

**Final Report of the
Athletics Financial Transparency Working Group**

**The University of North Carolina
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Executive Summary

President Tom Ross established the Athletics Financial Transparency Working Group in the Fall of 2013 and tasked it with reviewing the University's policies and governance practices associated with the financial monitoring and oversight of intercollegiate athletics programs. President Ross asked the Working Group to identify the financial information that should be reported to and reviewed by the chancellor and the board of trustees of each constituent institution, and that should be reported to the President and to the Board of Governors. He also asked that the Working Group make recommendations for policies, regulations and other actions that enhance the financial transparency of athletics operations, including athletically-related associated entities, and that provide the information necessary for University leadership to remain apprised of the financial model for athletics programs, to understand the sources that contribute to the athletics budget, and to monitor institutional expenditures.

The Working Group reviewed the existing policies and practices of constituent institutions that relate to the financial oversight of intercollegiate athletics, along with the current financial reporting requirements for NCAA Division I and Division II institutions. The Working Group also reviewed statements and recommendations from the Association of Governing Boards (AGB) that pertain to the financial oversight and governance of intercollegiate athletics and athletically-related associated entities; material from the Knight Commission on Intercollegiate Athletics; applicable provisions of the UNC Policy Manual; and information from the U.S. Department of Education; and information available through the NCAA Financial Dashboard.

The Working Group confirmed that each of the fifteen constituent institutions with intercollegiate athletics programs oversee the financial operations of those programs at the most senior management level, with regular and detailed reporting to the chancellor. Oversight by boards of trustees is accomplished to a greater or lesser degree through a variety of arrangements, including review of information by subject-matter athletics committees, finance committees or audit committees. The Working Group also confirmed that each constituent institution gathers, reports, and has access to detailed financial information concerning athletics programs in connection with standards, regulations and audit and reporting requirements of the U.S. Department of Education, the NCAA, and the UNC Policy Manual.

Based on its review, the Working Group made the following recommendations:

Recommendation 1: The President should adopt UNC system-wide regulations that establish a process for receipt and review of financial reports pertaining to the operation of each constituent institution's intercollegiate athletics program by each Chancellor, each Board of Trustees, the President, and the Board of Governors, as detailed further in the report.

Recommendation 2: Each chancellor and each board of trustees should review the key financial indicators contained in the NCAA Financial Dashboard "Presidential View" for their respective institutions and divisions on at least an annual basis. Such an examination should include data for the most recent year as well as five-year trend data, and allow an explicit benchmark comparison

to be made against data averages for an institution's athletic conference members or other defined peer groups that the chancellor and the board of trustees may wish to determine.

Recommendation 3: The President and the Board of Governors should review the financial indicators contained in the NCAA Dashboard "Presidential View" for each institution on an annual basis, consistent with regulations adopted by the President. Each chancellor should submit a report of the "Presidential View" financial indicators to the President *after* the review by the chancellor and the board of trustees. The President should report the "Presidential View" information from each campus to the Board of Governors.

Recommendation 4: Each board of trustees should annually review with the chancellor the annual budget for intercollegiate athletics, including revenues and expenses, through an appropriate governance structure established by the board and the chancellor.

Recommendation 5: Each chancellor, board of trustees, the President, and the Board of Governors should review athletically related student fees data, including student fee revenue as a share of total operating revenue for athletics, which should be included in an annual report by the chancellor to the board of trustees.

Recommendation 6: The President should appoint a task force to develop for his consideration a set of recommended UNC system guidelines for reporting the collection and use of student fees by constituent institutions to the NCAA.

Recommendation 7: The President should amend the Associated Entity regulation to formalize a requirement for a written operating agreement between each constituent institution and each associated entity.

Recommendation 8: The President should review the Associated Entity regulation and, with appropriate input from chancellors and administrative staff, amend the regulation in a way that will enhance the financial transparency of each associated entity that supports an institution's inter-collegiate athletics program and that affirms institutional control principles and standards as defined by the NCAA and SACS and described in Section II of the report.

Recommendation 9: Each chancellor should affirm that a process is in place to ensure that the annual audit required for each athletically-related associated entity has been submitted and reviewed by the appropriate committee(s) within the board of trustees. The results of these reviews should be shared with the President and with the Board of Governors Audit Committee. Additional steps should be taken to ensure that the chancellor of the approving institution for each athletically related associated entity, in accordance with NCAA principles and SACS standards, has appropriate control and oversight of associated entity finances, which should include regular and thorough reviews of each associated entity's financial information.

Recommendation 10: The chancellor of each approving institution for each athletically related associated entity should receive, review, approve, and report to the board of trustees, at least annually, the operations and capital budget for the athletically related associated entity. The chancellor and the board of trustees should also review the compensation paid to officers and

employees of the associated entity, and any adjustments to such compensation, along with a summary of all fund transfers from the associated entity to the approving institution or to the University.

The members of the Working Group believe that implementation of the ten recommendations outlined in the report will enhance the transparency of the University's intercollegiate athletics programs and provide the chancellors, the boards of trustees, the President and the Board of Governors the information needed to objectively consider the balance between athletics and the academic mission of each constituent institution within the University.

I. Introduction and Charge from the President

President Thomas W. Ross established the Athletics Financial Transparency Working Group to review the financial reporting practices and accountability measures currently employed by the University and its constituent institutions to oversee the financial operations of athletics programs. The President directed the Working Group to undertake the following:

- Review how the constituent institutions account for the funding and financial operations of athletics activities undertaken and/or supported by the campus itself or through its associated entities, including policies and procedures related to financial management and reporting, compliance with federal and NCAA rules and regulations, and auditing and risk management practices related to athletics;
- Review the financial information that the campus reports to the Chancellor, to the Board of Trustees, to the President, and to the Board of Governors related to the funding and financial operations of athletics activities;
- Based on a thorough review, identify the financial information that should be reported to: (a) the Chancellor; (b) through the Chancellor to the Board of Trustees; (c) the President; and (d) through the President to the Board of Governors; and
- Recommend policies and regulations, if necessary, that will: (a) support financial compliance, audit, and risk management practices; (b) increase the transparency of all athletics operations, including associated entities; and (c) affirm and enhance executive and administrative authority and control by institutional leadership, consistent with the principle of institutional control, as articulated by accrediting bodies, athletic conferences, and the Board of Governors.

The Working Group met from Fall 2013 through early 2014 and reviewed the current oversight of athletics financial operations at the constituent institutions. The Working Group identified and reviewed the financial reporting requirements for NCAA Division I and Division II institutions, and considered the types of financial data available to Chancellors associated with meeting those reporting requirements. Working Group members gathered information on the oversight practices by the Boards of Trustees at the constituent institutions, the reporting relationships between the Chancellors and Athletic Directors, and the practices for gathering and reviewing financial information associated with athletics operations. Members also reviewed University policies and regulations applicable to associated entities, and considered the impact and effect of those policies on campus athletics operations and the principle of institutional control. Finally, Working Group members reviewed financial reporting requirements to the U.S. Department of Education.

This report contains the Working Group's recommendations as they relate to the financial oversight of institutional athletics programs, including associated entities. The report begins in Section II with an overview of the governance and oversight of athletics within the University. The financial reporting requirements for intercollegiate athletics, as articulated by NCAA Division I and

Division II rules, are described in Section III of the report.¹ Section IV of the report then considers the types of financial information currently compiled by campuses, identifies the administrators or boards that receive the information, and provides observations as to how the information is used for administrative, governance, and oversight purposes. Section IV also includes detailed recommendations for reporting information to Chancellors, Boards of Trustees, the President and, through the President, the Board of Governors in ways that will maintain appropriate administrative authority and control over athletics by the Chancellor, while establishing appropriate accountability and policy oversight through the Boards of Trustees, the President, and the Board of Governors. Section V of the report includes recommended changes to the Associated Entity Guidelines as a means to foster greater transparency and accountability for entities that are associated with campus-based athletics.

II. Financial Transparency, Institutional Control, and Governance

Transparency of important financial information in the administration of intercollegiate athletics is important for the members of the University of North Carolina system's governing boards, the President, and the Chancellors of the constituent institutions to carry out their respective and distinct responsibilities.

The Board of Governors has placed management authority for intercollegiate athletics programs with the Chancellors and allocated certain oversight and advisory responsibilities to the Boards of Trustees. Through these delegations and allocations of responsibility as established by the Board of Governors, the governance structure is intended to ensure that the operations of intercollegiate athletics programs are aligned with the primary academic missions of the constituent institutions, including the sources and amounts of money committed to the athletics enterprise. Consistent with recommendations of the Association of Governing Boards in its Statement on Board Responsibilities for Intercollegiate Athletics (2007), “[b]oards should consider whether institutional revenues and expenditures for intercollegiate athletics are appropriate, whether institutional values are appropriately reflected in such revenues and expenditures, and whether the institution is receiving an adequate return on the investment” (AGB Statement: p. 6). In its 2012 study on the engagement of governing boards in the oversight of intercollegiate athletics, the AGB noted that, “the magnitude of institutional investment in athletics makes it incumbent upon boards to be apprised of the financial model for athletics programs, to understand the sources that contribute to the athletics budget, and to monitor the growth of institutional expenditures from year to year.”² For those institutions that are part of state university system, the AGB study recommends that system presidents and system boards maintain sufficient oversight at the system level to ensure

¹ NCAA Division I institutions include: Appalachian State University; University of North Carolina at Charlotte; East Carolina University; North Carolina State University; University of North Carolina at Chapel Hill; North Carolina Agricultural and Technical State University; North Carolina Central University; University of North Carolina at Asheville; University of North Carolina at Greensboro; University of North Carolina at Wilmington; and Western Carolina University. NCAA Division II institutions include: Elizabeth City State University; Fayetteville State University; University of North Carolina at Pembroke; and Winston-Salem State University. The University of North Carolina School of the Arts and North Carolina School of Science and Mathematics do not participate in NCAA intercollegiate athletics.

² Trust, Accountability and Integrity: Board Responsibilities for Intercollegiate Athletics, Association of Governing Boards, August 15, 2012, p. 16.

that the fiscal and programmatic integrity of athletics at each institution aligns with principles of governance across the system as a whole.³

Governing boards perform important roles in oversight of athletics finances by, among other activities, evaluating the Chancellor's performance in managing the athletics program; assessing how well the athletics program contributes to the accomplishment of institutional priorities and goals; ensuring that student-athletes have "a genuine opportunity to enjoy a well-balanced academic, social, and athletic experience and earn a degree"; and approving appropriate policies and procedures to ensure ethical conduct and good-faith compliance with all applicable rules and regulations (AGB Statement: p. 7).

Within the University of North Carolina system, the constituent institutions operate under the control, supervision, and direction of the Board of Governors, as reflected in *The Code* and The Policy Manual of The University of North Carolina, subject to the powers and responsibilities given to the Boards of Trustees. Each of the institutions that operate intercollegiate athletics programs is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools (SACS) and is also a member of the National Collegiate Athletic Association (NCAA). As a result, the constituent institutions must ensure that they operate their intercollegiate athletics programs in accordance with the substantive institutional control principles articulated by SACS and the NCAA and in compliance with such rules and requirements as may be established by those bodies, by the Board of Governors, and by the applicable Board of Trustees.

Both SACS and the NCAA require the chief executive officer of the institution to exercise full control over intercollegiate athletics and fund-raising. SACS' Principles of Accreditation, for example, provide that "[t]he institution's chief executive officer has ultimate responsibility for, and exercises appropriate administrative and fiscal control over, the institution's intercollegiate athletics program," including fundraising activities undertaken by the institution (3.2.12) or separately organized entities (3.2.13).

Similarly, the Principle of Institutional Control and Responsibility set forth in the rules manuals of both NCAA Division I and Division II (hereinafter NCAA Manuals) provides that the institution is responsible for the control of its intercollegiate athletics program in compliance with NCAA rules and that the institution's chief executive officer (president or chancellor) is responsible for administration of "all aspects of the athletics program, including approval of the budget and audit of all expenditures." (NCAA Manuals, Article 2.1.1) The institutional control responsibilities of the institution and the Chancellor extend beyond staff members to include the "actions" of any other organizations and individuals (including individual and organizational boosters) that engage in activities promoting the institution's athletics interests. (NCAA Manuals, Article 2.1.2)

In addition to establishing an effective system of controls, the constituent institutions must monitor compliance with applicable NCAA rules and report instances of non-compliance. Each institution's responsibility to monitor extends to the activities of members of the institution's staff, student-athletes, and other individuals and organizations (including boosters) representing or engaged in promoting the institution's athletics interests. (NCAA Manuals, 2.8; 2.8.1) Indeed, Article 6 of the NCAA Manuals contemplates that the institution will exercise control over

³ 2012 AGB Study, p. 37.

intercollegiate athletics and that the institution's president or chancellor will have "ultimate responsibility" and "final authority" for the conduct of the athletics program.

Each institution's responsibility for the conduct of its intercollegiate athletics program extends to independent entities or other organizations when a member of the institution's administration or athletic department staff has knowledge that the entity is promoting the institution's athletics program. (NCAA Manuals 6.4; 6.4.1) Moreover, the institution's responsibility extends to the acts of individuals or entities when the institution knows or should know that such individual, entity, or other organization is engaging in particular activities with respect to the institution's athletics interests. (NCAA Manuals 6.4; 6.4.2)

Based on the applicable principles and standards, Chancellors find it essential to maintain a comprehensive system of institutional controls and compliance monitoring that extend to campus personnel, student-athletes, fans, and other members of the campus community, as well as to the individuals and organizations that promote the institution's athletic interests, including associated entities/booster organizations (in accordance with Section 600.2.5.2[R] of the UNC Policy Manual (Required Elements of University-Associated Entity Relationship)).

To fulfill their responsibilities, Chancellors often make the Director of Athletics a part of the senior management team and expect to be advised regularly regarding important matters with respect to intercollegiate athletics. The Working Group has confirmed that the Athletic Directors of all fifteen UNC institutions that compete in intercollegiate athletics report directly to the Chancellors of their respective institutions and, in all cases, the Athletic Director serves on the Chancellor's senior executive team.

Trustee oversight and engagement in some aspects of athletics is accomplished in a wide variety of arrangements, including delegated authority for the approval of certain coaching contracts and the responsibility to set student fees and review audit findings. There appears to be no single model across the system. Six campuses use subject-matter athletics committees with the specific, although perhaps not exclusive, responsibility to advise the Chancellor on athletics-related financing and other matters. Five other campuses embed some aspects of athletics program review within subject-matter committees for academic and student affairs. Several campuses utilize finance or audit committees in dealing with some aspects of athletics.

Recommendation 1: The Working Group recommends that the President adopt regulations that establish a process for receipt and review of financial reports pertaining to the operation of each constituent institution's intercollegiate athletics program by each Chancellor, each Board of Trustees, the President, and the Board of Governors, the contents of which are addressed in Recommendations 2 through 5 in this report. The Working Group recommends that regulations adopted by the President contain the following minimum elements:

- a. Chancellor:** Each chancellor should receive and review no less often than annually the financial information described in Recommendations 2, 4, and 5, and ensure that such information is assembled in a report suitable for review by the Board of Trustees. Such a report should detail the major sources of revenues and expenses for the athletics program, as well as the financial operations of any athletics-related associated entities.

b. Boards of Trustees: Each Board of Trustees should receive and review no less often than annually a report from the Chancellor containing certain data relating to the financial operations of the constituent institution's athletics program as described in Recommendations 2, 4, and 5. The Working Group recommends that the review take place by the board sitting as a committee of the whole, by an executive committee, or by an appropriate subject matter committee and make that responsibility clear going forward. Written adjustments to Trustee by-laws may be appropriate in some circumstances.

c. President: Once reviewed by the constituent institution's Board of Trustees (or, as indicated above, a designated committee), the report should be transmitted to and reviewed by the President, with appropriate review by the Senior Vice President for Academic Affairs and the Chief Operating Officer. Relevant information concerning revenues (including student fees) and expenses should be gathered from each report for presentation to the Board of Governors, as described in Recommendations 3 and 5.

d. Board of Governors: The Board of Governors, through the Committee on Budget and Finance, should receive for its information an annual report on financial operations of intercollegiate athletics. The report should contain the information described in Recommendations 3 and 5, and should assure the Board of Governors that reviews have been conducted by the Chancellors, the Boards of Trustees, and the President, as described in items (a), (b), and (c) above, and consistent with the regulations adopted by the President.

III. Current Financial Reporting Requirements

Constituent institutions of the University of North Carolina must account for and report significant amounts of financial data related to their respective athletics departments, intercollegiate athletics programs, and athletically related associated entities. Campuses generally compile and submit these reports on an annual basis, as required by federal law, NCAA rules, and UNC system policies. NCAA reporting requirements vary by division, with the result that some of these reports are only required of Division I institutions, while others are required of or otherwise reported by Division II institutions. These required reports include the following:

The Equity in Athletics Disclosure Act (EADA) Report. Pursuant to federal regulation, every co-educational post-secondary institution that receives federal student aid funds and that has an intercollegiate athletics program must submit this detailed report to the U.S. Department of Education on an annual basis, and make the report publicly available to students and potential students.⁴ The EADA report includes a considerable amount of non-financial information about an institution's intercollegiate athletic program, including the number of sports sponsored, the number of coaches and others employed or volunteering in athletics, and the number and gender of participating student-athletes.

The EADA report also includes certain financial information relating to an institution's athletic program, with a particular focus on differences in the distribution of revenues and expenses between men's and women's teams and in the allocation of resources between male student-athletes

⁴ 20 U.S.C. § 1092(g); 34 C.F.R. § 668.47(c).

and female student-athletes. Data totals are reported for: total expenses; total revenues; coaches' salaries; athletically related student aid; and recruiting and operating expenses by sport.

The EADA "Cutting Tool" – an on-line database provided by the Office of Postsecondary Education of the U.S. Department of Education – permits analyses of EADA data by institution and in comparison to other institutions. Its capabilities and limitations are described in more detail in Appendix I of this report.

The NCAA Operating and Capital Financial Data Report. The NCAA requires all Division I institutions to prepare and submit this detailed annual financial report.⁵ The report includes comprehensive financial raw data specifically related to the institution's intercollegiate athletics program, including operating revenues and expenses and capital expenditures. The report must be verified through an independent audit and certified by the institution's Chancellor.⁶

NCAA Division II institutions meet similar annual reporting requirements and report their financial information in the same format and categories used by Division I. The NCAA Division II Manual⁷ requires each institution to conduct an independent audit of all expenses and revenues for or on behalf of a Division II institution's intercollegiate athletics program at least once every three years. The audit report must be presented to the institution's Chancellor. This financial audit of all athletics department funds and expenditures can be completed and reported separately, or it can be included as part of an overall institutional audit that includes the athletics department.

As a result of these reporting requirements and practices in Division I and Division II institutions, the fifteen UNC institutions that belong to the NCAA compile and report substantial and detailed financial information on an annual basis, including:

- All expenses and revenues for or on behalf of an institution's intercollegiate athletics program, including those by any affiliated or outside organization, agency, or group of individuals;
- Salary and benefits data for all athletics positions, including base salary, bonuses, endorsements, media fees, camp or clinic income, deferred income, and other income contractually guaranteed by the institution;
- Capital expenditures, including capitalized additions and deletions to facilities, total estimated book value of athletically related plant and equipment net of depreciation, total annual debt service on athletics and university facilities, and total debt outstanding on athletics and university facilities;
- Value of endowments that are dedicated to the sole support of athletics;
- Value of all pledges that support athletics; and
- The athletics department fiscal year-end fund balance.

⁵ NCAA Division I Manual § 3.2.4.16.

⁶ NCAA Division I Manual § 3.2.4.16.1.

⁷ NCAA Division II Manual, § 6.2.3.1.

The revenues reported are organized within fifteen (15) discrete categories of revenues, including: ticket sales; student fees; guarantees; contributions; third party support contractually guaranteed by the institution; direct state or other government support; direct institutional support; indirect facilities and administrative support; NCAA/conference distributions (including all tournament revenue); broadcast, television, radio, and internet rights; program sales, concessions, novelty sales, and parking; royalties, advertisements and sponsorships; sports camp revenue; endowment and investment income; and other revenue.

The expenses reported are organized within twenty (20) discrete categories of expenses, including: athletic student aid; guarantees; coaches' salaries, benefits, and bonuses paid by the university and related entities; other coaching compensation and benefits paid by a third party and contractually guaranteed by the institution; support staff/administrative salaries, benefits, and bonuses paid by the university and related entities; other support staff/administrative compensation and benefits paid by a third party and contractually guaranteed by the institution; severance payments; recruiting; team travel; equipment, uniforms, and supplies; game expenses; fund-raising, marketing, and promotion; sports camp expenses; direct facilities, maintenance, and rental; spirit groups; indirect facilities and administrative support; medical expenses and medical insurance; membership and dues; other operating expenses; and transfers to institution.

All of the data reported in the **NCAA Operating and Capital Financial Data Report** are available in an on-line data tool called the **NCAA Financial Dashboard** that permits each institution to review its own data over several years and in comparison to peer groups. Its capabilities and limitations are described in more detail in Section IV of this report.

In addition to the required EADA and NCAA Financial Data Report as described above, Division I institutions also prepare some additional reports concerning the use of special purpose funds.

The Student Assistance Fund assists **Division I** student-athletes with special financial needs, and is also used for educational purposes. Schools receiving distributions from the NCAA's Student Assistance Fund are required to report their usage (by allowable category) of the previous year's funds to the NCAA on an annual basis.⁸

The Academic Enhancement Fund assists **Division I** institutions in purchasing educational equipment and services. Schools receiving distributions from the NCAA's Academic Enhancement Fund are required to report their usage (by allowable category) of the previous year's funds to the NCAA on an annual basis.⁹

In addition to the financial reports required by the U.S. Department of Education and the NCAA, constituent institutions within the UNC system are subject to some specific reporting requirements of the Board of Governors.

⁸ NCAA Division II institutions do not receive Student Assistance funds and, therefore, do not share this reporting requirement.

⁹ NCAA Division II institutions do not receive Academic Enhancement funds and, therefore, do not share this reporting requirement.

UNC Policy Manual § 600.2.5.2[R]. This regulation requires all associated entities, including each institution's athletic foundation or other support group, to be audited on an annual basis by an independent CPA firm. The audit reports, including any related management letters and responses, must be reviewed by the institutional Boards of Trustees and forwarded to the President, who reports to the Board of Governors. The specific applications of the University's policy on Associated Entities as applied to athletically related associated entities are addressed in Section V of this report.

Finally, constituent institutions of the University of North Carolina must report other non-financial data related to their respective athletics departments and programs. **UNC Policy Manual § 1100.1** requires the Chancellor of each institution to submit an annual report regarding intercollegiate athletics to the Board of Trustees, with a copy to the President who then reports to the Board of Governors.

This report currently requires the following non-financial information:

- Organization and philosophy of athletics programs;
- The admission policy for student-athletes, including the definitions utilized for exceptions to campus-based criteria;
- Student-athlete exceptions to the minimum course requirements set by the Board of Governors;
- The student-athlete profiles for admitted student-athletes, including SAT/ACT scores, high school grade point averages, and NCAA classifications;
- Information about the majors or programs of study chosen by student-athletes;
- Academic progression information for student-athletes, and six-year graduation rates; and
- Information about "booster" club organizations and procedures.

IV. Existing Financial Data and Analytical Tools Related to Intercollegiate Athletics

As described in Section III above, NCAA regulations and federal law require constituent institutions to collect, review and report comprehensive financial information concerning their intercollegiate athletics programs. Additional financial data are available from other public sources. Therefore, the Athletics Financial Transparency Working Group concludes that Chancellors, Boards of Trustees, the President, and the Board of Governors would be best served by developing processes and procedures for the annual review of detailed data already contained in the **NCAA Financial Dashboard** and other sources. The recommendations set forth below offer approaches to making the best use of existing comprehensive financial data in a manner that provides timely and

useful information to administrators, while ensuring that appropriate oversight and governance takes place.¹⁰

The NCAA developed the **NCAA Financial Dashboard** several years ago to improve transparency and consistency in the reporting of revenues and expenditures in intercollegiate athletics. The NCAA makes these data available on a web link for each NCAA member in Divisions I and II.

The NCAA distributes each institution's web link in late April or early May of each year; by practice, the NCAA sends the link to the Chancellor/President, the Athletic Director, the Faculty Athletic Representative, the chief financial officer, and the individual on campus who prepared the data submission. Three (3) institutions (N.C. State, UNC Asheville, and UNC Charlotte) have chosen to place password protection on their sites, but access should ordinarily be available to anyone designated by the Chancellor as authorized to have it.

With respect to Division I institutions, the power of this database is its organization as a Financial Dashboard into twenty-three (23) specific indicators which can be produced for an institution's own information or can be compared to up to eight (8) defined peer groups. Depending upon the peer groups selected—the most common of which and most appropriate comparator would be an institution's athletic conference—any data element selected for any given year (from 2008 to 2012) will be compared to the 25th, 50th, and 75th percentile of the peers. In addition to the institution's comparison of its data to its conference or any other conference, three (3) additional specific peer groups (each of which must contain at least eight (8) institutions) can be specified, and comparisons can also be made to peer groups defined by Division I sub-divisions (i.e., FBS, FCS, Division I—No Football), public or private institutions, and total budgetary expenditures. For any given element, five-year trends preceding the most recent reporting year can be displayed.

¹⁰ The Working Group has prepared materials contained in Appendix I that describes other public sources that are available to anyone who may choose to access them. Each particular data source, however, is somewhat unique depending upon the reporting protocols and each has its own limitations that need to be understood.

The 23 indicators for Division I institutions are defined as follows:

All Indicators		
#	Name	Description
1	NCAA Sponsored Sports	Total number of sports sponsored by the institution as reported in the annual membership services survey.
2	NCAA Graduation Success Rate (GSR)	Graduation Success Rate for all student-athletes in the athletics program.
3	NCAA Academic Progress Rate (APR)	Overall Academic Progress Rate for entire athletics program.
4	Total Athletics Revenue (\$)	Total athletics revenues.
4	a Generated Revenues/Total Athletics Revenue (%)	Athletics-generated revenues as a percent of total athletics revenues. Generated revenues include all revenues that are earned by the athletics department for participation in athletics (for example, ticket sales, alumni contributions, licensing, etc.)
4	b Allocated Revenues/Total Athletics Revenue (%)	Athletics-allocated revenues as a percent of total athletics revenues. Allocated revenues include all funds that are provided to the athletics department directly from the institution, government or students (student fees, direct state or other government support, direct institutional support and indirect facilities and administrative support).
5	Revenue Self-Sufficiency (%)	Athletics-generated revenues as a percent of total athletics expenditures. Identifies the proportion of total athletics expenses that are covered by revenue that is generated by the athletics department.
6	Net Revenues (\$)	Total athletics revenues less total athletics expenditures.
7	Reliance on Football Revenue (%)	Football-related athletics-generated revenues as a percent of total athletics-generated revenues. Indicates the reliance on football to generate revenues for the athletics department.
8	Reliance on Men's and Women's Basketball Revenue (%)	Basketball-related (both men's and women's) athletics-generated revenues as a percent of total athletics-generated revenues. Indicates the reliance on basketball to generate revenues for the athletics department.
9	Total Expenditures (\$)	Identifies total athletics expenditures.
10	Athletics Student Aid (%)	Identifies athletics student aid expenses and their share of total athletics expenditures.
11	Salaries and Benefits (%)	Identifies the combined coaching staff and support staff/administrative salaries, benefits and bonuses paid by the university and by a third party and severance payments and their share of total athletics expenditures.
11	a Coaches Compensation (%)	Identifies the coaching staff's salaries, benefits and bonuses paid by the university and by a third party and their share of total athletics expenditures.
11	b Administrative Compensation (%)	Identifies the support staff/administrative salaries, benefits and bonuses paid by the university and by a third party and their share of total athletics expenditures.
11	c Severance Payments (%)	Identifies the severance payments and their share of total athletics expenditures.
12	Participation and Game Expenses (%)	Identifies the guarantees, recruiting, team travel, equipment/uniforms/supplies, game expenses, medical expenses and medical insurance and their share of total athletics expenditures.
13	Facilities Maintenance and Administrative Support (%)	Identifies the direct facilities and indirect facilities and administrative support and their share of total athletics expenditures.
14	Miscellaneous Expenses (%)	Identifies fund raising, sports camps, spirit groups, membership dues and other operating expenses and their share of total athletics expenditures.
15	Athletics Expenses/Student-Athlete (\$)	Total athletics expenditures divided by the total number of student-athletes.
16	Athletics Expenditure/Institutional Expenditures (%)	Athletics expenditures as a percentage of total institutional expenditures.
17	Athletic Expense Rate of Change vs. University Expense Rate of Change (%)	Compares the athletics expenditures rate of change with the university expenditures rate of change. A positive value means the athletics expenditures rate of change outpaced the university expenditures rate of change. A negative value means the university expenditures rate of change outpaced the athletics expenditures rate of change.
18	Athletics Debt/Athletics Expenditures (%)	Athletics debt as a percent of total athletics expenditures.
19	Athletics Debt Service/Athletics Expenditures (%)	Athletics debt service as a percent of total athletics expenditures.
20	Athletics Debt/University Debt (%)	Athletics debt as a percent of total institutional debt.
21	Return on Capital (%)	Athletics-generated revenues as a percent of athletics plant funds.
A	1 Generated Revenues/Athletics Direct Expenses (%)	Alternative indicator identifying the percentage of athletics direct expenses (total athletics expenses less indirect facilities and administrative support) covered by generated athletics revenues.
A	2 Generated Revenue and Student Fees/Total Athletics Expenses (%)	Alternative indicator identifying the percentage of total athletics expenses covered by generated athletics revenues plus student fees.

The NCAA Financial Dashboard for Division I institutions permits an inquiry on all or any defined subset of these indicators. For ease of use by Presidents and Chancellors, however, there is also a “Presidential View” of eight (8) indicators deemed by Presidents and Chancellors to be most useful to them on a regular basis. These include (see chart above for full definition of each indicator):

Indicator 3: The NCAA Academic Progress Rate;

Indicator 4.a.: Generated Revenues/Total Athletics Revenues (%);

Indicator 6: Net Revenues (\$);

Indicator 9: Total Expenditures (\$);

Indicator 11: Salaries and benefits (%);

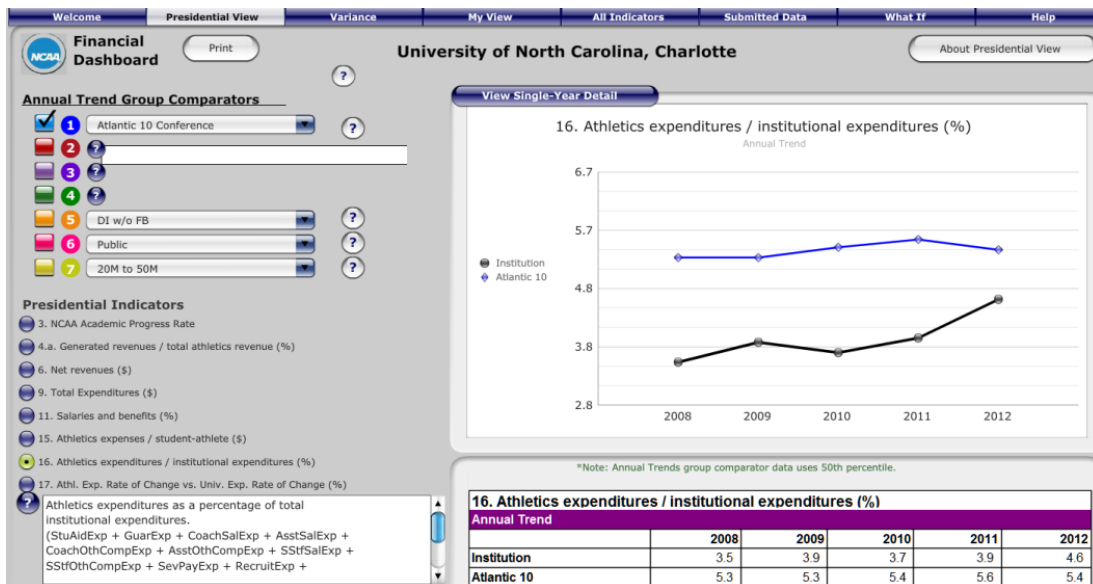
Indicator 15: Athletics Expenses/student-athlete (\$);

Indicator 16: Athletics Expenditures/Institutional Expenditures (%); and

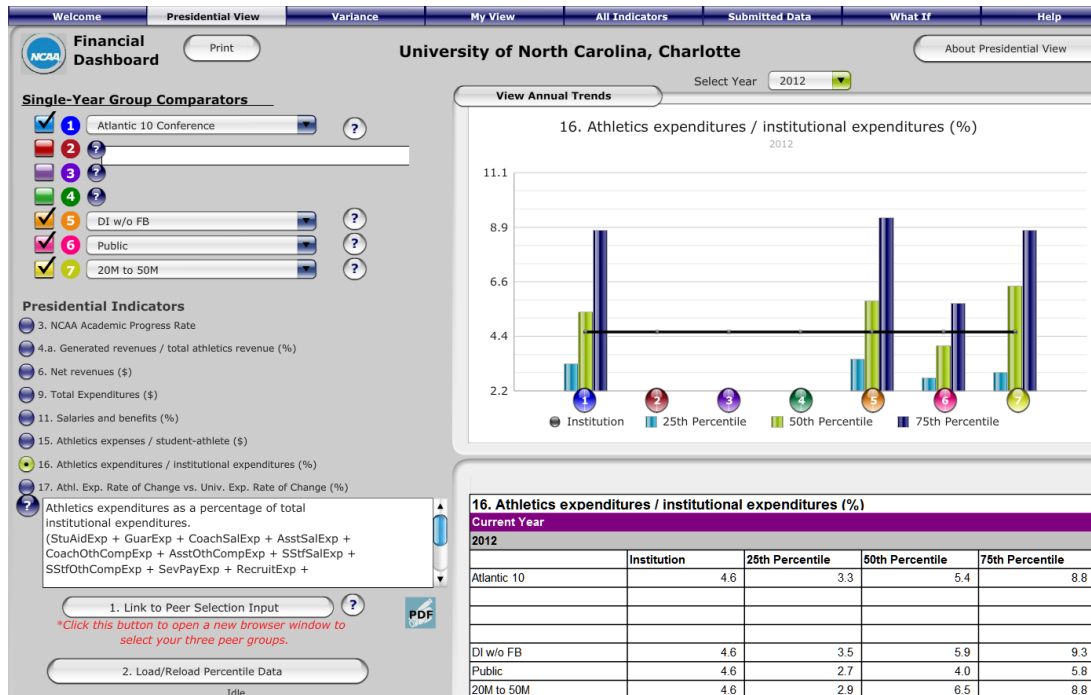
Indicator 17: Athletic Expend. Rate of Change vs. Univ. Expend. Rate of Change (%).

Two brief examples demonstrate some of the capacity of the NCAA Financial Dashboard:

The following chart presents UNC Charlotte’s athletics expenses as a proportion of total institutional expenditures (Indicator 16) for a five-year period in comparison to the Atlantic 10, which was Charlotte’s Division I non-football conference until June 30, 2013. The chart documents that UNC Charlotte’s annual expenditures on athletics as a proportion of total institutional spending were lower than the Atlantic 10 average, but increasing over the period as Charlotte moved programmatically and financially toward the creation of its football program.



The NCAA Dashboard provides the opportunity for another perspective on these data by looking at a single year (2012) and specifying comparisons to institutions in the Atlantic 10 (no. 1 on the horizontal axis of the bar chart below), all FBS institutions (no. 5), public institutions (no. 6), and institutions with athletic expenditures in the range from \$20M to \$50M (no. 7). The black horizontal line represents the data for UNC Charlotte. The bar entries represent the 25th, 50th, and 75th percentiles of the spending percentages calculated for Indicator 16 in each of the defined peer groups.



Division II institutions report the same revenue and expense financial data in the same thirty-eight (38) categories used by Division I institutions. These data reside under the “Submitted Data” tab in the information bar at the top of the Dashboard. For all practical purposes, the Division II Dashboard functions identically to the Division I Dashboard, but Division II institutions have chosen a different set of standard indicators (19 instead of 23) and a “Presidential View” that has 7 (instead of 8) indicators. Division II institutions can also create and review eight (8) self-defined peer groups where each peer group must include a minimum of five (rather than eight) institutions.

The standard “Presidential View” for Division II institutions includes:

Indicator 3: Student Fee Revenue/Total Athletics Revenue (%);

Indicator 5: Total Athletics Revenue (\$);

Indicator 6: Athletic Student Aid/Total Athletics Expenses (%);

Indicator 7: Coaches’ Compensation/Total Athletics Expenses (%);

Indicator 8: Administrative Staff Compensation/Total Athletic Expenses (%);

Indicator 9: Team Travel Expenses/Total Athletic Expenses (%); and

Indicator 15: Average Academic Success Rate.

None of the elements specified in the Division II “Presidential View” are the same as those contained in the Division I “Presidential View.” Indeed, only eleven (11) of the nineteen (19) Division II defined indicators are to be found in precisely the same form among Division I’s twenty-three (23) indicators, including four (4) in Division II’s “Presidential View.” Therefore, direct comparability among all fifteen (15) UNC institutions that compete in Division I or Division II can be a problem.

Similarly, with respect to academic indicators, Division II institutions use an “Academic Success Rate” (ASR) while Division I schools track both an “Academic Progress Rate” (APR) and a “Graduation Success Rate” (GSR). Both Division I and Division II institutions may be tracked using the U.S. Department of Education’s federally reported graduation rate. Institutional progress in the UNC system on these measures is typically summarized in a comprehensive manner in the University of North Carolina Intercollegiate Athletics Report as required by Board of Governors Policy 1100.1 on Intercollegiate Athletics.

Recommendation 2: The Working Group recommends that all Chancellors and Boards of Trustees review the key financial indicators contained in the “Presidential View” for their respective institutions and divisions on at least an annual basis. The NCAA Financial Database offers the single largest and most comprehensive database with respect to revenues and expenditures in intercollegiate athletics, despite the existence of some inconsistencies among NCAA institutions in how the data elements are reported (both within the two major divisions and between Division I and Division II). Such an examination should include data for the most recent year as well as five-year trend data, and allow an explicit benchmark comparison to be made against data averages for an institution’s athletic conference members or other defined peer groups that the Chancellor and his/her Board of Trustees may wish to determine.¹¹

¹¹ For Division I institutions, an alternative set of standard financial indicators is being prepared by the NCAA staff as part of a new “Institutional Performance Plan” (IPP) system that is being developed to replace the former system of institutional athletics certification. The six indicators to be included in the IPP system include:

1. Athletic Expenses per Student-Athlete (Indicator 15);
2. Total Athletics Expenditures (Indicator 9);
3. Athletics Compensation (the sum of Indicators 11a, b, and c);
4. Revenue Self-Sufficiency (Indicator 5);
5. Generated Revenues/Athletics Direct Expenses (Indicator 1A); and
6. Athletics Expense Rate of Change vs. University Expense Rate of Change (Indicator 17).

Four of the IPP indicators are identical to those in the “Presidential View”; two are indicators not included in the “Presidential View” but are part of the larger set of 23 indicators included in the Financial Dashboard and represent alternative ways of measuring an athletic program’s mix of generated revenues (e.g., ticket sales, contributions) and institutional subsidy (e.g., student fees). The Working Group believes that the “Presidential View” is slightly more comprehensive than the indicators of the IPP and should be the standard report reviewed by Trustees and the Board of Governors.

Collection and presentation of these data would not significantly tax the time of any Chancellor or staff member. In addition, any Board of Trustees could decide to include additional financial indicators as part of its annual review.

Examples of what a report might contain for one Division I institution (East Carolina University) is available in Appendix II. A report for a Division II institution would be similar in format using the indicators contained in the Division II “Presidential View.”

Recommendation 3: The Working Group recommends that the President and the Board of Governors review the financial indicators contained in the NCAA Dashboard “Presidential View” for each institution on an annual basis, consistent with regulations or guidelines to be adopted by the President. The Chancellor should submit a report of the “Presidential View” financial indicators to the President *after* the review by the Chancellor and Board of Trustees. The President should report the “Presidential View” information from each campus to the Board of Governors.

An annual review of the “Presidential View” for each of the constituent institution, by the President and the Board of Governors will: (a) confirm that each campus has gathered, reported, and reviewed essential financial information; (b) promote a contextualized understanding of the role of intercollegiate athletics within the constituent institutions; and (c) ensure that the data for each institution are compared to the most relevant peer group available—the athletic conference to which each institution belongs.

Since the NCAA data are refreshed in early January and released for institutional review in late April or early May, it is recommended that these data be prepared and discussed at a Board of Governors meeting in the fall of each year after Chancellors and Boards of Trustees have had the opportunity to review campus-specific data and to explore the reasons behind any anomalies that may have appeared. This review by the Board of Governors could either be concurrent with or separate from the Board’s review of the system-wide Intercollegiate Athletics Report that deals with issues related to the admission and academic progression of student-athletes.

Recommendation 4: The Working Group also believes that it would be a sound practice for each Board of Trustees to annually review with the Chancellor the annual budget for intercollegiate athletics, including revenues and expenses. The Working Group believes that the Board of Trustees should conduct this review through whatever governance structure the board has established for the oversight of athletics matters.¹² An example of such a budget document is included as Appendix III. Trustees should be able to view the major sources of revenue and categories of expenditures, and to understand any significant variations that may be anticipated in a proposed budget.

Data Concerning Student Athletic Fees

Members of Boards of Trustees and the Board of Governors are often very interested in the amounts of fees charged to students for the support of intercollegiate athletics programs because of the impact that athletics fees can have upon the total cost of attendance at the University.

¹² As discussed further in Section V, the Working Group also recommends that each Chancellor receive, review, approve, and report to the Board of Trustees the operations and capital budget for any athletically-related associated entity on an annual basis.

The Working Group believes that Boards of Trustees and the Board of Governors should understand the distinct differences that student fees play in the funding of athletics programs within the UNC system, including fees that support athletics operations and fees for debt service for athletically related facilities.

The level and scope of athletics vary by institution including, within the UNC system, Division I FBS (Football Bowl Subdivision) programs, Division I FCS (Football Championship Subdivision) programs, Division I programs without football, and Division II institutions. Almost every aspect of athletics financing, including the ability of an institution's athletics programs to generate alternative sources of revenue, will depend upon this basic classification. Differences in enrollment also affect the amount of revenue generated by student fees to support the basic costs of having athletics programs. For instance, in 2012-2013, East Carolina University (athletic fee of \$601) and North Carolina A and T (\$600) had nearly identical fees. Yet, due to their differences in enrollment, the ECU fee generated more than twice the revenue than was produced at A and T.

For Division II institutions, the role that student fee revenue plays in the overall funding of an institution's athletics program is one of the standard indicators (no. 3) included in the Division II "Presidential View." Unfortunately, the amount of student fee money generated at any given Division I UNC institution is only available by entering the NCAA database and extracting that information from the original source data submitted by each institution. That makes data analysis a little more time consuming and does not permit conference or other peer comparisons because of the constraints placed by the NCAA on access to the institutional data of other institutions. In one important sense, comparisons to athletic conference peers may be irrelevant if the comparison institutions reside in states which allow the investment of state dollars in athletics or are private institutions which can rely upon a variety of institutional fund sources to support their athletics programs. Accordingly, the Working Group recommends the following approach:

Recommendation 5: The Working Group recommends that Chancellors, Boards of Trustees, and the Board of Governors review athletically related student fees data, including student fee revenue as a share of total operating revenue for athletics. As part of the report to be prepared for trustees each year and as described above, Chancellors should use original source data found in the NCAA database (line 2 under the Submitted Data tab of the information bar of the Dashboard) to show the role of student fee revenue as a proportion of the total operating revenues dedicated to an institution's athletics program (Line 16). Using three institutions as examples—one from Division I FBS (East Carolina), one from Division I FCS (Appalachian State in 2012), and one from Division II (Winston-Salem State University), those data might look like this:

Student Fee Revenue as a Share of Total Operating Revenues for Athletics (in \$ and %)

Appalachian State University (2013-14 Athletic fee = \$668)					
	2008	2009	2010	2011	2012
Athletic Fee	\$489	\$529	\$559	\$569	\$639
Athletic Fee Rev	\$6,237,785	\$7,448,623	\$8,089,752	\$8,422,146	\$9,651,782
TTL Ath Op Revs	\$13,598,196	\$15,236,543	\$15,865,704	\$17,748,606	\$18,644,606
Percentage	45.90%	48.90%	51%	47.50%	51.80%

East Carolina (2013-14 Athletic fee = \$631)					
	2008	2009	2010	2011	2012
Athletic Fee	\$481	\$481	\$496	\$526	\$566
Athletic Fee Rev	\$9,813,305	\$10,289,188	\$10,441,783	\$11,187,866	\$11,890,141
TTL Ath Op Revs	\$29,268,128	\$31,984,658	\$32,280,456	\$34,048,869	\$35,575,172
Percentage	33.53%	32.17%	32.35%	32.86%	33.42%

Winston-Salem State University (2013-14 Athletic fee = \$579)					
	2008	2009	2010	2011	2012
Athletic Fee	\$544	\$579	\$579	\$579	\$579
Athletic Fee Rev	\$2,571,315	\$3,156,545	\$3,023,960	\$2,902,230	\$3,026,471
TTL Ath Op Revs	\$4,202,841	\$4,320,680	\$3,943,904	\$3,538,228	\$4,834,377
Percentage	61.18%	73.06%	76.67%	82%	62.60%

Another aspect of student fees that was discovered during the course of the Working Group’s deliberations was the existence of vastly different campus practices with respect to the reporting of student fees that go to support the construction of athletics facilities, whether those fees were specifically identified debt service fees or operational fees budgeted for debt from Athletics Department revenues. These variations are based, in part, on differing interpretations of NCAA reporting conventions and, in part, upon differing professional opinions of campus auditors and financial officers with respect to how to account for these revenues and expenditures.

Recommendation 6: The Working Group recommends that the President appoint a task force to develop for his consideration a set of recommended UNC system guidelines for reporting the collection and use of student fees by constituent institutions to the NCAA.

Although achieving complete uniformity or consistency in financial reporting under the NCAA guidelines presents challenges, the Working Group sees opportunities for greater accuracy and transparency in accounting for the collection and use of student fees if there is some agreement within the UNC system about how these funds are to be reported as revenues and expenses. We recommend that the President appoint a small task force to be chaired by Chancellor Dubois to see whether some uniform guidance can be developed that can be adopted by the President and implemented by the campuses. The task force should include one or more campus auditors, controllers, finance officers, and athletic business managers, with support and advice as needed from the NCAA financial staff responsible for maintenance of the Dashboard.

Summary of Financial Reporting Recommendations from Section IV

Recognizing that each institution already collects and reports voluminous athletically related financial information, the Working Group has identified in Section IV the following financial information that should be reported: (a) to the Chancellor; (b) through the Chancellor to the Board of Trustees; (c) to the President; and (d) through the President to the Board of Governors.

(a) To the Chancellor: The Working Group recommends that the Chancellor of each institution continue to review and approve the athletically related financial information already required by and reported to the NCAA, the U.S. Department of Education, and the Board of Governors through applicable University policy and regulations. These reports include, but are not limited to, the financial information detailed in the institution's EADA Report and in its NCAA Operating and Capital Financial Data Report, such as:

- All expenses and revenues for or on behalf of an institution's intercollegiate athletics program, including those by any affiliated or outside organization, agency, or group of individuals;
- Salary and benefits data for all athletics positions, including base salary, bonuses, endorsements, media fees, camp or clinic income, deferred income, and other income contractually guaranteed by the institution;
- Capital expenditures, including capitalized additions and deletions to facilities, total estimated book value of athletically related plant and equipment net of depreciation, total annual debt service on athletics and university facilities, and total debt outstanding on athletics and university facilities;
- Value of endowments that are dedicated to the sole support of athletics;
- Value of all pledges that support athletics; and
- The athletics department fiscal year-end fund balance.

The Chancellor of each institution should receive and review the financial indicators contained in the NCAA Dashboard "Presidential View" for the institution. This "Presidential View" data should be reported on an annual basis and should include the most recent year's data as well as five-year trend data. *For Division I institutions, these data include:*

- NCAA Academic Progress Rate;
- Generated Revenues/Total Athletics Revenue (%);
- Net Athletics Revenues (\$);
- Total Athletics Expenditures (\$);

- Salaries and Benefits (%) (as a share of Total Athletics Expenditures);
- Athletics Expenditures/Student-Athlete (\$);
- Athletics Expenditures/Institutional Expenditures (%); and
- Athletics Expenditures Rate of Change vs. University Expenditures Rate of Change (%).

For Division II institutions, these data include:

- Student Fees Revenue/Total Athletics Revenue (%);
- Total Athletics Revenue (\$);
- Athletic Student Aid/Total Athletics Expenses (%);
- Coaches Compensation/Total Athletics Expenses (%);
- Administrative Staff Compensation/Total Athletics Expenses (%);
- Team Travel Expenses/Total Athletics Expenses (%); and
- Average Academic Success Rates.

Finally, the Chancellor should also receive and review the annual institutional budget for intercollegiate athletics, including major sources of revenue and expenses. This report should include athletically related student fees data, including the institution's current athletics student fee and the percentage of student fee revenue as a share of total operating revenue for athletics.

(b) To the Board of Trustees: The Working Group recommends that the Board of Trustees of each institution, through the Chancellor, receive and review the financial indicators contained in the NCAA Dashboard "Presidential View" for the institution. This "Presidential View" data should be reported on an annual basis and should include the most recent year's data as well as five-year trend data. *For Division I institutions, these data include:*

- NCAA Academic Progress Rate;
- Generated Revenues/Total Athletics Revenue (%);
- Net Athletics Revenues (\$);
- Total Athletics Expenditures (\$);
- Salaries and Benefits (%) (as a share of Total Athletics Expenditures);
- Athletics Expenditures/Student-Athlete (\$);

- Athletics Expenditures/Institutional Expenditures (%); and
- Athletics Expenditures Rate of Change vs. University Expenditures Rate of Change (%).

For Division II institutions, these data include:

- Student Fees Revenue/Total Athletics Revenue (%);
- Total Athletics Revenue (\$);
- Athletic Student Aid/Total Athletics Expenses (%);
- Coaches Compensation/Total Athletics Expenses (%);
- Administrative Staff Compensation/Total Athletics Expenses (%);
- Team Travel Expenses/Total Athletics Expenses (%); and
- Average Academic Success Rates.

Finally, the Board of Trustees should also receive and review the annual institutional budget for intercollegiate athletics, including major sources of revenue and expenses. This report should include athletically related student fees data, including the institution's current athletics student fee and the percentage of student fee revenue as a share of total operating revenue for athletics.

(c) To the President and (d) to the Board of Governors: The Working Group recommends that the President and, through the President, the Board of Governors receive and review the financial indicators contained in the NCAA Dashboard "Presidential View" for each institution on an annual basis. *For Division I institutions, these data include:*

- NCAA Academic Progress Rate;
- Generated Revenues/Total Athletics Revenue (%);
- Net Athletics Revenues (\$);
- Total Athletics Expenditures (\$);
- Salaries and Benefits (%) (as a share of Total Athletics Expenditures);
- Athletics Expenditures/Student-Athlete (\$);
- Athletics Expenditures/Institutional Expenditures (%); and

- Athletics Expenditures Rate of Change vs. University Expenditures Rate of Change (%).

For Division II institutions, these data include:

- Student Fees Revenue/Total Athletics Revenue (%);
- Total Athletics Revenue (\$);
- Athletic Student Aid/Total Athletics Expenses (%);
- Coaches Compensation/Total Athletics Expenses (%);
- Administrative Staff Compensation/Total Athletics Expenses (%);
- Team Travel Expenses/Total Athletics Expenses (%); and
- Average Academic Success Rates.

Finally, the President and Board of Governors should also receive and review the athletically related student fees data for each institution, including each institution's current athletics student fee and the percentage of student fee revenue as a share of total operating revenue for athletics.

V. Athletically Related Finances of Associated Entities

The President, in accordance with N.C. Gen. Stat. § 116-30.20, has adopted associated entity regulations (“the AE regulation”) that encourage the establishment of private, nonprofit corporations to support the constituent institutions of The University of North Carolina. The sole purpose of these associated entities is to support The University of North Carolina or one or more of its constituent institutions. The President and the Chancellors may assign employees to assist with the establishment and operation of associated entities, provided they are, in the judgment of the President or the respective Chancellor, operating in compliance with the AE regulation and supporting the University or the constituent institution as their primary purpose.

Many constituent institutions have established one or more such entities to perform functions related specifically to athletic programs.¹³ The following entities have been established in whole or in part to support the athletics programs at their respective constituent institutions:

¹³ According to UNC Policy Manual 600.2.5.2[R] (“the AE regulation”), an associated entity is “any foundation, association, corporation, LLC, partnership or other nonprofit entity that was established by officers of the University, that is controlled by the University, that raises funds in the name of the University, that has a primary purpose of providing services or conducting activities in furtherance of the University’s mission pursuant to an agreement with the University, or that has a tax exempt status that is based on being a support organization for the University.”

- Appalachian State University
 - ASU Foundation, Inc. (Yosef Club)
- East Carolina University
 - ECU Educational Foundation, Inc. (Pirate Club)
- Fayetteville State University
 - FSU Athletic Club
- NC A&T State University
 - The Aggie Athletic Foundation of NC A&T State University, Inc.
- NC Central University
 - NCCU Educational Advancement Foundation, Inc. (Eagle Club)
- NC State University
 - NCSU Student Aid Association, Inc. (Wolfpack Club)
- UNC Asheville
 - UNC Asheville Foundation, Inc. (Bulldog Athletic Association)
- UNC Chapel Hill
 - The Educational Foundation, Inc. (Rams Club)
- UNC Charlotte
 - The Athletic Foundation of The University of North Carolina at Charlotte
- UNC Greensboro
 - The UNCG Excellence Foundation (Spartan Club)
- UNC Pembroke
 - UNCP Foundation, Inc. (Braves Club)
- UNC Wilmington
 - The UNCW Student Aid Association (Seahawk Club)
- Western Carolina University
 - Western Carolina University Foundation (Catamount Club)

In addition to defining an associated entity, the AE regulation also sets forth the required elements of the relationship between the University (or individual constituent institutions) and each associated entity. These elements relate to the associated entity's creation, organization, financial and accounting controls, insurance and bonding, services provided by the University (or constituent institution), acceptance of gifts, conflict of interest policies, reports to the University (or constituent institution), and other miscellaneous requirements. The following checklist provides a brief overview of the complete AE regulation:

Current Required Elements of University-Associated Entity Relationship

(The UNC Policy Manual 600.2.5.2[R])

Major Associated Entity¹⁴

Creation	
_____	Approved in writing by Chancellor or Chancellor’s designee
_____	If AE creates subsidiary entity/LLC, needs separate approval
_____	Formally agree to abide by University policies
_____	Lose approval if fail to abide by University policies
Organization	
_____	Primary purpose to support University or its programs and/or to further University’s mission
_____	Non-profit (or, if for-profit, need special Board of Governors approval)
_____	Incorporated in NC
_____	Comply with N.C.G.S. Chapter 55A (or if for-profit, need special BOG approval)
_____	Federal and State tax-exempt status
_____	Clause in Articles of Incorporation that provides all assets revert to University or another AE on dissolution (unless donor designated otherwise)
_____	At least one University representative (senior academic or administrative officer or Chancellor's designee) on AE board (either regular member or voting or non-voting ex officio member)
_____	Provide for audit committee in bylaws (with no University employee as member)
_____	Audit committee receives annual audit report from independent CPA firm and relevant tax forms
_____	No AE employee can serve on audit committee
_____	Audit committee should have financial expert as member, if practical
Financial and Accounting Controls	
_____	Use sound fiscal and business principles

¹⁴ A “major associated entity” is defined as “an associated entity which has annual expenditures of \$100,000 or more.” This checklist does not include the required elements for a minor associated entity (“an associated entity which has annual expenditures of less than \$100,000”) or for a specified purpose entity (“an associated entity, or an approved subsidiary or LLC of an associated entity, that is established by the officers of the University or is controlled by the University, has as its sole purpose the constructing or managing facilities for the University, and does not engage in fundraising activities”). The AE regulation and the required elements may vary, in part, for these types of associated entities.

_____	Ensure sound internal control structure in place
_____	Follow accepted accounting procedures
_____	Annual audit by independent CPA firm
_____	CPA firm performing annual audit may not provide other non-auditing services to AE except for pre-approved tax preparation services
_____	Copies of annual audit report, management letters, and responses to letters all provided to Chancellor (then to BOT, president, and BOG)
_____	Annual operations and capital budget
_____	All compensation (salary and non-salary) by AE to AE officers or employees must be approved by AE governing board
_____	Compensation must comply with BOG Policy § 300.1.1 (but no prohibition on reimbursing officers or employees for \$ spent on behalf of AE)
_____	University "may require" indemnification
_____	All money transfers from AE to University must be documented in writing or electronically with retrievable transaction trail
_____	Confidential and anonymous mechanism for whistleblowing and prohibition on retaliation for reporting
_____	University CFO ≠ AE CEO
_____	No debt > \$500,000 (not publicly traded) without notifying Chancellor and consulting with GA financial VP
_____	Within 90 days of audit finding, AE must demonstrate progress re: corrective action plan to Chancellor and GA financial VP (otherwise, may lose approved status)
Insurance and Bonding	
_____	AE officers/employees with check-signing authority or who handle cash/negotiable instruments must be bonded in a reasonable amount
_____	AE board "must consider whether to obtain" general liability and directors'/officers' insurance
Services to AE by University	
_____	AE use of University services, personnel, and facilities by written agreement only
_____	Any reimbursement to University for services provided to AE must be by written agreement before services provided
_____	When University employees provide services to AE and conflict arises between University and AE, employee must comply with University policies/directives
Acceptance of Gifts by AE	

_____	AE cannot accept gift with conditions re: University's resources unless approved by University; AE cannot accept gift with unlawful conditions/restrictions
_____	AE must notify prospective donors of restricted gift policies (that acceptance of gift is contingent on approval)
_____	AE must coordinate with University development office when soliciting and accepting gifts
Conflict of Interest Policies	
_____	AE must have conflict of interest and ethics policies in place re: relationships between University, AE, members of AE board, and persons doing business with AE
_____	Transactions (except for reimbursements) between AE and AE officers/directors/ employees must be approved by AE board
_____	Recusal from decision-making if director, officer, or employee has private business interest in deal
_____	No AE scholarship/fellowship to AE employee or employee family member unless independent awards committee
Reports to University	
_____	Annual report from AE to Chancellor with (1) list of AE board members, (2) copy of public 990, and (3) copy of CPA audit, etc.
_____	At request of Chancellor or BOT chair (with an articulated reason), AE must meet with requesting person, designee, or internal auditor and allow inspection of: (1) money transfers; (2) transactions; (3) budget; (4) real estate purchases, etc.; (5) minutes; (6) 990 and other tax forms; and (7) other relevant documents and records
Miscellaneous	
_____	All AE business and communications must clearly communicate AE (not University) name
_____	AE must comply with all provisions of Internal Revenue Code and all State lobbying and political activity laws
_____	AE may not offer course or seminar using University name without receiving prior permission from University
_____	AE must have records retention and destruction policies (including electronic files and prohibiting destruction if investigation into wrongdoing or litigation is anticipated or underway)
Waiver	
_____	AE must request waiver in order not to comply with any requirement (waiver from President, circumstances set out in writing, and notification to Chancellor)

All associated entities were required to be in compliance with the AE regulation no later than July 1, 2006.¹⁵ Written agreements are nonetheless essential in order to ensure that the numerous requirements encompassed in the AE regulation are met and expectations are clearly conveyed. The Working Group has confirmed that all athletically related associated entities that reported audits in June 2013 operate pursuant to a written agreement or memorandum of understanding.

Several elements in the AE regulation address the financial reporting and financial transparency of associated entities. The associated entity must create an annual operations and capital budget.¹⁶ All compensation provided by the associated entity to its officers and employees must be approved by the governing board, which must further comply with Board of Governors Policy 300.1.1.¹⁷ All monetary transfers between the associated entity and the approving institution must be documented in writing or electronically that has a retrievable transaction trail.¹⁸ The associated entity must be audited each year by an independent CPA firm,¹⁹ a requirement that is mirrored in the system-wide intercollegiate athletics policy.²⁰ The annual audit report, management letters, and responses to management letters all must be provided to the constituent institution's chancellor, who then must provide the documents to the constituent institution's Board of Trustees and the President.²¹ The President provides the documents to the Board of Governors.²²

Furthermore, the Chancellor of the constituent institution, the President, or a member of the constituent institution's Board of Trustees may request certain information from the associated entity as long as it is for "an articulated legitimate reason."²³ In that instance, the associated entity personnel must meet with the requesting official and allow that official to inspect any of the following information:

- a. A description of all monetary transfers from the Associated Entity to the Approving Institution or the University;
- b. A description of all transactions entered into during the year between the Associated Entity and the Approving Institution or the University;
- c. A copy of the Associated Entity's operating and capital expenditure budget for the year and a comparison of actual expenditures to budgeted expenditures;
- d. A description of all real estate purchases, material capital leases, and investment/financing arrangements entered into during the year;

¹⁵ UNC Policy Manual 600.2.5.2[R] (L).

¹⁶ UNC Policy Manual 600.2.5.2[R](D)(3)

¹⁷ UNC Policy Manual 600.2.5.2[R](D)(4)

¹⁸ UNC Policy Manual 600.2.5.2[R](D)(6)

¹⁹ UNC Policy Manual 600.2.5.2[R] (D)(2)(a)

²⁰ "The chancellors shall ensure that all foundations, clubs, and associations established primarily to raise money on behalf of constituent institutions are audited annually and that those audits are reviewed by the institutional Boards of Trustees and are forwarded to the President." UNC Policy Manual 1100.1(11).

²¹ UNC Policy Manual 600.2.5.2[R] (D)(2)(a).

²² *Id.*

²³ UNC Policy Manual 600.2.5.2[R] (I)(2).

- e. Copies of the minutes of all regular and special meetings of the Associated Entity's board;
- f. The portions of the 990 forms that are not publicly disclosed and all other federal and state tax returns; and
- g. Any other documents and records which are relevant to the articulated reason.²⁴

Recommendation 7: The Working Group recommends that the President amend the Associated Entity regulation to formalize a requirement for a written operating agreement between each constituent institution and each associated entity. The Working Group also recommends that each Chancellor confirm that a written agreement exists with any athletically related associated entity. If such an agreement does not exist, the Working Group recommends that each chancellor initiate the completion of such an agreement. However, if an agreement does exist, the Working Group recommends that the Chancellor ensure that the agreement conforms to the requirements of the AE regulation.

Recommendation 8: To enhance the financial transparency of each institution's inter-collegiate athletics program and to affirm institutional control principles and standards as defined by the NCAA and SACS and described in Section II above, the Working Group recommends that the President conduct an appropriate review of the AE regulation and consider amendments to the regulation, with appropriate input from chancellors and administrative staff.

Possible amendments to the AE Regulation include:

(a) Part B(3) of the AE Regulation currently states that the Approving Institution may remove the approved status of any Associated Entity which fails to abide by the Approving Institution's or the University's policies or regulations which govern Associated Entities. This part could be strengthened by providing that the Approving Institution may remove the approved status of any Associated Entity which fails to abide by the Approving Institution's or the University's policies or regulations which govern Associated Entities, violates the terms of any written agreement(s) between the Associated Entity and the Approving Institution, or at the sole discretion of the Approving Institution.

(b) Part C(1) of the AE Regulation currently states that the Associated Entity must be organized for the "primary purpose" of supporting the University or conducting activities that are in furtherance of the University's mission. This part could be strengthened by stating that the associated entity must be organized for the "sole purpose of" supporting the University or conducting activities that are in furtherance of the University's mission.

(c) Part D(2) of the AE Regulation currently states that a major Associated Entity must be audited by an independent CPA firm. This part could be strengthened by requiring that the Associated Entity must also select an auditor that is satisfactory to the Approving Institution.

²⁴ *Id.*

(d) Parts E(1) and (2) of the AE Regulation currently require: (1) some officers and employees to be bonded in an amount determined to be reasonable by the Associated Entity's board; and (2) the governing board of an Associated Entity to consider obtaining general liability and directors'/officers' insurance in an amount determined to be reasonable by the Associated Entity's board. These parts could be strengthened by requiring the Associated Entity to acquire a commercially reasonable amount of liability insurance, as may be required by the Approving Institution, based upon risk management assessment principles.

(e) Part F(3) of the AE Regulation currently requires University employees to comply with the policies, regulations, and directives of the University when University personnel provide services for an Associated Entity and a conflict arises between the University and the Associated Entity.²⁵ This part could be strengthened by clarifying that University personnel assigned to work with and as part of the Associated Entity always remain under the direction and control of the University.

(f) Part G of the AE Regulation currently restricts the acceptance of some gifts by an Associated Entity and requires an Associated Entity to coordinate with the Approving Institution's development office. This part could be strengthened by clarifying that the Approving Institution is always in charge and control of fundraising, and that an Associated Entity may not engage in fundraising activities or receive gifts that impose obligations on the approving institution (absent appropriate approval) or that are otherwise inconsistent with institutional gift policies.

(g) Part H of the AE Regulation currently requires an Associated Entity to have in place general conflict of interest and ethics policies. This part could be strengthened by extending institutional conflict of interest rules to members of the Associated Entity organization; it should also require approval of the associated entity's conflict of interest policies by the Approving Institution.

(h) Part I of the AE Regulation currently requires various reports to be submitted by an Associated Entity to the University. This part could be strengthened by also requiring the Associated Entity to provide Articles of Incorporation and By-laws, as well as access to donor records, to the Approving Institution upon request.

(i) Part I(2) of the AE Regulation requires an Associated Entity to make available other documents and records upon request "for an articulated legitimate reason." This part could be strengthened by stating that the Chancellor of the constituent institution (or the Chancellor's designee) or the President of the University (or the President's designee) may request any information from the associated entity for any reason or no reason, and that such information shall be provided upon request. Any reference to the requirement for an "articulated legitimate reason" as the basis for the request should be deleted.

²⁵ Under the current AE Regulation, the Associated Entity must also comply with Board of Governors Policy § 300.1.1 concerning the prohibition of payments to specified University employees. UNC Policy Manual 300.1.1(II)(B).

In addition to amending the AE regulation as described herein, the Working Group notes the critical importance of ensuring that the financial operations of athletically related associated entities are audited on an independent basis to ensure transparency and appropriate oversight. Indeed, the statute that directs the Board of Governors to encourage the establishment of associated entities instructs that AE governing boards are to secure and pay for auditing services for the entity and then transmit a copy of the annual financial audit report of the entity to the Board of Governors.

Recommendation 9: The Working Group recommends that the Chancellor affirm that a process is in place to ensure that the required annual audit has been submitted and reviewed by the appropriate committee(s) within the Board of Trustees. The results of these reviews as specified above (existence of agreements with athletically related associated entities, compliance of agreements with the AE regulation, and processes for annual audit submission and review) should be shared by each Chancellor with the President within 12 months and that a summary review be shared by the President with the Board of Governors Audit Committee within 15 months.

Based on its review, the Working Group also believes that additional steps should be taken to ensure that the Chancellor of the approving institution for each athletically related associated entity, in accordance with NCAA principles and SACS standards, has appropriate control and oversight of AE finances, which should include regular and thorough reviews of each associated entity's financial information.

Recommendation 10: The Working Group recommends that the Chancellor of each approving institution for each athletically related associated entity receive, review, approve, and report to the Board of Trustees, at least annually, the operations and capital budget for the athletically related AE. The Working Group also recommends that the Chancellor and the Board of Trustees review the compensation paid to officers and employees of the associated entity, and any adjustments to such compensation, and a summary of all fund transfers from the associated entity to the approving institution or to the University.

Appendix I

Other Public Database Sources Relating to Athletics Revenues and Expenditures

In addition to the NCAA Financial Dashboard, there are a number of other databases that are available for learning more about different aspects of intercollegiate athletics, including financial information. Each database has its own particular merits and limitations. The Working Group believes those attributes are best described in the following summaries:

The Equity in Athletics Data Analysis Cutting Tool is provided by the Office of Postsecondary Education of the U.S. Department of Education. The data made available in this tool are those as submitted annually by each institution as required by the Equity in Athletics Disclosure Act (EADA). The Cutting Tool is available to any member of the public with access to the web: <http://ope.ed.gov/athletics/>.

Using the Cutting Tool, it is possible to obtain data for any one institution or aggregated data for a group of institutions. For purposes of analysis, groups can be defined by state, by sanctioning body (e.g., NCAA, NAIA), athletic conference, student enrollment, institutional type, or any combination of these criteria. For instance, a group search for “North Carolina-NCAA Division I-A, Atlantic Coast Conference, Any Type” produces an aggregated group that includes Duke University, NC State, UNC Chapel Hill, and Wake Forest University. Application of any search criteria that produces three or fewer institutions in an aggregated group is not permitted. Notably, the data for groups are simply “aggregated” (i.e., summed). The EADA Cutting Tool does not permit “side-by-side” data comparisons of one institution to another or to a group of institutions.

Once an institution or a group has been selected, it is possible to then select a reporting year (from 2003 to 2011) and examine submitted data on Athletics Participation (by teams, gender, and co-ed); assignment of full- and part-time men’s and women’s head coaches to various teams; average head coaches’ salaries (aggregated for men’s and women’s coaches); the expenditure of athletically related student aid for men’s and women’s teams; the allocation of recruiting expenses for men’s and women’s team, and the operating (game day) expenses by team, including those on a per student-athlete basis participating in each sport. A “Revenues and Expenses Summary” is also provided.

The EADA Cutting Tool is most useful when one is interested in understanding broad patterns related to an institution’s allocation of resources to men’s and women’s sports. It is also a quick “one-stop” opportunity to examine sports being offered, roster sizes, coaching staffs, and the like.

However, the Cutting Tool is not a comprehensive financial data warehouse and it is not even particularly useful when trying to compare one institution to another or to a group consisting of the institutions belonging to a specific athletic conference. EADA data submission protocols do not include any information with respect to indirect institutional support provided to an Athletics Department or any debt payments for athletic facilities, segregate reported salaries from employer-paid benefits (thereby focusing gender comparisons on the basis of salaries only and not total compensation), and forces revenues to be reported as equal to expenses (thereby concealing athletic budget deficits). For these reasons, the EADA Cutting Tool cannot be considered to contain a comprehensive set of data relating to the revenues and expenses of an intercollegiate athletics

program and this is why it is not possible to compare an institution's EADA data to financial information found on the NCAA Financial Dashboard

USA TODAY NCAA Athletic Department Revenue Database (Division I only):

Although the data contained in the NCAA Financial Dashboard is robust, the NCAA does not permit the disclosure of the specific data of its member institutions except to its member institutions. For that reason, peer comparisons must be in defined groups, such as conferences, or other peer groups as identified by each institution for purposes of comparison. Rightly or wrongly, this policy decision was made by the NCAA to encourage full-disclosure by member institutions and to permit private institutions and the military academies to protect the confidentiality of their data.

In an attempt to better understand the revenues and expenses of specific institutions, USA TODAY has annually obtained the individual NCAA Division I revenue and expenses reports through public records requests. Data for private institutions, the military academies, or for public institutions not required to disclose under the terms of their respective state public records laws are not included. USA TODAY does not collect financial reports from Division II institutions. In 2012, the USA TODAY data included 228 public Division I colleges and universities.

The USA TODAY database is principally aimed at showing gross dollar amounts for revenues and expenses, using the NCAA's defined variable for "Total Athletics Revenues" (Indicator 4) and "Total Expenditures (Indicator 9). Using information within the data set on "Total Allocated Revenues," USA Today is able to report what it calls "Total Subsidy" and then a "% Subsidy" (which is the percentage that allocated revenues consist of total revenues). Essentially, although calculated slightly differently, USA TODAY's data for "% subsidy" is the inverse of the NCAA's reported percentage for "revenue self-sufficiency" (Indicator 5). For instance, if an institution's NCAA data shows that its athletic program is 35% self-sufficient, USA today would report that as representing a 65% subsidy. The 228 institutional entries for 2012 can be placed in rank order by revenues, expenses, subsidy, or % subsidy, but the functionality of the database is otherwise limited. USA TODAY also makes available information on compensation and bonus packages of most Division I football head coaches, men's basketball head coaches, and athletic directors. These data were also secured through USA TODAY using public records requests. The USA TODAY database is accessible at:

<http://www.usatoday.com/sports/college/schools/finances/>.

Knight Commission on Intercollegiate Athletics:

In December 2013, as a follow-up to its 2010 *Restoring the Balance* report, the Knight Commission on Intercollegiate Athletics released its NCAA Division I Academic and Athletic Spending Database. It is accessible at <http://spendingdatabase.knightcommission.org>. The fundamentals of the Knight Commission database are built upon the NCAA financial report forms of Division I public institutions as obtained by USA TODAY, thereby allowing data analyses and comparisons to be made with respect to other Division I institutions individually; in peer groups defined by NCAA subdivisions, conferences, regions, Carnegie Classification, and spending levels (within FBS); and over time from 2005 to 2011 considering actual and inflation-adjusted expenditures.

Unlike USA TODAY's focus on revenues and the percent subsidy provided by each institution for its athletic programs, the Knight Commission database is focused upon spending patterns and trends. Moreover, the Knight Commission database incorporates publicly available data on the participation of student-athletes in various institutions from Equity in Athletics Disclosure (EADA) reports (discussed above) as well as IPEDs-based spending data relating to institutional spending on academics as constructed by the Delta Cost Project at American Institutes for Research. The inclusion of the Delta Cost Project data permits understanding of the trends in athletic spending within the larger context of institutional spending on academics and instruction. The principal academic spending measure used in the Knight Commission database is Education and Related (E&R) Spending per FTE student, one of the measures currently available to the UNC Board of Governors to understand campus spending patterns and trends (see <http://www.tcs-online.org/Home.aspx>). Inclusion of the student-athlete participant data permits a more useful analysis of trends when accounting for the participation opportunities being provided. The number of sports offered by institutions can vary greatly and spending levels can be impacted significantly by a reduction or increase in the number of sports. Sport-specific spending data are provided for football and the Knight database allows some specific analytical attention to be given to spending/trends associated with this sport.

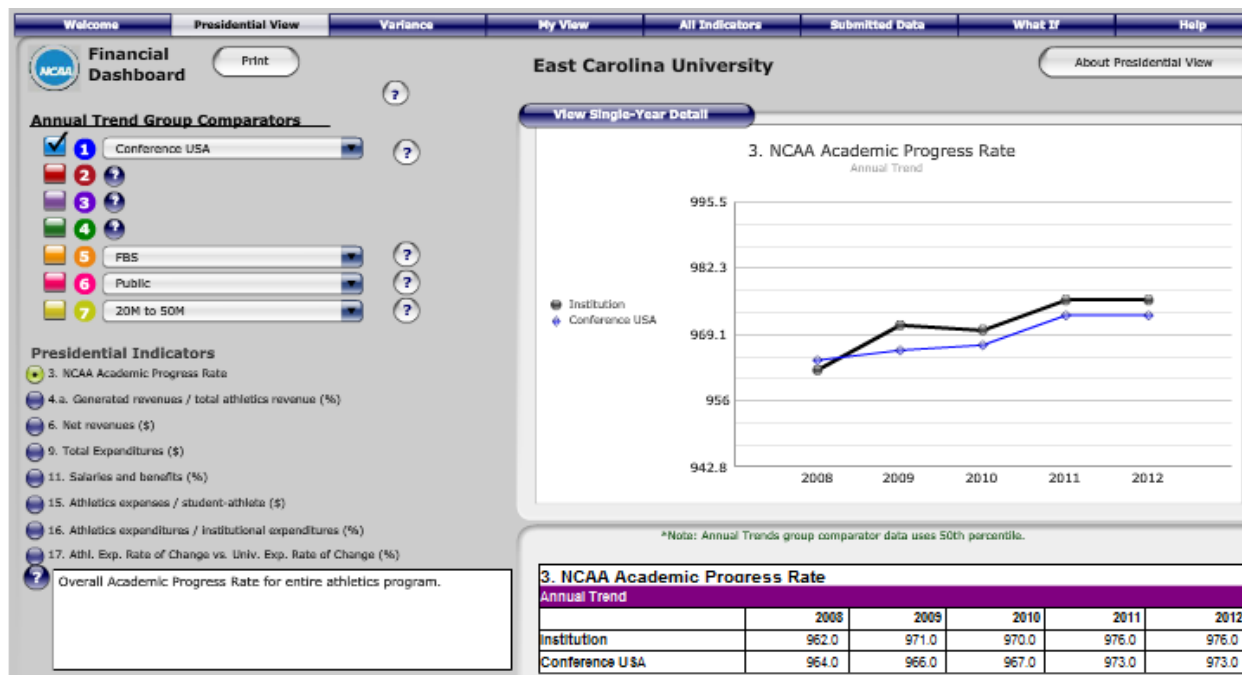
A limitation of the Knight Commission database is that the IPEDs/Delta Cost Study data trail by one year the reported revenues and expenses reported in the NCAA Financial Dashboard. The Knight Commission database also does not contain as many data elements as the NCAA Dashboard. However, it does provide trend data as far back as 2005 (and not simply the trailing five-year period used by the NCAA), permits inflation-adjusted spending analyses, allows projections on athletic spending given past trends, and is very user-friendly.

The Knight Commission Spending Database provides a valuable perspective on spending that supports the academic mission and intercollegiate athletics within UNC institutions. Of course, data for each campus needs to be interpreted based upon an understanding of the differences in the sources of revenue for academics and athletics, and other relevant information (e.g., Charlotte's initiation of a football program and eventual change in conference level from FCS to FBS).

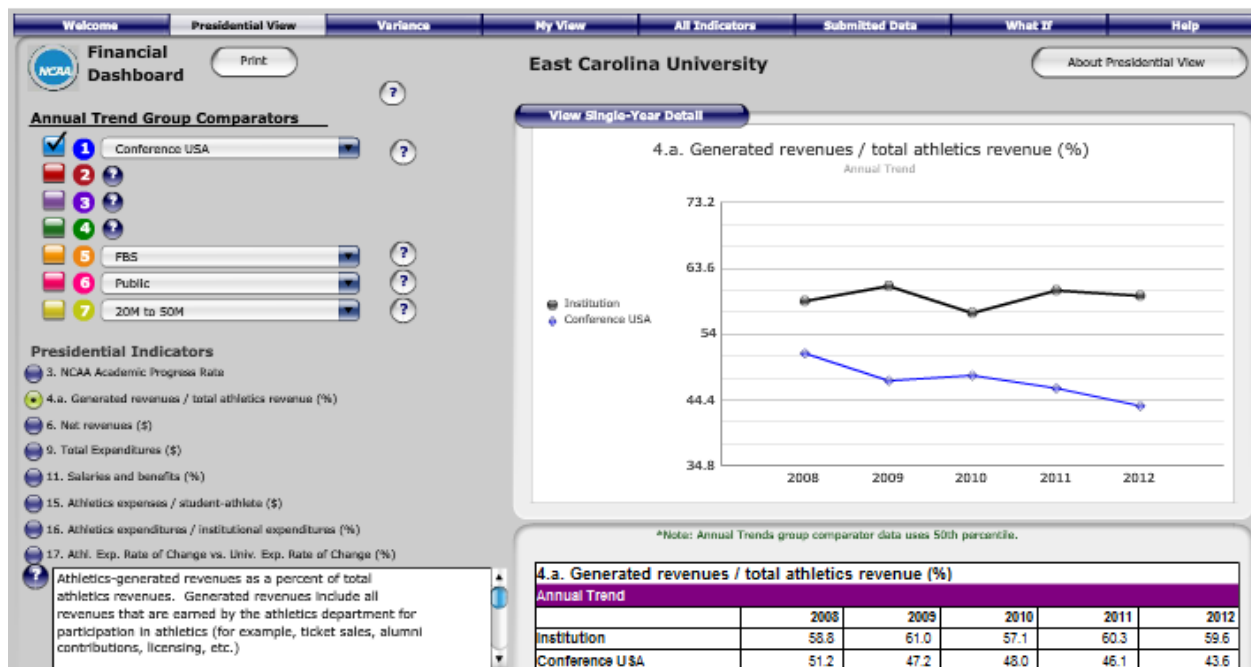
Appendix II

Sample Division I "Presidential View" (ECU)

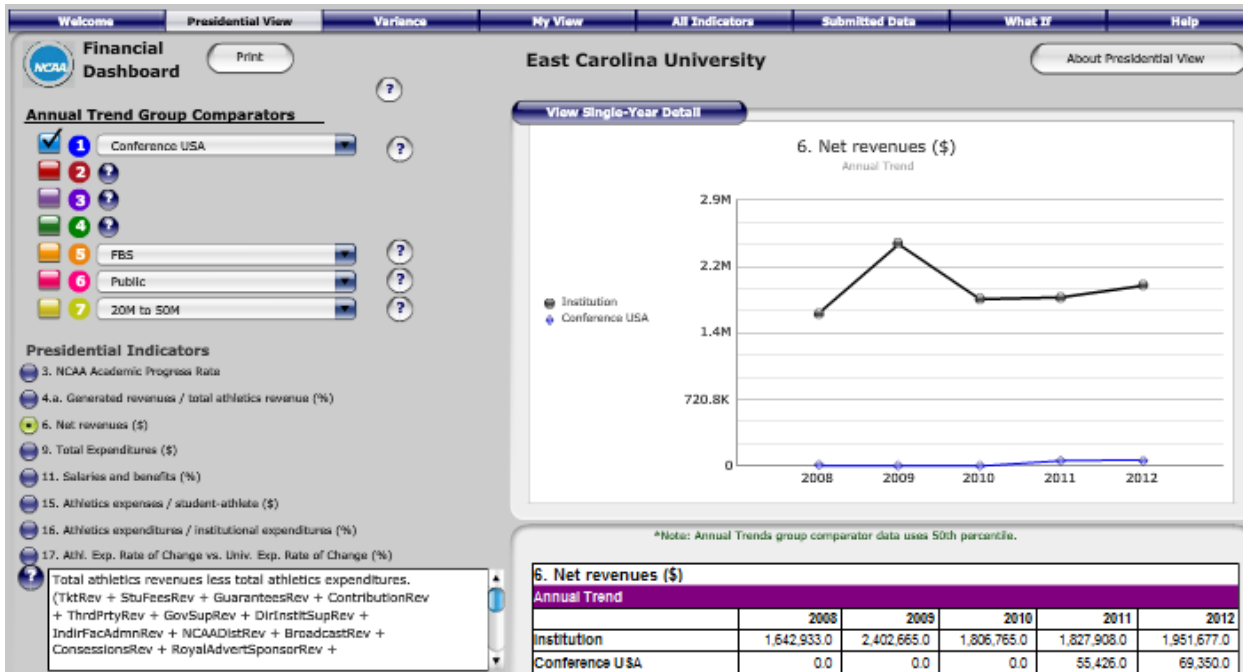
East Carolina University *View Single-Year Detail: 3. NCAA Academic Progress Rate*



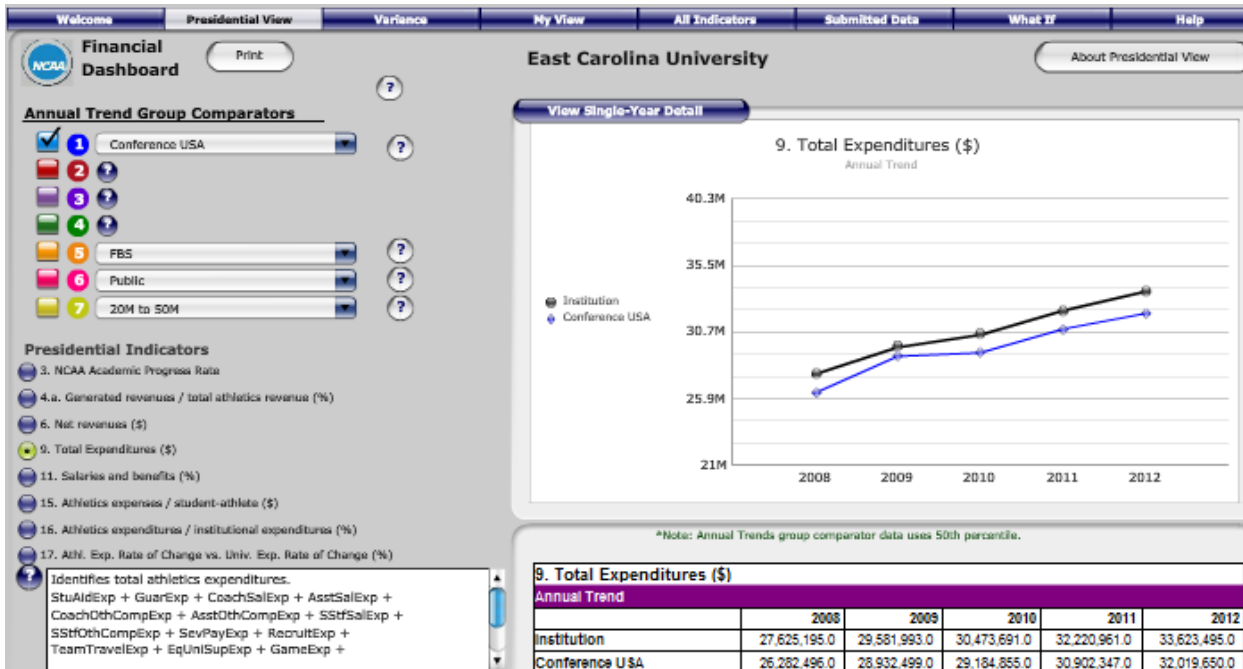
East Carolina University *View Single-Year Detail: 4.a. Generated Revenues/Total Athletics Revenue (%)*



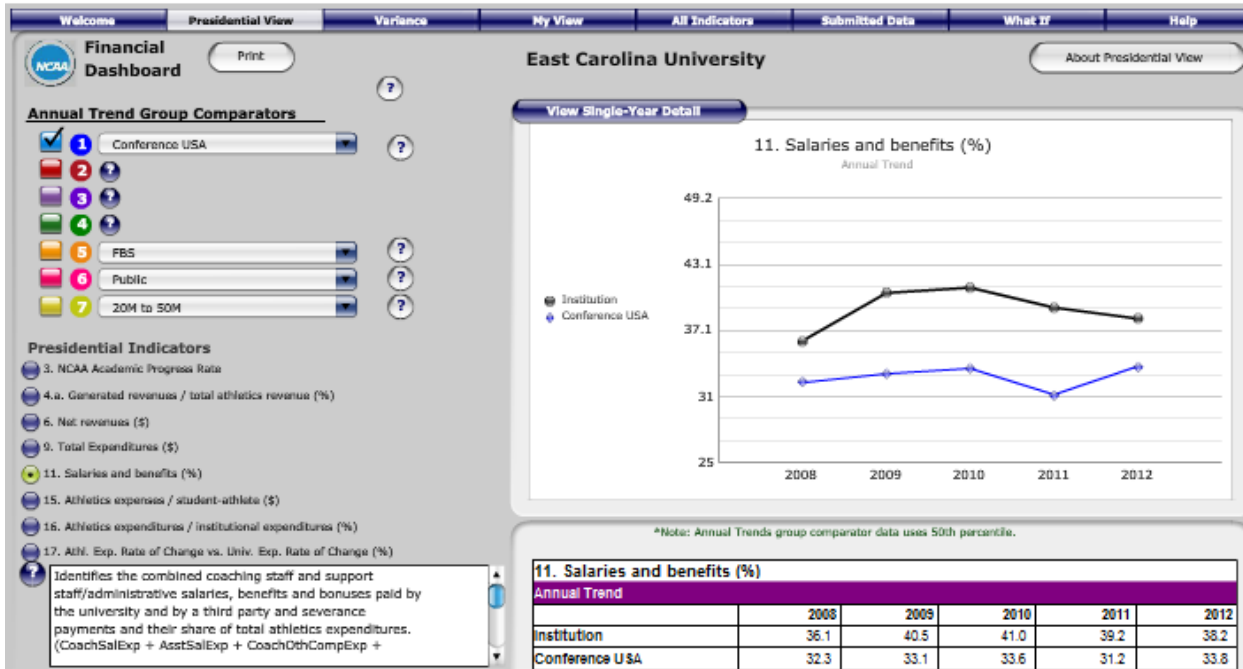
East Carolina University View Single-Year Detail: 6. Net Revenues (\$)



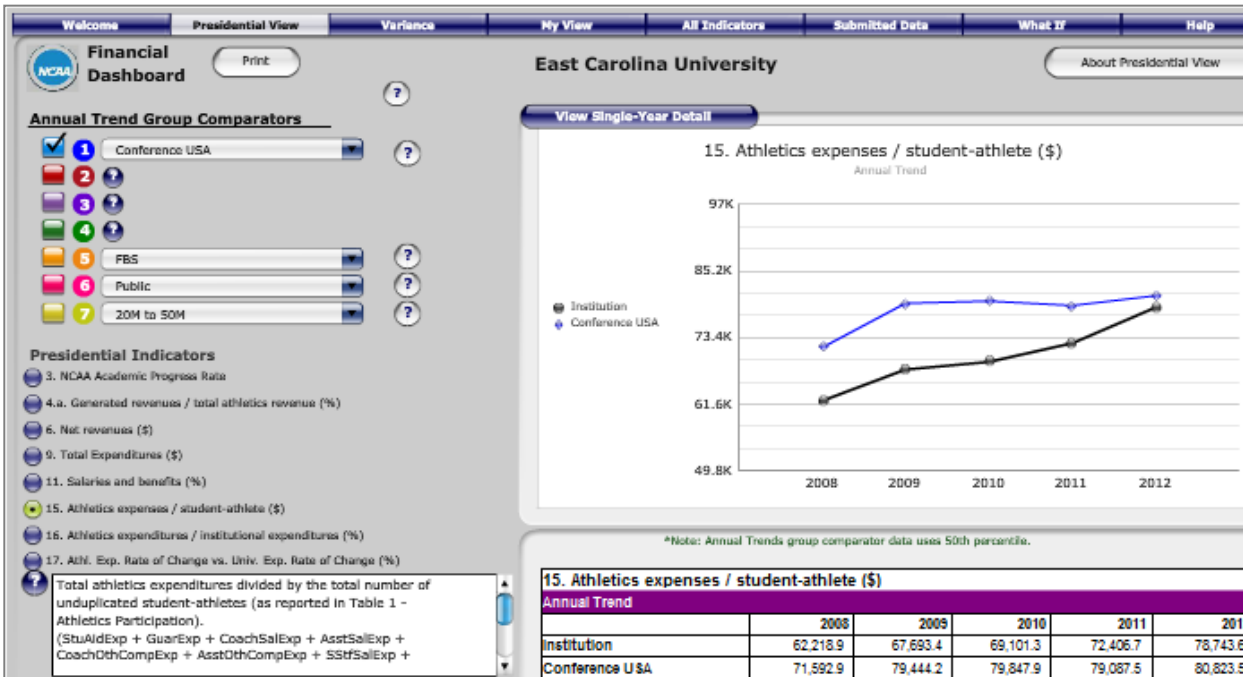
East Carolina University View Single-Year Detail: 9. Total Expenditures (\$)



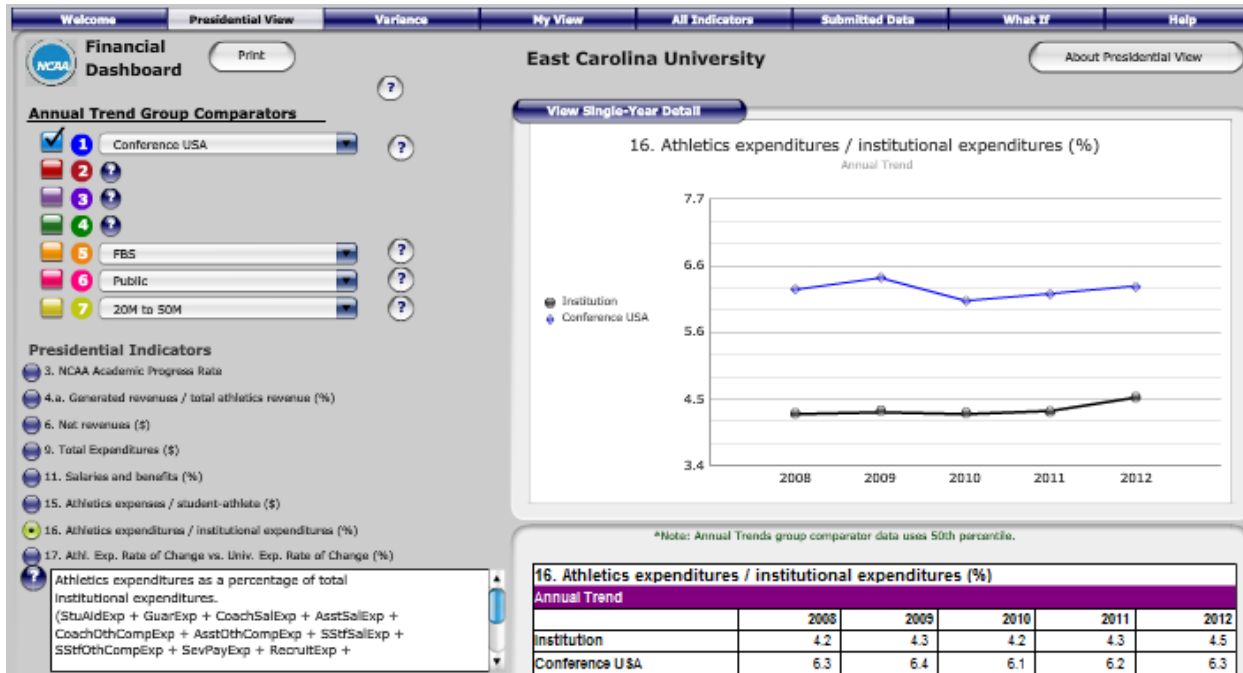
East Carolina University *View Single-Year Detail: 11. Salaries and Benefits (%)*



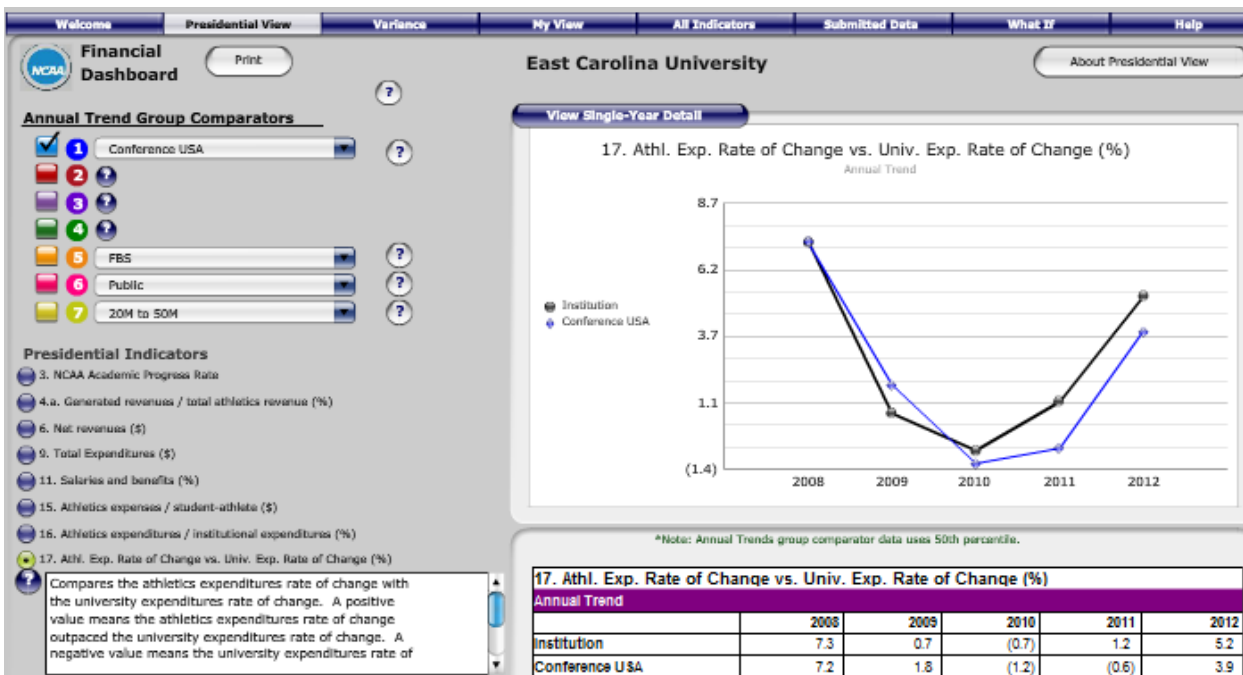
East Carolina University *View Single-Year Detail: 15. Athletics Expenses/Student-Athlete (\$)*



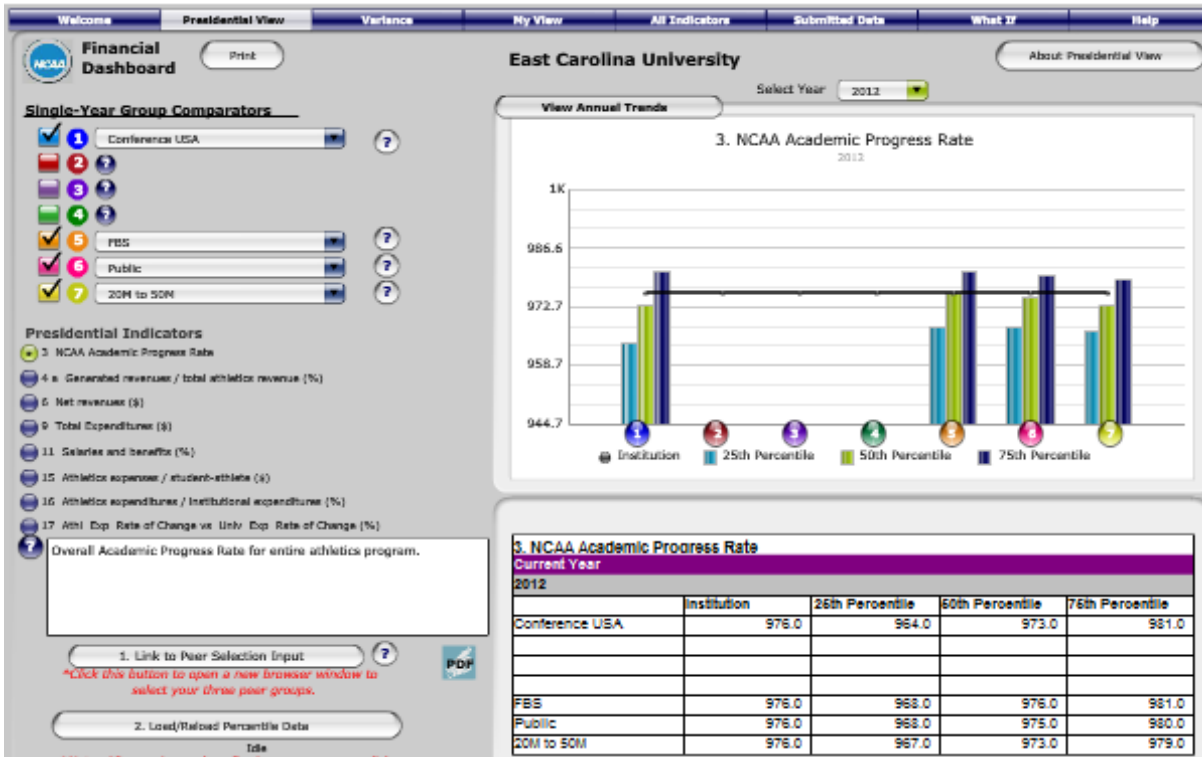
East Carolina University View Single-Year Detail: 16. Athletics Expenditures/Institutional Expenditures (%)



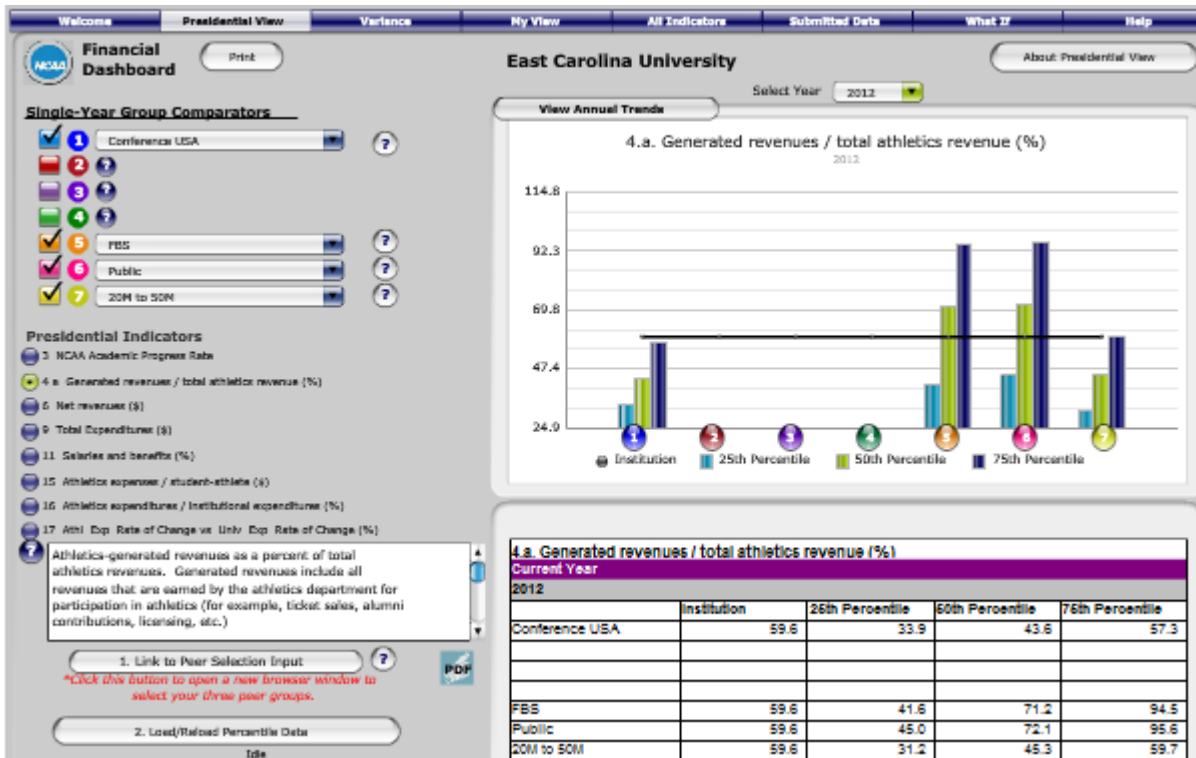
East Carolina University View Single-Year Detail: 17. Athl. Exp. Rate of Change vs. Univ. Exp. Rate of Change (%)



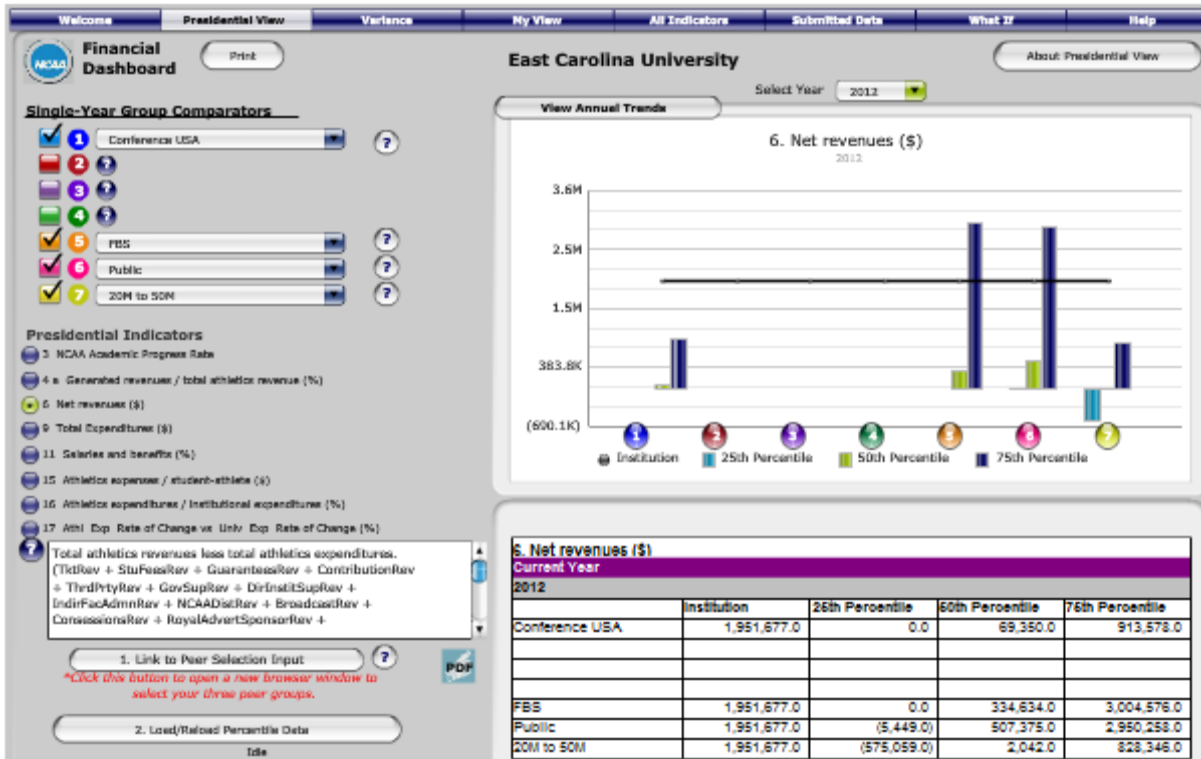
East Carolina University View Annual Trends 2012: 3. NCAA Academic Progress Rate



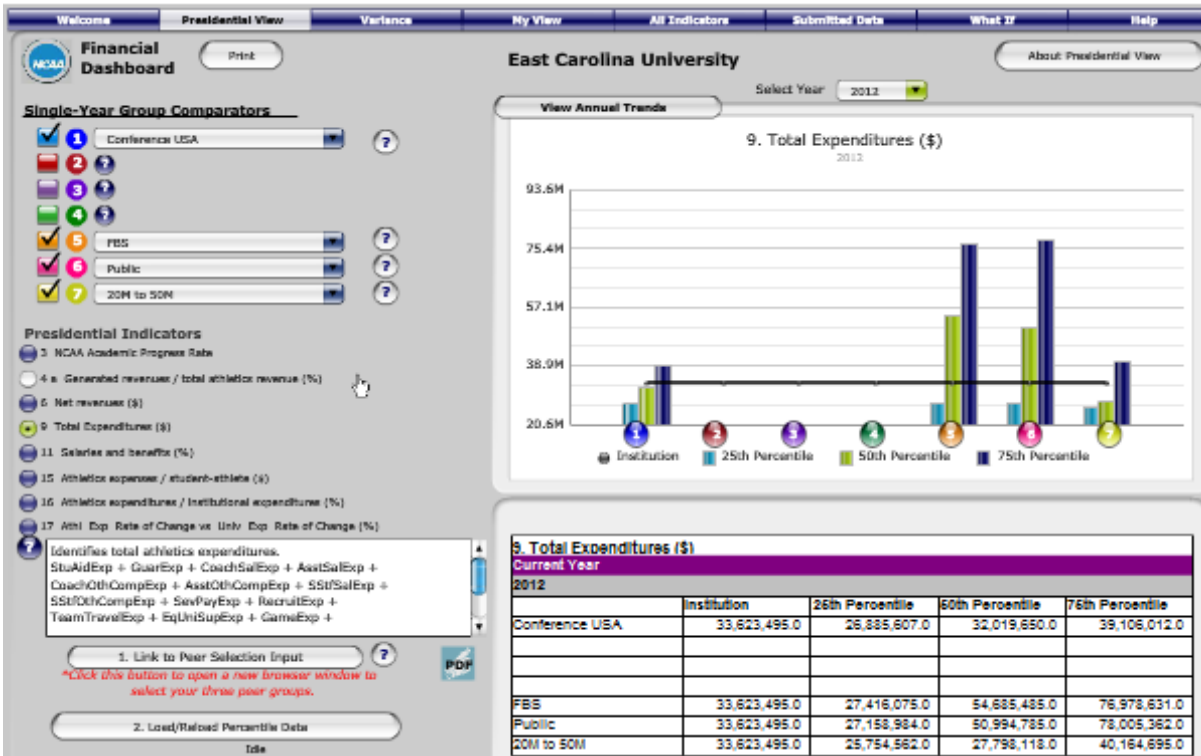
East Carolina University View Annual Trends 2012: 4.a. Generated Revenues/Total Athletics Revenue (%)



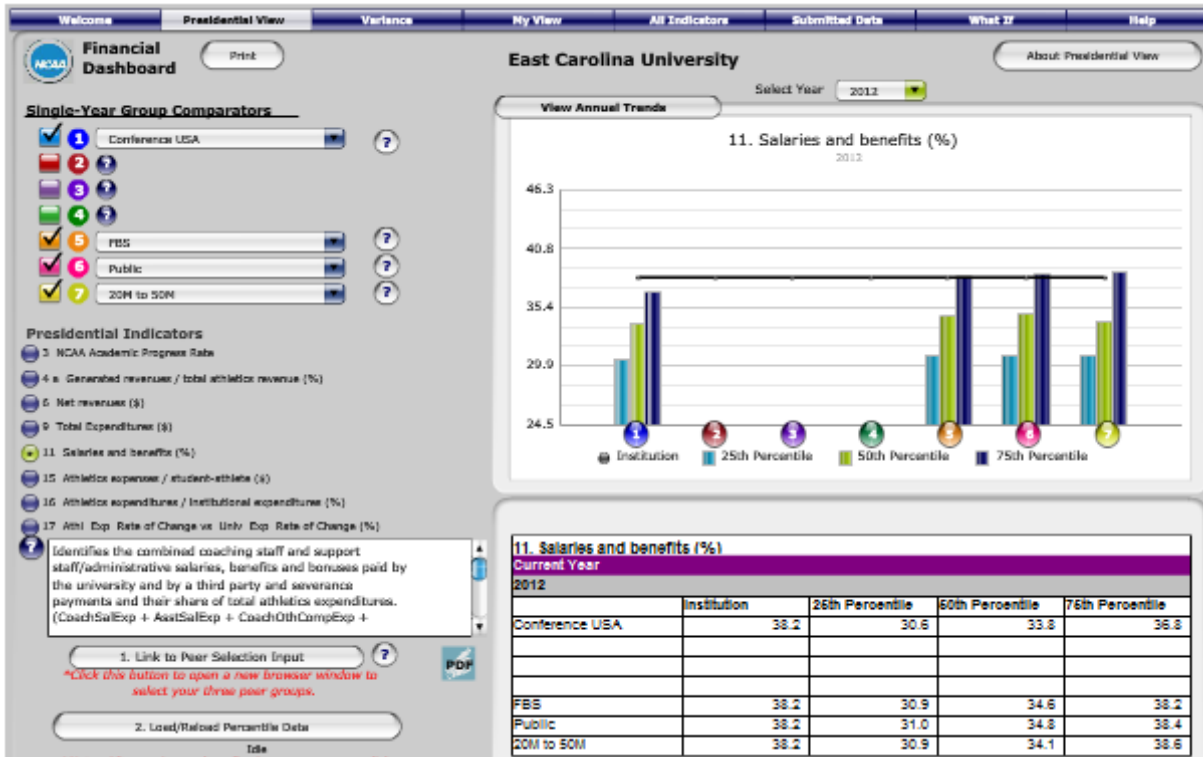
East Carolina University View Annual Trends 2012: 6. Net Revenues (\$)



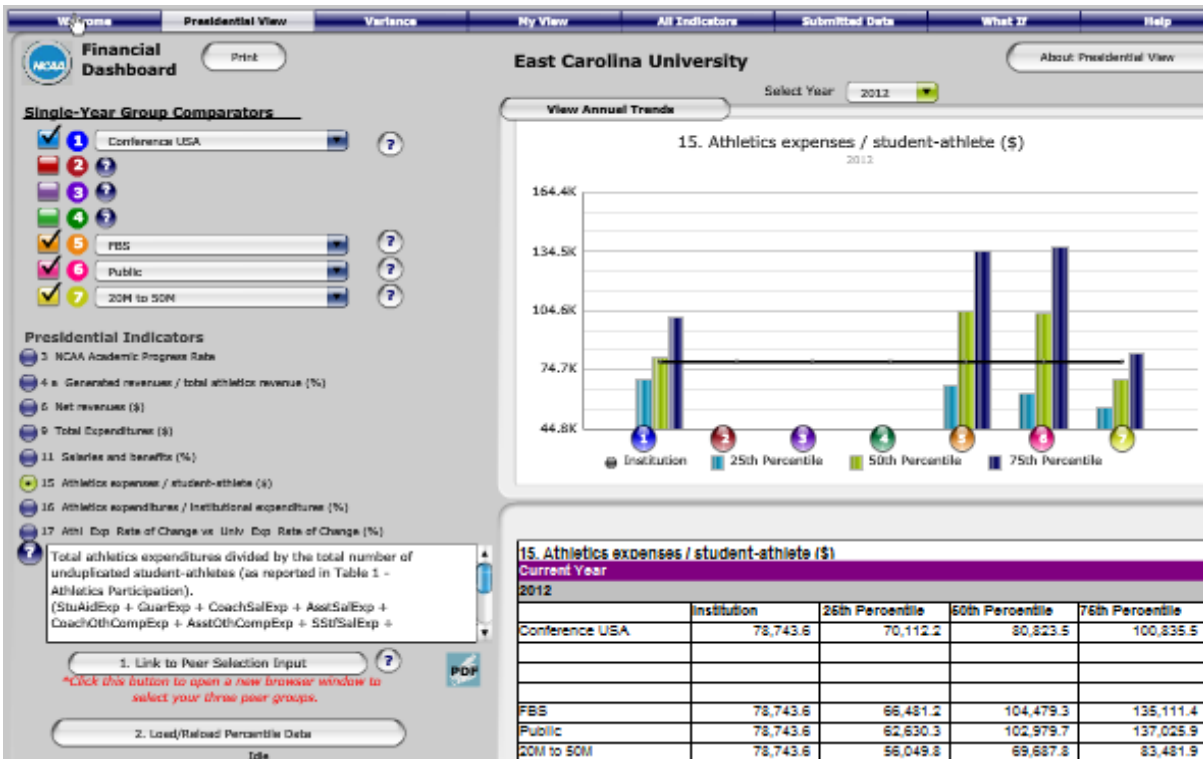
East Carolina University View Annual Trends 2012: 9. Total Expenditures (\$)



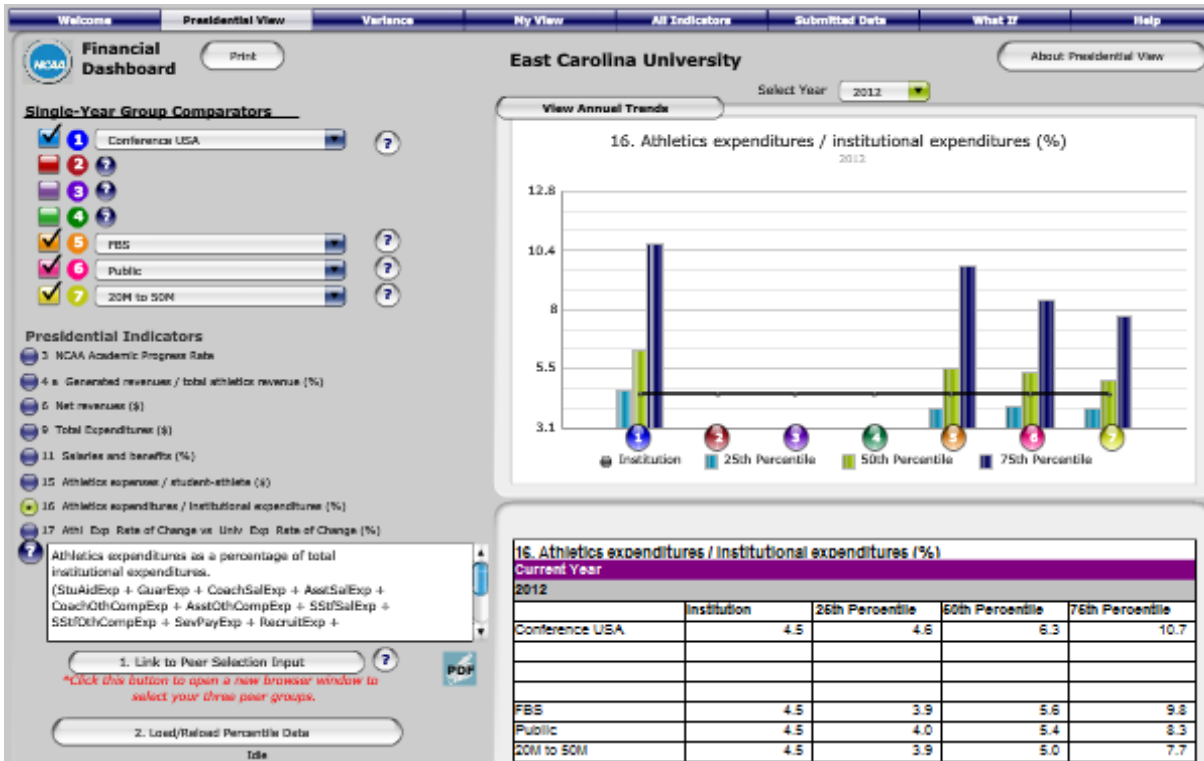
East Carolina University View Annual Trends 2012: 11. Salaries and Benefits (%)



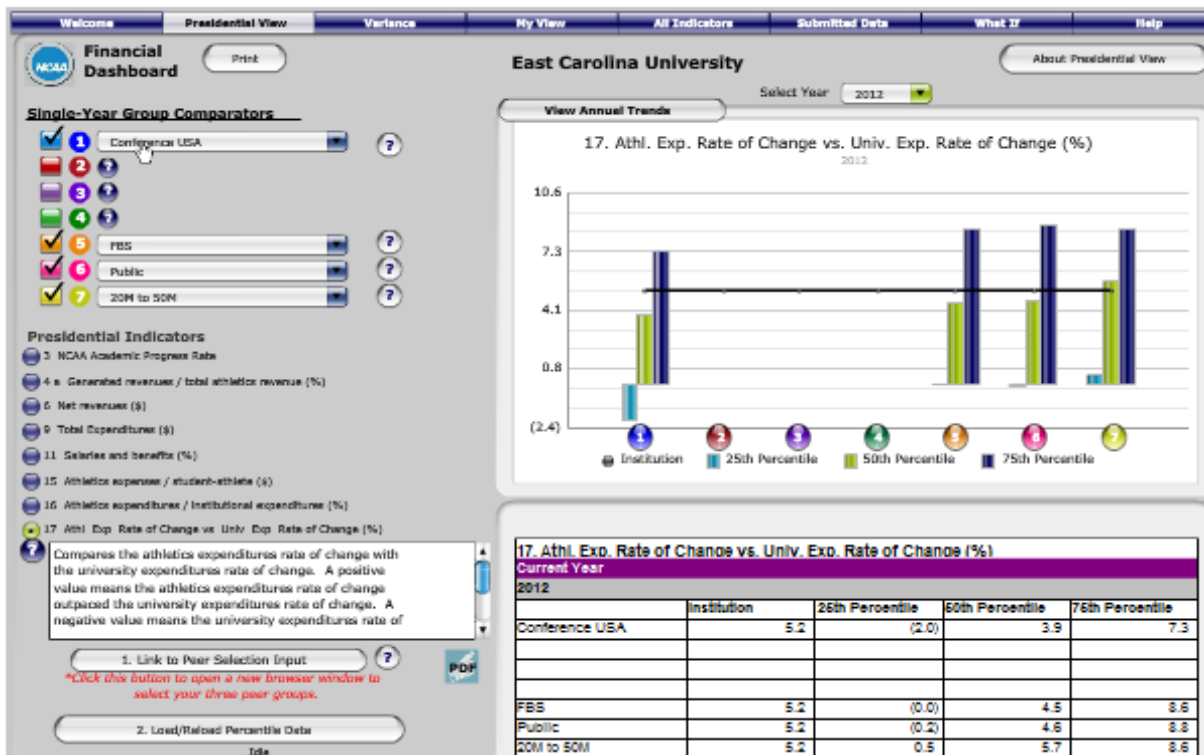
East Carolina University View Annual Trends 2012: 15. Athletics Expenses/Student-Athlete (\$)



East Carolina University View Annual Trends 2012: 16. Athletics Expenditures/Institutional Expenditures (%)



East Carolina University View Annual Trends 2012: 17. Athl. Exp. Rate of Change Vs. Univ. Exp. Rate of Change (%)



Appendix III

What follows is an example (from UNC Charlotte) of an annual budget document that could be used in the implementation of Recommendation 4. The precise format (and detail provided) for any particular campus should be determined by each Chancellor, subject to the preferences of his or her Board of Trustees. The column labeled “Explanation” is intended to suggest a way for major changes in revenues or expenditures to be highlighted.

Revenues	2013-14	2014-15	Difference	Explanation (Optional)
Athletic Fee	\$ 15,600,000	\$ 17,160,000	\$ 1,560,000	\$64 fee increase (\$50 football)
Unrestricted Private Gifts	\$ 2,245,641	\$ 2,249,001	\$ 3,360	
Other Supporting Revenue	\$ 1,535,000	\$ 2,351,000	\$ 816,000	Conference USA increase
Athletic Guarantees	\$ 20,000	\$ 47,500	\$ 27,500	
Gate Receipts	\$ 1,288,000	\$ 1,312,750	\$ 24,750	
Interest Income	\$ 15,000	\$ 15,000	\$ -	
Sponsorship Revenue	\$ 515,650	\$ 540,650	\$ 25,000	
Tournament Revenue	\$ 2,500	\$ 2,500	\$ -	
Intra-Transfers	\$ 350,000	\$ 350,000	\$ -	
TOTAL REVENUES:	\$ 21,571,791	\$ 24,028,401	\$ 2,456,610	

Expenses	2013-14	2014-15	Difference	Explanation
EPA Salaries	\$ 4,008,600	\$ 4,148,424	\$ 139,824	End of severance for MBB HC
Temp-Non Teaching	\$ 25,500	\$ 25,500	\$ -	
EPA Special Payment	\$ 507,777	\$ 657,777	\$ 150,000	
Severance Payments	\$ 177,750		\$ (177,750)	
SPA Salaries	\$ 692,089	\$ 758,628	\$ 66,539	
SPA Overtime		\$ 23,553	\$ 23,553	
Non-Student Wage	\$ 423,745	\$ 517,030	\$ 93,285	
Student Wage	\$ 135,150	\$ 135,150	\$ -	
Social Security	\$ 407,266	\$ 420,816	\$ 13,550	
State Retirement	\$ 631,767	\$ 668,070	\$ 36,303	
Medical Insurance	\$ 445,937	\$ 519,055	\$ 73,118	
Claims Made Benefit		\$ 74,769	\$ 74,769	
Total Salaries/Benefits	\$ 7,455,581	\$ 7,948,772	\$ 493,191	
			\$ -	
Operating Expenses			\$ -	FBS Football ramp up / housing-fee-meal inc
Scholarships	\$ 5,569,642	\$ 6,720,633	\$ 1,150,991	
Team Travel	\$ 1,792,494	\$ 1,849,294	\$ 56,800	
Other Current Services	\$ 1,321,390	\$ 1,548,390	\$ 227,000	
Other Fixed Charges	\$ 915,583	\$ 915,583	\$ -	
Other/Players Supplies	\$ 688,575	\$ 696,075	\$ 7,500	
Recruiting Travel	\$ 564,500	\$ 634,600	\$ 70,100	
Guarantees	\$ 358,900	\$ 514,100	\$ 155,200	
Officials	\$ 374,570	\$ 384,000	\$ 9,430	
Insurance/Bonding	\$ 300,000	\$ 350,000	\$ 50,000	

Membership Dues	\$ 296,725	\$ 296,725	\$ -
Advertising/Promotion	\$ 198,800	\$ 203,500	\$ 4,700
Communications	\$ 184,350	\$ 185,100	\$ 750
Capital Outlay	\$ 183,300	\$ 183,300	\$ -
Meals	\$ 180,350	\$ 182,000	\$ 1,650
Holiday Room/Board	\$ 160,000	\$ 160,000	\$ -
Printing/Binding	\$ 155,050	\$ 155,050	\$ -
Facilities Maintenance	\$ 125,500	\$ 130,100	\$ 4,600
Medical Fees	\$ 110,000	\$ 110,000	\$ -
Administrative Travel	\$ 106,300	\$ 107,300	\$ 1,000
Contingency	\$ 117,221	\$ 98,500	\$ (18,721)
Use Tax	\$ 38,640	\$ 95,174	\$ 56,534
Tournaments	\$ 75,000	\$ 75,000	\$ -
Motor Vehicle Supplies	\$ 56,250	\$ 56,650	\$ 400
Awards	\$ 49,735	\$ 49,735	\$ -
Office Supplies	\$ 46,675	\$ 47,175	\$ 500
Other Contracted Services	\$ 42,000	\$ 42,000	\$ -
Moving Expenses	\$ 40,000	\$ 40,000	\$ -
Food Products	\$ 38,200	\$ 38,200	\$ -
Utilities	\$ 36,000	\$ 36,000	\$ -
Bank Card Charges	\$ 30,000	\$ 27,500	\$ (2,500)
Subscriptions	\$ 27,271	\$ 27,271	\$ -
Maintenance Agreement	\$ 25,700	\$ 25,700	\$ -
Photography	\$ 20,400	\$ 20,400	\$ -
Legal/Accounting Fees	\$ 20,000	\$ 20,000	\$ -
Ground Supplies	\$ 10,455	\$ 10,455	\$ -
Intra-Transfer	\$ 10,050	\$ 10,050	\$ -
Rental/Real Property	\$ 8,500	\$ 8,500	\$ -
Public Relations	\$ 5,700	\$ 5,700	\$ -
Total Operating Expenses:	\$ 14,283,826	\$ 16,059,760	\$ 1,775,934
TOTAL EXPENSES	\$ 21,739,407	\$ 24,008,532	\$ 2,269,125
NET	\$ (167,616)	\$ 19,869	