


**BOARD OF TRUSTEE**  
**Academic Affairs Committee**  
Department of Athletics  
**Quarterly Report**  
*April 25, 2014*



North Carolina Agricultural and Technical State University



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**Final Report of the Athletics Financial  
Transparency Working Group**  
[University of North Carolina, March 2014]

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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,
- identifying the financial information that should be reported to and reviewed by the chancellor, the board of trustees, the President, and the Board of Governors.
- making recommendations for policies, regulations and other actions that enhance the financial transparency of athletics operations and that provide the information necessary for University leadership to maintain institutional control of intercollegiate athletics programs.



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.