclaiming February 18, 2015 as Unclaimed Property Day; on February 23, 2015, WLTX hosted an Unclaimed Property phone bank for the agency; in that 1 week span, the agency had a record of 21,069 claims requests.
- Processed 26,768 Unclaimed Property claims totaling more than \$15.9 million paid to rightful owners last year; increased by 3% over last fiscal year.
- Increased the number of holders reporting Unclaimed Property by 13% and the number of accounts reported by holders increased by 19% over the previous fiscal year (31,127 reported accounts totaling over \$1.2 million). More than \$460 million available for claim as of December 2014.
- Reported a total of 113,000 Future Scholar accounts as of December 2014 with Future Scholar monthly sales figures showing a 25% increase year-over-year.
- Increased new Future Scholar accounts by 28% over the previous year; reported highest Future Scholar sales in 2014 since inception.
- Accomplished major Information Technology Security policies, plans and initiatives per Proviso 117.132 in light of the trending IT Security realm within the State to include technology and physical security upgrades and cyber security training for all staff. The agency is currently conducting a bid process for a second comprehensive IT Security Audit and Penetration Testing by Contracted Vendor.