

## **AGREED-UPON PROCEDURES** **August 27, 2010**

### **INTRODUCTION**

In August 2004, National Collegiate Athletic Association (NCAA) legislation was amended to change the NCAA financial reporting timeline, to specify the agreed-upon procedures and related reporting, and to update the agreed-upon procedures to reflect the changes in reporting definitions approved by the membership.

NCAA member institutions have two NCAA requirements for reporting financial data. One requires an agreed-upon procedures report be submitted to the chief executive officer (CEO) and the other requires online reporting financial data to the NCAA. These are two separate and distinct processes. However, changes in legislation will make the two processes more compatible. Additionally, the agreed-upon procedures will result in data similar to that required by Equity in Athletics Disclosure Act (EADA).

The financial agreed-upon procedures reporting requirements of NCAA member institutions' ("institution") intercollegiate athletics programs are mandated under the provisions of NCAA Constitution 3.2.4.16 for each division. Per those requirements, all revenues, expenses and capitalized expenditures on behalf of an institution's intercollegiate athletics program, including those by outside entities, are reported on annually by an independent accountant from outside the institution. The independent accountant shall be selected by the institution's chief executive or the chief executive's designee.

Separate guidance will be issued for the online submission of financial information to the NCAA. However, the agreed-upon procedures will provide data to fulfill NCAA financial reporting requirements.

NCAA member institutions should be in full compliance with the new agreed-upon procedures contained herein no later than January 15, 2006.

### **NCAA LEGISLATION**

The NCAA agreed-upon procedure reporting legislation for each of the three membership divisions are contained in Constitution 3.2.4.16:

#### **Division I**

Constitution 3.2.4.16. "All revenues, expenses and capital expenditures for or on behalf of a Division I member institution's intercollegiate athletics programs, including those by any affiliated or outside organization, agency or group of individuals (two or more), shall be subject to annual agreed-upon procedures (in addition to any regular financial reporting policies and procedures of the institution). The agreed-upon procedures report should be prepared for the institution by a qualified independent accountant who is not a staff member of the institution and who is selected either by the institution's chief executive or by an institutional administrator from outside the athletics department designated by the chief executive officer."

Constitution 3.2.4.16. "The agreed-upon procedures report for one fiscal year shall be completed and presented to the chief executive on or before January 15 following the end of the institution's fiscal year.

## **Division II**

Constitution 6.2.3.1.1. “At least once every three years, all revenues and expenses and capitalized expenses for or on behalf of a Division II member institution’s intercollegiate athletics programs, including those by any affiliated or outside organization, agency or group of individuals (two or more), shall be subject to the performance of certain agreed-upon procedures (in addition to any regular financial reporting policies and procedures of the institution) conducted for the institution by a qualified independent accountant who is not a staff member of the institution and who is selected either by the institution’s chief executive or by an institutional administrator from outside the athletics department designated by the chief executive.”

Constitution 6.2.3.1.1. “The agreed-upon procedures report shall be completed and presented to the chief executive on or before January 15 following the end of the institution’s fiscal year.”

## **Division III**

Constitution 6.2.3. “All revenues, expenses and capitalized expenditures for or on behalf of a Division III member institution’s intercollegiate athletics programs shall be subject to the institution’s regular annual financial audit. In particular, additional revenue and expenses associated with affiliated and outside groups or individuals shall be included in this audit. No agreed-upon procedures report is required.”

# **INTERPRETATIONS**

## **OBJECTIVES OF AGREED-UPON PROCEDURES**

The institution’s agreed-upon procedures report shall be presented to the chief executive by the independent accountant. The report’s primary purpose is to ensure that the chief executive is made aware of all financial activity (both internal and external) for athletics purposes and to assist the institution in exercising control over financial activity made by or on behalf of the intercollegiate athletics program. The report should not be filed with the NCAA national office. However, should information supplied as a result of this initiative raise questions or prompt concerns about the proper application of NCAA legislation, an institution’s chief executive may wish to contact the NCAA administrative services staff for assistance.

The agreed-upon procedures scope of work shall include the reporting of revenue, expenses and capital improvements required in the EADA and NCAA financial reporting information. The definitions used in the agreed-upon procedures provide a consistent means of reporting intercollegiate athletics finances and will provide the chief executives and other campus decision makers of our member institutions with empirical data to assist them in making their formal decisions.

Data available for the agreed-upon procedures may vary among institutions as a result of differences in athletics programs’ organizational structure, financial resources and accounting and budgetary methods. Information that may prove particularly useful (depending on circumstances noted above) to institutions in evaluating the level of institutional control includes:

1. A comparison of actual revenues and expenses related to the intercollegiate athletics program as defined on pages 10-16 (from both internal and external sources) to amounts budgeted;
2. The nature of institutional internal controls that affect operations of the intercollegiate athletics program, and
3. The relationship of expenses for or on behalf of intercollegiate athletics by affiliated and outside organizations (e.g., booster groups, alumni organizations, independent or affiliated

foundations) to institutional expenses for similar purposes and the nature of internal controls in place to monitor the financial activities of such affiliated and outside organizations.

The financial information and the existence and appropriateness of the institution's internal controls are the responsibility of the institution. Independent accountants, through the application of agreed-upon procedures, should not provide an opinion or assurance on the reliability of financial information generated by the institution and the existence and functioning of appropriate internal controls. The agreed-upon procedures report presents the findings of the agreed-upon procedures performed by the independent accountant. An understanding of this distinction in role and responsibility is crucial to the chief executive's effective use of the information provided as part of the agreed-upon procedures performed.

The NCAA has developed the agreed-upon procedures set forth in this document with the assistance of the National Association of College and University Business Officers (NACUBO) and Association of College and University Auditors (ACUA). These procedures seek to provide flexibility in complying with the provision of Constitution 3.2.4.16. At a minimum, the institution's chief executive should seek information considered consistent with the legislation's purpose and the requirements of professional auditing literature, recognizing reasonable cost and benefit considerations.

An institution's chief executive also may request additional information from the institution's athletics department and affiliated and outside groups, as well as the performance of additional agreed-upon procedures in agreement with the independent accountants. Each institution's chief executive should consider carefully what approach best serves the institution's needs in evaluating institutional control. The chief executive may include a formal assessment of internal controls over intercollegiate athletics programs financial processes.

The independent accountants will not review or include in their reports information concerning the institution's compliance with NCAA legislation. Responsibility for assuring compliance with NCAA legislation is the ultimate responsibility of the institution's chief executive, and the information provided as part of the agreed-upon procedures report is intended to assist chief executives in their efforts to assure institutional compliance.

While the detection of improper application of NCAA legislation is not the primary function of these procedures, the independent accountants should be alert nonetheless for situations or transactions that may indicate the existence of such conditions. If, during the course of executing the procedures the independent accountant becomes aware of acts that may indicate a violation of NCAA legislation, the independent accountant shall immediately report the violation to the institution's chief executive.

## **ORGANIZATION OF INTERCOLLEGIATE ATHLETICS PROGRAMS**

Intercollegiate athletics programs vary significantly in scope and complexity among institutions. Financial-reporting procedures and controls also vary. For example, some institutions clearly have segregated intercollegiate athletics from other institutional athletics programs and physical education while at other institutions, these activities are integrated with the institution's administrative structure and accounting records.

Likewise, the extent to which institutions receive cash or in-kind contributions from affiliated and outside organizations and the method by which such contributions from affiliated and outside organizations are included in the institution's athletics department's financial statements vary considerably. Institutional accounting practices also differ in areas such as indirect facilities and administrative support, grants-in-aid costs and student-activity fees. Institutions and their independent accountants should be aware of these differences among programs and recognize

that this legislation does not mandate particular organizational structure or specific budgetary approaches.

For purposes of these procedures, as applicable, the independent accountant (or, in Division III, the institution's accountant) shall include certain financial information of the following organizations, agencies and groups within the agreed-upon procedures:

1. Booster organizations established by or on behalf of an intercollegiate athletics program. For the purposes of this legislation, a booster group may be defined as any organization that has as its principal, or one of their principal purposes, the generating of moneys, goods or services for or on behalf of an intercollegiate athletics program, or the promotion of said program through other means;
2. Independent or affiliated foundations or other organizations that have as a principal, or one of their principal purposes, the generating or maintaining of grants-in-aid or scholarship funds, gifts, endowments, or other moneys, goods or services to be used entirely or in part by the intercollegiate athletics program, and
3. Alumni organizations that have as a principal, or one of their principal purposes, the generating of moneys, goods or services for or on behalf of an intercollegiate athletics program and that contribute moneys, goods or services directly to an intercollegiate athletics program, booster group, or independent or affiliated foundation as previously noted.

### **THE INDEPENDENT ACCOUNTANT**

In Divisions I and II, the agreed-upon procedures report is required to be conducted by an independent accountant who is not an institutional staff member. This requirement is not intended to question the ability or integrity of institutional auditors but rather to emphasize that this is a separate procedure for specific NCAA compliance purposes and to further protect the institution from inferences that the agreed-upon procedures were not objective. In Division III, an independent accountant is not required.

For the purposes of this legislation in Divisions I and II, an individual employed by the state (or by a state university system) to perform audits for that state's colleges and universities (or for the colleges and universities within a state university system) is considered to be an independent accountant, provided the individual is not a regular employee of the institution. The procedures undertaken by state auditors in the performance of their duties should meet the minimum standards set forth in these agreed-upon procedures applicable to the revenues and expenses of all independent booster or support organizations. If state auditors are unable to perform those procedures, the chief executive is required to engage an independent accountant to satisfy these procedures. The approach required by the independent accountant to satisfy these procedures will depend on the scope of the state auditors work and the ability and willingness of the independent accountant to rely on the work performed by the state auditors.

Work performed by internal auditors at Division I and II institutions, even though their responsibility includes an annual financial audit for the entire institution (including intercollegiate athletics and institution-controlled affiliated or outside organizations), would not meet the requirements of this legislation. Internal auditors may prepare schedules and accumulate data or provide other information for the practitioner's use in performing the agreed-upon procedures. Accordingly, independent accountants may use work performed by internal auditors. However, it would be inappropriate for the independent accountant to agree to merely read the internal auditors' report solely to describe or repeat the findings, take responsibility for all or a portion of any procedures performed by the internal auditors by reporting those findings as the practitioner's own, or report in any manner that implies shared responsibility for the procedures with the internal auditors.

## AGREED-UPON PROCEDURES

Depending on the institution's existing level of agreed-upon procedures and the organizational structure of the institution's intercollegiate athletics programs and related affiliated or outside organizations, there are several approaches that the independent accountant may use to comply with the agreed-upon procedure requirements for Division I and II institutions. [Note: In Division III, the completion of the institution's regular financial audit shall satisfy the requirements of Constitution 3.2.4.16, provided that all revenues and expenses and capitalized expenses for or on behalf of the institution's intercollegiate athletics programs are subject to the annual institutional audit, including additional revenues and expenses associated with affiliated and outside groups or individuals.]

Work performed by an independent auditor as part of a Division I or II institution-wide financial audit would comply with the terms of this legislation if the work performed by the independent auditor relative to the institution's department of intercollegiate athletics conforms to the requirements set forth in the section entitled "Minimum Agreed-Upon Procedures." In using this approach, the independent auditor shall also conduct certain minimum agreed-upon procedures related to the revenues and expenses of affiliated and outside organizations that are not under the accounting control of the institution. See the "Minimum Agreed-Upon Procedures for Affiliated and Outside Organizations" section for details. Affiliated and outside organizations (e.g., booster clubs, affiliated foundations and alumni groups) are considered to be under the accounting control of the institution when all activities of the organization (including revenues and expenses) are recorded on the books and records of the institution and are subject to the internal control structure. Alternatively, where an institution-wide agreed-upon procedure has been performed, the chief executive may elect to comply with these agreed-upon procedures by engaging the independent auditor to perform separate agreed-upon procedures as discussed in the next paragraph.

In the event that an institution-wide independent audit has not been conducted, or the athletics department functions as a separate legal or accounting entity (e.g., a separately incorporated athletics foundation), a Division I or II institution would comply with the terms of this legislation by engaging an independent accountant to perform these agreed-upon procedures on the statement. To the extent that activities of affiliated and outside organizations are under the accounting control of the institution, those revenues and expenses shall be included in the statement that the independent accountant applies these agreed-upon procedures against. Otherwise, activities of affiliated and outside organizations shall be subject to minimum agreed-upon procedures as set forth in the section entitled "Minimum Agreed-Upon Procedures for Affiliated and Outside Organizations."

**This section describes the minimum level of procedures considered to be necessary to achieve the objectives of this legislation.**

### **Athletics Department Statement of Revenues and Expenses**

To provide adequate information for the independent accountant to execute these agreed-upon procedures, the institution must prepare the statement.

Appendix B sets forth an example of the statement. The statement reports the revenues and expenses of the intercollegiate athletics programs as recorded on the general ledger of the institution. Please note that expenses on behalf of an institution's athletics programs by affiliated and outside organizations not under the accounting control of the institution shall be included in the statement and subject to the agreed-upon procedures set forth in the section entitled "Minimum Agreed-Upon Procedures for Affiliated and Outside Organizations."

Factors that influence the classification of revenues, expenses and major programs in the statement include:

1. The internal account structure of the reporting institution's intercollegiate athletics program;
2. The institution's usual treatment of indirect facilities and administrative support related to athletics, and
3. The degree to which institutional funds or state appropriations are earmarked or budgeted by the institution for athletics and generally considered to be a part of the department's operating revenue. More detailed discussion of revenue and expenditure classifications is set forth separately in the Additional Information section.

The institution shall prepare the statement using the basic accounting and revenue recognition principles set forth in the American Institute of Certified Public Accountants (AICPA) Audit and Accounting Guide entitled "Not-for-Profit Organizations" (the "NFP Audit Guide") and in the NACUBO publication entitled "College and University Business Administration." Please note that the statement presents an excess (deficiency) of revenues over (under) expenses but does not present any fund or net asset balances. In addition, changes in loan, endowment or plant funds related to intercollegiate athletics shall not be included in the statement. Significant additions to restricted funds related to intercollegiate athletics, as well as significant changes to endowment and plant funds, shall be disclosed separately in the notes to the statement. In addition, capitalized assets, additions and improvements of facilities shall be reported in accordance with the attached schedule and definitions.

After the institution has prepared the statement, the independent accountant shall meet with the institution's chief executive (or his or her designees) to identify areas of significant interest and specific agreed-upon procedures related to both internal controls and other specified areas.

### **Minimum Compliance Agreed-Upon Procedures**

The institution, through discussions with the independent accountant, shall identify aspects of the institution's internal control structure unique to the intercollegiate athletics department. Consideration should be given to departmental organization, control consciousness of staff, use of internal auditors in the department, competency of personnel, adequate safeguarding and control of records and assets, controls over interaction with the information technology department, and other relevant matters.

The chief executive may include a formal assessment of internal controls over intercollegiate athletics programs financial processes. The independent accountant may test the internal control procedures unique to intercollegiate athletics and internal control procedures for the athletics department. In those situations where the institution's independent accountant performed tests of controls in connection with the audit of the institution's financial statements, the independent accountant may expand the scope of these tests of controls to specifically include transactions from the intercollegiate athletics department.

Regardless of the situation, the independent accountant shall test specific elements of the control environment and accounting systems that are (1) are unique to intercollegiate athletics and (2) have not been addressed in connection with the audit of the institution's financial statements (e.g., the system of accounting for revenues from ticket sales).

Finally, the independent accountant shall perform agreed-upon procedures related to the institution's procedures for gathering information on the nature and extent of affiliated and outside organizational activity for or on behalf of the institution's intercollegiate athletics program. The institution must provide the independent accountant with the institution's procedures for gathering information on the nature and extent of affiliated and outside organizational activity for or on behalf of the institutions intercollegiate athletics program. The

independent accountants will then test those procedures. After completing these procedures, independent accountants shall report their findings to the chief executive in a format similar to that outlined in Appendix C.

### **Minimum Agreed-Upon Procedures**

To identify unusual items, the NCAA has developed minimum agreed-upon procedures for independent accountants to use regarding the accuracy of revenues and expenses of intercollegiate athletics programs. For a complete listing of the minimum agreed-upon procedures, see the sections entitled “Minimum Agreed-Upon Procedures Program for Revenues” and the “Minimum Agreed-Upon Procedures Program for Expenses” in the Additional Information section to be performed by the independent accountant to comply with this legislation. Each institution will also be required to complete the attached schedule of capitalized assets, additions and improvements of facilities.

The minimum agreed-upon procedures are intended to indicate the nature of the procedures to be performed on the institution’s financial systems and records. The institution and their independent accountants should conform to such procedures as appropriate for the institution’s systems and records, as well as to professional practice and reporting standards.

Upon approval of the institution, the minimum agreed-upon procedures performed may be tailored by the independent accountant based upon the specific areas of significance to the institution. The institution should keep the objective of the minimum agreed-upon procedures in mind when determining the sufficiency of the procedures to be performed.

The institution’s chief executive may engage the independent accountant to perform supplemental agreed-upon procedures. The independent accountant shall document the scope of the supplemental agreed-upon procedures requested by the chief executive in an engagement letter signed in advance by the institution’s chief executive. The institution, together with the independent accountant, shall determine the extent of the supplemental agreed-upon procedures to be performed.

### **MINIMUM AGREED-UPON PROCEDURES FOR AFFILIATED AND OUTSIDE ORGANIZATIONS**

Following are minimum agreed-upon procedures that independent accountants and institutions shall use in applying agreed-upon procedures related to expenses for or on behalf of intercollegiate athletics programs by affiliated and outside organizations not under the institution’s accounting control. The results of these procedures may be reported and included within the agreed-upon procedures report on the institution. See Appendix A.

1. The institution shall identify all intercollegiate athletics-related affiliated and outside organizations and obtain those organizations’ statements for the reporting period. Once the institution has made these statements available, the independent accountant shall agree the amounts reported in the statement to the organization’s general ledger or, alternatively, confirm revenues and expenses directly with a responsible official of the organization. In addition, the institution shall prepare a summary of revenues and expenses for or on behalf of intercollegiate athletics programs affiliated and outside organizations to be included with the agreed-upon procedures report.
2. The independent accountant shall obtain and review the audited financial statements of the organization and any additional reports regarding internal control matters if the organization is audited independent of the agreed-upon procedures required by NCAA legislation. The institution’s independent accountant shall also inquire of institutional and organizational management as to corrective action taken in response to comments concerning internal control structure (if any).

The institution may tailor these procedures based upon the areas of significance to the institution. The institution should keep the objective of the agreed-upon procedures in mind when determining the sufficiency of the procedures to be performed.

### **SUPPLEMENTAL PROCEDURES FOR AFFILIATED AND OUTSIDE ORGANIZATIONS**

1. Compare and agree a sample of operating-revenue categories reported in the organization's statement during the reporting period to supporting schedules provided by the organization;
2. Compare and agree a sample of operating-revenue receipts obtained from the above operating revenue schedule to adequate supporting documentation;
3. Compare and agree each operating expense category reported in the organization's statement during the reporting period to supporting schedules provided by the organization;
4. Compare and agree a sample of operating expenses obtained from the above operating expense supporting schedules to adequate supporting documentation;
5. Directly confirm cash balances recorded at the end of the reporting period by the organization and review the related year-end bank reconciliation(s);
6. Obtain and inspect minutes of the organizations' governing bodies during the reporting period and select a sample of financial transactions discussed in the minutes;
7. Select a sample of financial transactions discussed in the minutes and compare and agree each selection to the organizations' accounting records, as applicable, and
8. Obtain and document an understanding of the internal controls in place surrounding revenues and expenses related to the organization.

### **INSTITUTIONAL REPRESENTATIONS**

In an engagement to apply agreed-upon procedures to certain financial and other information of the institution, the independent accountant shall obtain written representations from the institution's management. These representations may be tailored to cover specific assertions and matters unique to the intercollegiate athletics department (e.g., completeness of the schedule of intercollegiate athletics activities, institutional compliance with NCAA legislation and a listing of all known affiliated and outside organizations reported to the independent accountant).

### **REPORT ON AGREED-UPON PROCEDURES**

#### **Application of Agreed-Upon Procedures**

The independent accountants' report on agreed-upon procedures applied to the institution should be in the form of procedures and findings. Among other things, the report should have a title that includes the word "independent" and identify the specified parties, the subject matter, and the procedures performed (and findings). See Appendix C for a listing of the required elements for a report on agreed-upon procedures. Examples of reports concerning agreed-upon procedures applied to institution's statement and affiliated and outside organizations' records are included as Appendix A.

## **Presentation of the Statement of Revenues and Expenses**

The basis of presentation of the statement will vary among institutions. As a result, the institution's statement may be presented in conformity with accounting principles generally accepted in the United States of America (GAAP) or with a comprehensive basis of accounting other than GAAP.

## **Notes and Disclosures**

1. Each individual contribution of moneys, goods or services received directly by an intercollegiate athletics program from any affiliated or outside organization, agency or individuals (e.g., contributions by corporate sponsors) that constitutes 10 percent or more of all contributions received for intercollegiate athletics during the reporting period shall be disclosed in the notes to the statement of athletics department revenues and expenses (the "statement") and included in the agreed-upon procedures report. Disclosure of the source of funds, goods and services, as well as the value associated these items, shall also be made within the notes to the statement. In addition, as part of the minimum agreed-upon procedures, the independent accountant shall obtain and review supporting documentation for each such contribution.

2. A description of the institution's policies and procedures for acquiring, approving, depreciating, and disposing of intercollegiate athletics-related assets, shall be included in the notes to the statement. At a minimum, this schedule shall be substantiated by the institution's general ledger. The independent accountant shall also obtain repayment schedules for all outstanding intercollegiate athletics debt maintained by the institution during the reporting period. At a minimum, the independent accountant shall recalculate annual maturities (consisting of principal and interest) provided in the schedules obtained. The independent accountant shall then agree the total annual maturities to supporting documentation and the institution's general ledger, as applicable. The repayment schedule(s) shall be included in the notes to the statement.

## Additional Information

### CLASSIFICATION OF REVENUES AND EXPENSES

The following is supplemental information to be used by institutional staff members and independent accountants in preparing the institution’s statement, a sample of which is attached to this document as Appendix B. Major programs as identified by each institution (e.g., football, men’s and women’s basketball) are listed across the top of the statement, and directly identifiable revenues and expenses are reported on the appropriate lines within the major program columns. These statements are available from the Print Menu page of the NCAA/EADA Financial Reporting system (as “Statement of Revenues and Expenses – Appendix B Agreed-Upon Procedures”).

If the institution allocates indirect facilities and administrative support costs to specific programs, these amounts shall be included under the appropriate major program heading, and the basis for allocation shall be disclosed in the notes to the statement.

This classification of revenues and expense data will allow institutions and chief executive officers to use consistent definitions and reporting requirements to comply with NCAA and federal agreed-upon procedures on revenues and expenses. Preparing this statement will provide chief executive officers more comparable financial data to manage intercollegiate athletics progress.

#### Revenues

Sources of revenue for the athletics program will vary among institutions; however, typical sources of intercollegiate athletics revenues are outlined (each followed by a comprehensive definition) below:

ID	Item	Amount	Definition
1	<a href="#">Ticket Sales</a>	0	Include revenue received for sales of admissions to athletics events. Include ticket sales to the public, faculty and students, and money received for shipping and handling of tickets. Do not include ticket sales for conference and national tournaments that are pass-through transactions. Report amounts in excess of a ticket’s face value paid by ticket purchasers (for example, to obtain preferential seating) in Category 4 (Contributions).
2	<a href="#">Student Fees</a>	0	Include student fees assessed and restricted for support of intercollegiate athletics.
3	<a href="#">Guarantees</a>	0	Include revenue received from participation in away games.
4	<a href="#">Contributions</a>	0	Include amounts received directly from individuals, corporations, associations, foundations, clubs or other organizations that are designated, restricted or unrestricted by the donor for the operation of the athletics program. Report amounts paid in excess of a

			ticket's value. Contributions shall include cash, marketable securities and in-kind contributions. In-kind contributions may include dealer-provided automobiles (market value of the use of a car), apparel and soft-drink products for use by staff and teams. Do not report pledges until funds are allocated. Report gifts and merchandise from corporate sponsorship agreements in Category 12 (Royalties, Licensing, Advertisement and Sponsorship).
5	<a href="#">Compensation and Benefits Provided by a Third Party</a>	0	Include all amounts provided by a third party and contractually guaranteed by the institution, but not included on the institution's W-2 (e.g., car stipend, country club membership, entertainment allowance, clothing allowance, speaking fees, housing allowance, compensation from camps, radio income, television income, and shoe and apparel income). This should equal Expense Categories 20 and 22 combined.
6	<a href="#">Direct State or Other Government Support</a>	0	Include state, municipal, federal and other government appropriations made in support of the operations of intercollegiate athletics. This amount includes funding specifically earmarked to the athletics department by government agencies for which the institution has no discretion to reallocate. Any state or other government support appropriated to the university, for which the university determines the dollar allocation to the athletics department shall be reported in Direct Institutional Support (item 7).
7	<a href="#">Direct Institutional Support</a>	0	Include value of institutional resources for the current operations of intercollegiate athletics, as well as all unrestricted funds allocated to the athletics department by the university (e.g., state funds, tuition, tuition waivers and transfers). Also include Federal Work Study support for student workers employed by athletics.
8	<a href="#">Indirect Facilities and Administrative Support</a>	0	Include value of facilities and services provided by the institution not charged to athletics. This support may include an allocation for institutional administrative cost, facilities and maintenance, grounds and field maintenance, security, risk management, utilities, depreciation and debt service. If your institution does not currently track indirect institutional support, consult your business office for a reasonable allocation. If counted here, include offsetting expenditure equal in value in Expense Category 32 (Indirect Facilities and Administrative Support).

9	<a href="#">NCAA/Conference Distributions Including All Tournament Revenues</a>	<input type="text" value="0"/>	Include revenue received from participation in bowl games, tournaments and all NCAA distributions. This category includes amounts received for direct participation or through a sharing arrangement with an athletics conference, including shares of conference television agreements. If known by sport, report as such. Include any payments received from the NCAA for hosting a championship (permissible to include in Revenue Not Related to Specific Teams).
10	<a href="#">Broadcast Television, Radio and Internet Rights</a>	<input type="text" value="0"/>	Include institutional revenue received directly for radio and television broadcasts, Internet and e-commerce rights received through institution-negotiated contracts.
11	<a href="#">Program Sales, Concessions, Novelty Sales and Parking</a>	<input type="text" value="0"/>	Include revenue of game programs, novelties, food or other concessions, and parking revenues. Revenue from sales of game program advertising is to be included in Revenue Category 12 (Royalties, Licensing, Advertisements and Sponsorships).
12	<a href="#">Royalties, Licensing, Advertisements and Sponsorships</a>	<input type="text" value="0"/>	Include all revenue from corporate sponsorships, licensing, sales of advertisements, trademarks and royalties. An allocation will be necessary to distinguish revenues generated by athletics versus the university if payments are combined. Include the value of in-kind products and services provided as part of the sponsorship (e.g., equipment, apparel, soft drinks, water and isotonic products).
13	<a href="#">Sports-Camp Revenues</a>	<input type="text" value="0"/>	Include amounts received by the athletics department for sports-camps and clinics.
14	<a href="#">Endowment and Investment Income</a>	<input type="text" value="0"/>	Include endowment spending policy distribution and other investment income in support of the athletics department. These categories include only restricted investment and endowment income for the operations of intercollegiate athletics; institutional allocations of income from unrestricted endowments qualify as "Direct Institutional Support."
15	<a href="#">Other</a>	<input type="text" value="0"/>	Less than 5% of total revenues may appear on this line. If the number is greater than 5%, please reclassify adequate revenue to the appropriate category(ies) above to bring the category to less than 5% of the total revenue.
16	<a href="#">Subtotal Operating Revenue</a>	<input type="text" value="0"/>	Add Columns 1-15.

## Expenses

Expenses for the athletics program will vary among institutions; however, typical sources of intercollegiate athletics expenses are outlined (each followed by a comprehensive definition) below:

17	<a href="#">Athletic Student Aid</a>	0	Include the total amount of athletically related student aid awarded, including summer school and tuition discounts and waivers (including aid given to student-athletes who have exhausted their eligibility or who are inactive due to medical reasons). Athletics aid awarded to non-athletes (student-managers, graduate assistants, trainers) should be reported as Expenses Not Related to Specific Teams. It is permissible to report only dollars in the Expenses Not Related to Specific Teams row as long as you have reported non-zero entries for Equivalencies, Number of Students, and Dollars (all 3 required) for at least one sport.
18	<a href="#">Guarantees</a>	0	Include amounts paid to visiting participating institutions.
19	<a href="#">Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities</a>	0	Include gross salaries, bonuses and benefits provided to head and assistant coaches, which includes all gross wages, benefits and bonuses attributable to coaching that would be reportable on university and related entities (e.g., foundations, booster clubs) W-2 and 1099 forms (e.g., car stipend, country club membership, entertainment allowance, clothing allowance, speaking fees, housing allowance, supplemental retirement allowance, compensation from camps, radio income, television income, tuition remission, earned deferred compensation benefits). Place any payment made to previous coaches to satisfy a contractual agreement for coaching in Category 23 (Severance Payments).
20	<a href="#">Coaching Other Compensation and Benefits Paid by a Third-Party</a>	0	Include all compensation paid to the coaching staff by a third party and contractually guaranteed by the institution, but not included on the institution's W-2 (e.g., car stipend, country club membership, entertainment allowance, clothing allowance, speaking fees, housing allowance, compensation from camps, radio income, television income, shoe and apparel income). Expense Categories 20 and 22 combined should equal Revenue Category 5 (Compensation and Benefits Provided by a Third Party).
21	<a href="#">Support Staff/Administrative Salaries, Benefits and</a>	0	Include gross salaries, bonuses and benefits paid to administrative staff (i.e., football secretary, sport-

	<a href="#">Bonuses Paid by the University and Related Entities</a>		specific trainer) that would be reportable on university and related entities (e.g., foundations, booster clubs) W-2 and 1099 forms (e.g., car stipend, country club membership, entertainment allowance, clothing allowance, speaking fees, housing allowance, supplemental retirement allowance, compensation from camps, radio income, television income, tuition remission, earned deferred compensation benefits). Staff members responsible for the gender-specific athletics department, but not a specific sport (i.e., director of men's athletics), will have their compensation figures reported as Expenses Not Related to Specific Teams fields. Athletics department staff members who assist both men's and women's teams (sports information director, academic advisor) will be reported as Not Allocated by Gender column.
22	<a href="#">Support Staff/Administrative Other Compensation and Benefits Paid by a Third-Party</a>	0	Include all compensation paid to the support staff by a third party and contractually guaranteed by the institution, but not included on the institution's W-2 (e.g., car stipend, country club membership, entertainment allowance, clothing allowance, speaking fees, housing allowance, compensation from camps, radio income, television income, shoe and apparel income). Expense Categories 20 and 22 combined should equal Revenue Category 5 (Compensation and Benefits Provided by a Third Party).
23	<a href="#">Severance Payments</a>	0	Include severance payments and applicable benefits recognized for past coaching and administrative personnel.
24	<a href="#">Recruiting</a>	0	Include transportation, lodging and meals for prospective student-athletes and institutional personnel on official and unofficial visits, telephone call charges, postage and such. Include value of use of institution's own vehicles or airplanes as well as in-kind value of loaned or contributed transportation.
25	<a href="#">Team Travel</a>	0	Include air and ground travel, lodging, meals and incidentals for competition related to preseason, regular season and postseason. Amounts incurred for food and lodging for housing the team before a home game also should be included. Include value of use of the institution's own vehicles or airplanes as well as in-kind value of donor-provided transportation.
26	<a href="#">Equipment, Uniforms and Supplies</a>	0	Include items that are provided to the teams only. Equipment amounts are those expended from current

			or operating funds.
27	<a href="#">Game Expenses</a>	0	Include game-day expenses other than travel that are necessary for intercollegiate athletics competition, including officials, security, event staff, ambulance and such.
28	<a href="#">Fund Raising, Marketing and Promotion</a>	0	Include costs associated with fund raising, marketing and promotion for media guides, brochures, recruiting publications and such.
29	<a href="#">Sports Camp Expenses</a>	0	Include all expenses paid by the athletics department, including non-athletics personnel salaries and benefits, from hosting sports camps and clinics. Athletics personnel salaries and benefits should be reported in Categories 19, 20, 21 or 22.
30	<a href="#">Direct Facilities, Maintenance, and Rental</a>	0	Include direct facilities costs charged to intercollegiate athletics, including building and grounds maintenance, utilities, rental fees, operating leases, equipment repair and maintenance, and debt service.
31	<a href="#">Spirit Groups</a>	0	Include support for spirit groups including bands, cheerleaders, mascots, dancers, etc.
32	<a href="#">Indirect Facilities and Administrative Support</a>	0	Include value of facilities and services provided by the institution not charged to athletics. This support may include an allocation for institutional administrative cost, facilities and maintenance, grounds and field maintenance, security, risk management, utilities, depreciation and debt service. If your institution does not currently track indirect institutional support, consult your business office for a reasonable allocation. If counted here, include offsetting amount equal in value in Revenue in Category 8 (Indirect Facilities and Administrative Support).
33	<a href="#">Medical Expenses and Medical Insurance</a>	0	Include medical expenses and medical insurance premiums for student-athletes.
34	<a href="#">Memberships and Dues</a>	0	Include memberships, conference and association dues.
35	<a href="#">Other Operating Expenses</a>	0	Other operating expenses include printing and duplicating, subscriptions, business insurance, telephone, postage, operating and equipment leases, non-team travel and any other operating expense not reported elsewhere. Do not include indirect administration overhead provided by the university (use Category 32) or salaries and benefits (use Categories 19 or 21). Attempt to allocate all expenses to Categories 17 through 34 before using this

			category. As a guide, please limit this category to 10% of total operating expenses. If the number is greater than 10%, please provide the top three categories and amounts in the comments section below.
36	<a href="#">Subtotal Operating Expenses</a>	0	Add Columns 17-35.

### **MINIMUM AGREED-UPON PROCEDURES PROGRAM FOR REVENUES**

Following is a complete listing of the minimum agreed-upon procedures for revenues, by category, to be performed to the statement by the independent accountant.

Before the commencement of fieldwork, the independent accountant should ensure that the amounts reported on the statement agree to the institution's general ledger. For all revenue categories perform the minimum agreed-upon procedures set forth below.

1. Compare and agree each operating revenue category reported in the statement during the reporting period to supporting schedules provided by the institution.
2. Compare and agree a sample of operating revenue receipts obtained from the above operating revenue supporting schedules to adequate supporting documentation.
3. Compare each major revenue account to prior period amounts and budget estimates. Obtain and document an understanding of any significant variations.

#### **Ticket Sales**

- Compare tickets sold during the reporting period, complimentary tickets provided during the reporting period and unsold tickets to the related revenue reported by the Institution in the statement and the related attendance figures.
- Recalculate totals.

#### **Student Fees**

- Compare and agree student fees reported by the institution in the statement for the reporting to student enrollments during the same reporting period.
- Obtain and document an understanding of institution's methodology for allocating student fees to intercollegiate athletics programs.
- Recalculate totals.

#### **Guarantees**

- Select a sample of settlement reports for away games during the reporting period and agree each selection to the institution's general ledger and/or the statement.
- Select a sample of contractual agreements pertaining to revenues derived from guaranteed contests during the reporting period and compare and agree each selection to the institution's general ledger and/or the statement.
- Recalculate totals.

#### **Contributions**

- Compare each major revenue account to prior period amounts and budget estimates. Obtain and document an understanding of any significant variations.

- Any contributions of moneys, goods or services received directly by an intercollegiate athletics program for any affiliated or outside organization, agency or group of individuals (two or more) not included above (e.g., contributions by corporate sponsors) that constitutes 10 percent or more of all contributions received for intercollegiate athletics during the reporting periods shall obtain and review supporting documentation for each contribution.

### **Compensation and Benefits Provided by a Third-Party**

- Obtain the summary of revenues from affiliated and outside organizations (the “Summary”) as of the end of the reporting period from the institution.
- Select a sample of funds from the Summary and compare and agree each selection to supporting documentation, the institution’s general ledger and/or the Summary.
- Recalculate totals.
- If the third party was audited by independent auditors, obtain the related independent auditors’ report.

### **Direct State or Other Governmental Support**

- Compare direct state or other governmental support recorded by the institution during the reporting period with state appropriations, institutional authorizations and/or other corroborative supporting documentation.
- Recalculate totals.

### **Direct Institutional Support**

- Compare the direct institutional support recorded by the institution during the reporting period with state appropriations, institutional authorizations and/or other corroborative supporting documentation.
- Recalculate totals.

### **Indirect Facilities and Administrative Support**

- Compare the indirect institutional support recorded by the institution during the reporting period with state appropriations, institutional authorizations and/or other corroborative supporting documentation.
- Recalculate totals.

### **NCAA/Conference Distributions Including All Tournament Revenues**

- Obtain and inspect agreements related to the institution’s participation in revenues from tournaments during the reporting period to gain an understanding of the relevant terms and conditions.
- Compare and agree the related revenues to the institution’s general ledger, and/or the statement.
- Recalculate totals.

### **Broadcast, Television, Radio and Internet Rights**

- Obtain and inspect agreements related to the institution’s participation in revenues from broadcast, television, radio and Internet rights to gain an understanding of the relevant terms and conditions.
- Compare and agree related revenues to the institution’s general ledger, and/or the statement.
- Recalculate totals.

### **Program Sales, Concessions, Novelty Sales and Parking**

- Perform minimum agreed-upon procedures referenced for all revenue categories (see page 16, points 1-3).
- Recalculate totals.

### **Royalties, Licensing, Advertisements and Sponsorships**

- Obtain and inspect agreements related to the institution's participation in revenues from royalties, licensing, advertisements and sponsorships during the reporting period to gain an understanding of the relevant terms and conditions.
- Compare and agree the related revenues to the institution's general ledger, and/or the statement.
- Recalculate totals.

### **Sports Camp Revenues**

- Inspect sports-camp contract(s) between the institution and person(s) conducting institutional sports-camps or clinics during the reporting period to obtain an understanding of the institution's methodology for recording revenues from sports-camps.
- Obtain schedules of camp participants.
- Select a sample of individual camp participant cash receipts from the schedule of sports-camp participants and agree each selection to the institution's general ledger, and/or the statement.
- Recalculate totals.

### **Endowment and Investment Income**

- Obtain and inspect endowment agreements (if any) to gain an understanding of the relevant terms and conditions.
- Compare and agree the classification and use of endowment and investment income reported in the statement during the reporting period to the uses of income defined within the related endowment agreement.
- Recalculate totals.

### **Other**

- Perform minimum agreed-upon procedures referenced for all revenue categories (see page 16, points 1-3).
- Recalculate totals.

## **MINIMUM AGREED-UPON PROCEDURES PROGRAM FOR EXPENSES**

Following is a complete listing of the minimum agreed-upon procedures for expenses, by category, to be performed to the statement by the independent accountant. Before the commencement of fieldwork, the independent accountant should ensure that the amounts reported on the statement agree to the institution's general ledger.

1. Compare and agree each operating expense category reported in the statement during the reporting period to supporting schedules provided by the institution;
2. Compare and agree a sample of operating expenses obtained from the above operating expense supporting schedules to adequate supporting documentation.
3. Compare and agree each major expense account to prior period amounts and budget estimates. Obtain and document an understanding of any significant variations.

## **General**

- Compare each major expenses account to prior-period amounts and budget estimates.
- Obtain and document an understanding of any significant variations.
- Recalculate totals.

## **Athletic Student Aid**

- Select a sample of students from the listing of institutional student aid recipients during the reporting period.
- Obtain individual student-account detail for each selection and compare total aid allocated from the related aid award letter to the student's account.
- Recalculate totals.

## **Guarantees**

- Obtain and inspect away-game settlement reports received by the institution during the reporting period and agree related expenses to the institution's general ledger and/or the statement.
- Obtain and inspect contractual agreements pertaining to expenses recorded by the institution from guaranteed contests during the reporting period.
- Compare and agree related amounts expensed by the institution during to the institution's general ledger and/or the statement.
- Recalculate totals.

## **Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities**

- Obtain and inspect a listing of coaches employed by the institution and related entities during the reporting period.
- Select a sample of coaches' contracts that must include football, and men's and women's basketball from the above listing.
- Compare and agree the financial terms and conditions of each selection to the related coaching salaries, benefits, and bonuses recorded by the institution and related entities in the statement during the reporting period.
- Obtain and inspect W-2s, 1099s, etc. for each selection.
- Compare and agree related W-2s, 1099s, etc. to the related coaching salaries, benefits and bonuses paid by the institution and related entities expense recorded by the institution in the statement during the reporting period.
- Recalculate totals.

## **Coaching Other Compensation and Benefits Paid by a Third-Party**

- Obtain and inspect a listing of coaches employed by third parties during the reporting period.
- Compare and agree the financial terms and conditions of each selection to the related coaching other compensation and benefits paid by a third party and recorded by the institution in the statement during the reporting period.
- Obtain and inspect W-2s, 1099s, etc. for each selection.
- Compare and agree related W-2s, 1099s, etc. to the coaching other compensation and benefits paid by a third party expenses recorded by the institution in the statement during the reporting period.
- Recalculate totals.

### **Support Staff/Administrative Salaries, Benefits and Bonuses Paid by the University and Related Entities**

- Select a sample of support staff/administrative personnel employed by the institution and related entities during the reporting period.
- Obtain and inspect W-2s, 1099s, etc. for each selection.
- Compare and agree related W-2s, 1099s, etc. to the related support staff/administrative salaries, benefits and bonuses paid by the institution and related entities expense recorded by the institution in the statement during the reporting period.
- Recalculate totals.

### **Support Staff/Administrative Other Compensation and Benefits Paid by a Third-Party**

- Select a sample of support staff/administrative personnel employed by the third parties during the reporting period.
- Obtain and inspect W-2s, 1099s, etc. for each selection.
- Compare and agree related W-2s, 1099s, etc. to the related support staff/administrative other compensation and benefits expense recorded by the institution in the statement during the reporting period.
- Recalculate totals.

### **Severance Payments**

- Select a sample of employees receiving severance payments by the institution during the reporting period and agree each severance payment to the related termination letter or employment contract.
- Recalculate totals.

### **Recruiting**

- Obtain and document an understanding of the Institution's recruiting expense policies.
- Compare and agree to existing institutional- and NCAA-related policies.

### **Team Travel**

- Obtain and document an understanding of the Institution's team travel policies.
- Compare and agree to existing institutional- and NCAA-related policies.

### **Equipment, Uniforms and Supplies**

- Perform minimum agreed-upon procedures referenced for all expense categories (see pages 18-19, points 1-3).
- Recalculate totals.

### **Game Expenses**

- Perform minimum agreed-upon procedures referenced for all expense categories (see pages 18-19, points 1-3).
- Recalculate totals.

### **Fund Raising, Marketing and Promotion**

- Perform minimum agreed-upon procedures referenced for all expense categories (see page 18-19, points 1-3).
- Recalculate totals.

### **Sports Camp Expenses**

- Perform minimum agreed-upon procedures referenced for all expense categories (see pages 18-19, points 1-3).
- Recalculate totals.

### **Direct Facilities, Maintenance and Rental**

- Perform minimum agreed-upon procedures referenced for all expense categories (see pages 18-19, points 1-3).
- Recalculate totals.

### **Spirit Groups**

- Perform minimum agreed-upon procedures referenced for all expense categories (see pages 18-19, points 1-3).
- Recalculate totals.

### **Indirect Facilities and Administrative Support**

- Obtain and document an understanding of the institution's methodology for allocating indirect facilities support.
- Sum the indirect facilities-support and indirect institutional-support totals reported by the institution in the statement.
- Compare and agree Indirect Facilities and Administrative Support reported by the institution in the statement to the corresponding revenue category (indirect facilities and administrative support - category 8) reported by the institution in the statement.
- Recalculate totals.

### **Medical Expenses and Medical Insurance**

- Perform minimum agreed-upon procedures referenced for all expense categories (see pages 18-19, points 1-3).
- Recalculate totals.

### **Memberships and Dues**

- Perform minimum agreed-upon procedures referenced for all expense categories (see pages 18-19, points 1-3).
- Recalculate totals.

### **Other Operating Expenses**

- Perform minimum agreed-upon procedures referenced for all expense categories (see page 18-19, points 1-3).
- Recalculate totals.

### **Capital Expenditure Survey**

The following is the Capital Expenditure Survey and Surplus/Deficit Allocation and Additional Athletics Financial Information segment of the Financial Reporting System. This information has no suggested agreed-upon procedures to conduct upon the requested data and therefore none of its content is included in the agreed-upon procedures report. However, it is recommended that the independent accountant, if applicable review the survey content and where appropriate record amounts represented on the most recent annual financial statements, or develop procedures as requested by the institution. Questions 2-7 were added in the Surplus/Deficit Allocation and Additional Athletics Financial Information section with the collection of FY2009 data to enhance the dashboard indicators tool.

**Capital Expenditure Survey**  
**Name of Reporting Institution: Test Institution**  
**Information for the Reporting Year: 2010**

1. Does your institution utilize an athletic facility that is not under the direct control of the university (e.g. municipal facility, professional facility)?

Yes. Go to question 2.

No. Go to question 3.

2. If the facility(s) is not under the control of the university, check one or more of the following boxes:

- |                          |                      |                      |
|--------------------------|----------------------|----------------------|
| <input type="checkbox"/> | Football Stadium?    | <input type="text"/> |
| <input type="checkbox"/> | Basketball Facility? | <input type="text"/> |
| <input type="checkbox"/> | Other                | <input type="text"/> |

3. Current year additions: Additions to facilities during the current reporting period.

- |                                       |                                |
|---------------------------------------|--------------------------------|
| a. Football Athletics Facilities      | <input type="text"/>           |
| b. Basketball Athletics Facilities    | <input type="text"/>           |
| c. Other Athletics Facilities         | <input type="text"/>           |
| d. Total Athletics Facilities (a+b+c) | <input type="text" value="0"/> |
| e. Other Institutional Facilities     | <input type="text"/>           |

4. Current year deletions: Deletions of facilities during the current reporting period.

- |                                       |                                |
|---------------------------------------|--------------------------------|
| a. Football Athletics Facilities      | <input type="text"/>           |
| b. Basketball Athletics Facilities    | <input type="text"/>           |
| c. Other Athletics Facilities         | <input type="text"/>           |
| d. Total Athletics Facilities (a+b+c) | <input type="text" value="0"/> |
| e. Other Institutional Facilities     | <input type="text"/>           |

5. Total book value of athletically-related and university plant and equipment net of depreciation.

- |  |                      |
|--|----------------------|
| Athletically-Related Property Plant and Equipment balance. | <input type="text"/> |
| Institution's Total Property Plant and Equipment balance.* | <input type="text"/> |

6. Total annual debt service on athletic and university facilities.

- |   |                      |
|---|----------------------|
| Athletically-Related Facilities Annual Debt Service | <input type="text"/> |
| Institution's Annual Debt Service*                  | <input type="text"/> |

7. Total debt outstanding on athletic and university facilities.

- |   |                      |
|---|----------------------|
| Athletically-Related Outstanding Debt Balance | <input type="text"/> |
| Institution's Total Outstanding Debt Balance* | <input type="text"/> |

## Surplus/Deficit Allocation and Additional Athletics Financial Information

1. Total Athletics Revenues/Expenses (fields a. - c. are pre-populated based upon data already captured in Rev/Exp category reporting)

- a. Total Athletics Revenues
- b. Total Athletics Expenses
- c. Surplus(Deficit)

**How is the deficit funded or surplus allocated?  
(Enter amount where applicable)**

- d. Athletic Reserve (enter negative "-" if deficit indicated in 1.c above)
- e. Auxillary Reserve (enter negative "-" if deficit indicated in 1.c above)
- f. Institutional Reserve (enter negative "-" if deficit indicated in 1.c above)
- g. Other (enter negative "-" if deficit indicated in 1.c above)

Comment

Questions 2 – 7 apply only to DI schools. For FY2009 reporting, this was voluntary. Beginning with FY2010 reporting, questions 2 through 4 will be required as stipulated by the referenced by-laws:

**2. 3.2.4.16 (d) Value of endowments at fiscal year-end that are dedicated to the sole support of athletics:**

**3. 3.2.4.16 (e) If applicable, value of all pledges at fiscal year-end that solely support athletics:**

**4. 3.2.4.16 (f) The athletics department fiscal year-end unrestricted fund balance:**

Additional Financial Information (voluntary submission if applicable)

**5. Direct support athletics provides back to the university/academics:**

**Purpose of the direct support:**

**6. Indirect support athletics provides back to the university/academics):**

Parking	<input type="text"/>
Concessions	<input type="text"/>
Licensing/Royalties	<input type="text"/>
Tuition	<input type="text"/>
Pouring rights	<input type="text"/>
Other *Please specify (Max. 50 Chars.)	<input type="text"/>
<input type="text"/>	
Total (calculated from entries above)	<input type="text" value="0"/>

Indirect Facilities and Administrative Support

\* the following questions pertain to the Financial Reporting System's category #32 – Indirect Facilities and Administrative Support.

**7a. What indirect cost allocation methodology was used in determining your indirect facilities and administrative support?**

- Federal Indirect Cost Methodology
- Square footage/space
- Headcount
- Salaries
- Percent of budget
- Other \*Please specify (Max. 50 Chars.)

**7b. Other than the Agreed Upon Procedures Report, for what other purposes has the indirect cost methodology been used?**

<-- BackNext -->

**\* Record amounts represented on the most recent annual financial statements for your institution. This schedule may require the assistance of the institution's business office.**

## Appendix A

### **INDEPENDENT ACCOUNTANTS' REPORT ON THE APPLICATION OF AGREED-UPON PROCEDURES**

Chief Executive  
XYZ University

We have performed the procedures enumerated below, which were agreed to by the chief executive of XYZ University, solely to assist you in evaluating whether the accompanying statement of revenue and expenses of XYZ University is in compliance with the National Collegiate Athletic Association ("NCAA") Bylaw 3.2.4.16 for the year ended June 30, 20XX. XYZ University's management is responsible for the statement of revenue and expenses ("statement") and the statement's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

#### **Agreed-Upon Procedures Related to the Statement of Revenue and Expenses**

The procedures that we performed and our findings are as follows:

#### **INDEPENDENT ACCOUNTANT TO INSERT PROCEDURES PERFORMED AND FINDINGS**

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the compliance of the accompanying statement of revenue and expenses of XYZ University. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above, and is not intended to be and should not be used by anyone other than these specified parties.

CPA FIRM  
DATE

## Appendix B

**These statements are available from the print menu page of the NCAA/EADA Financial Reporting system (as “statement of revenues and expenses – Appendix B agreed-upon procedures**

### XYZ UNIVERSITY ATHLETIC DEPARTMENT

#### STATEMENT OF REVENUES AND EXPENSES FOR THE YEAR ENDED JUNE 30, 20XX (UNAUDITED)

REVENUES	FOOTBALL	MEN'S BASKETBALL	WOMEN'S BASKETBALL	OTHER SPORTS	NON- PROGRAM SPECIFIC	TOTAL
<b>Operating Revenues:</b>						
1						Ticket Sales
2						Student Fees
3						Guarantees
4						Contributions
5						Compensation and Benefits Provided by a Third-Party
6						Direct State or Other Government Support
7						Direct Institutional Support
8						Indirect Facilities and Administrative Support
9						NCAA/Conference Distributions Including All Tournament Revenues
10						Broadcast, Television, Radio and Internet Rights
11						Program Sales, Concessions, Novelty Sales and Parking
12						Royalties, Licensing, Advertisements and Sponsorships
13						Sports Camp Revenues
14						Endowment and Investment Income
15						Other
<b>16</b>						<b>Subtotal Operating Revenue</b>

**EXPENSES**

**Operating Expenses:**

- 17 Athletics Student Aid
- 18 Guarantees
- 19 Coaching Salaries, Benefits, and  
Bonuses Paid by the University  
and Related Entities
- 20 Coaching Other Compensation and  
Benefits Paid by a Third-Party
- 21 Support Staff/Administrative  
Salaries, Benefits, and Bonuses  
Paid by the University and Related  
Entities
- 22 Support Staff/Administrative Other  
Compensation and Benefits Paid  
by a Third Party
- 23 Severance Payments
- 24 Recruiting
- 25 Team Travel
- 26 Equipment, Uniforms and Supplies
- 27 Game Expenses
- 28 Fund Raising, Marketing and  
Promotion
- 29 Sports Camp Expenses
- 30 Direct Facilities, Maintenance and  
Rental
- 31 Spirit Groups
- 32 Indirect Facilities and  
Administrative Support
- 33 Medical Expenses and Medical  
Insurance
- 34 Memberships and Dues
- 35 Other Operating Expenses
- 36 Subtotal Operating Expenses**

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**EXCESS (DEFICIENCY) OF  
REVENUES  
OVER (UNDER) EXPENSES**

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## Appendix C

The independent accountant's report on agreed-upon procedures should be in the form of procedures and findings. The report should contain the following elements:

- A title that includes the word "independent";
- Identification of the specified parties;
- Identification of the subject matter (or the written assertion related thereto), including the period and point in time addressed and a reference to the character of the engagement;
- Identification of the responsible party;
- A statement that the subject matter is the responsibility of the responsible party;
- A statement that the procedures performed were those agreed to by the specified parties identified in the report;
- For compliance-attestation engagements, a statement that the procedures, which were agreed to by the specified parties identified in the report, were performed to assist the specified parties in evaluating the entity's compliance with specified requirements or the effectiveness of its internal control over compliance;
- A statement that the agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants;
- A statement that the sufficiency of the procedures is solely the responsibility of the specified parties and a disclaimer of responsibility for the sufficiency of those procedures;
- A list of the procedures performed (or reference thereto) and related findings;
- Where applicable, a description of any agreed-upon materiality limits;
- A statement that the practitioner was not engaged to and did not conduct an examination of the subject matter, the objective of which would be the expression of an opinion, a disclaimer of opinion on the subject matter, and a statement that if the practitioner had performed additional procedures, other matters might have come to the practitioner's attention that would have been reported;
- A statement of restrictions on the use of the report because it is intended to be used solely by the specified parties;
- Where applicable, reservations or restrictions concerning procedures or findings;
- Where applicable, a description of the nature of the assistance provided by a specialist;
- The manual or printed signature of the practitioner's firm and
- The date of the report.

## COMMON QUESTIONS AND ANSWERS

Q: Can an internal auditor of one member institution conduct the required independent audit for another member institution in the same state system?

A: Yes, provided the individual is an independent certified auditor and is not a staff member of that institution.

Q: Can a member institution seek an extension of the deadline for completion of the annual agreed-upon procedures?

A: No. NCAA legislation does not contain a provision under which the deadline may be extended or waived.

Q: Are agreed-upon procedures performed by the internal audit division of a state system of higher education considered independent?

A: Yes, since individuals who perform the work are employees of the state system reporting to the system's director of internal audits, provided the internal audit division performs the minimum agreed-upon procedures in a manner consistent with NCAA agreed-upon procedures for each institution.

Q: Are there specific sanctions for noncompliance of the agreed-upon procedures?

A: Failure to complete the required agreed-upon procedures during the period allotted would constitute a violation of NCAA Constitution 3.2.4.16. The institution would be subject to the Association's enforcement procedures and would need to contact the NCAA enforcement staff to report the circumstances of the violation, as well as any procedures the institution may have implemented to prevent a recurrence.

Q: How does a Division II institution satisfy the agreed-upon procedures requirement if the institution sponsors a sport(s) at the Division I level?

A: The NCAA Interpretations Committee determined during its June 30, 1993, conference call that a Division II member institution that sponsors a Division I sport(s) shall not be subject to agreed-upon procedures (Based on Division II legislative action August 2004) for the Division I sport(s). This interpretation supersedes the previous legislative staff interpretation of January 15, 1992.

- Q: Does an independent group or organization that does not constitute a booster organization by name only (e.g., alumni association, foundation) need to have its athletically related financial activities included in the institution's financial audit (i.e., tested by the auditor and reported to the institutional auditor)?
- A: Any agency or group of individuals (two or more) that has as its principal purpose the generation of moneys, goods or services for or on behalf of an intercollegiate athletics program should be included in the annual agreed-upon procedures.
- Q: Once affiliated and outside organizations (e.g., independent groups, affiliated foundations), such as those that do not fall under the purview of direct institutional oversight, are identified, how is their financial data to be included in the agreed-upon procedures?
- A: Either the organization's statements of revenues and expenses should be procured or, if audited independently of the institution, agreed-upon procedures and any reports to management related to the internal control structure need to be obtained and reviewed. Also, a schedule of expenses by the affiliated and/or outside organization for or on behalf of the institution's athletics program should be obtained and reconciled with the revenues recorded in the athletics program's accounting records.
- Q: What are the criteria used in compiling the total dollars generated for or on behalf of an athletics program?
- A: An institution must disclose in a footnote to the statement of athletics department revenues and expenses contributions from any outside source (not included as an agency, organization or group as indicated in the NCAA agreed-upon procedures in the section entitled "organization of intercollegiate athletics programs") that constitutes more than 10 percent of all contributions received (e.g., contributions by corporate sponsors). The source from which such funds are received also shall be disclosed in a footnote to the statement of revenues and expenses.
- Q: Is there a charge for additional copies of the agreed-upon procedures?
- A: No. The agreed-upon procedures no longer will be published as a cover-bound, typeset booklet, but may be obtained by contacting the compliance services staff. This will allow the information to be available to the membership and its auditors at no cost.
- Q: For an institution with a fiscal year-end which would preclude a timely report, how can an exception be granted to report on the most recent fiscal year that is completed?
- A: The institution should contact the NCAA Administrative Services group for guidance.

## **NCAA ON-LINE FINANCIAL REPORTING LINKS**

**To access the NCAA on-line financial reporting Website:**

<http://www.ncaa.org/wps/ncaa?key=/ncaa/NCAA/About+The+NCAA/Diversity+and+Inclusion/Gender+Equity+and+Title+IX/EADA/index.html>

**To access the agreed-upon procedures document:**

[http://www.ncaa.org/wps/wcm/connect/3e11ed004e0d6250bd0afd1ad6fc8b25/Updated+procedures\\_8\\_27\\_09.pdf?MOD=AJPERES&CACHEID=3e11ed004e0d6250bd0afd1ad6fc8b25](http://www.ncaa.org/wps/wcm/connect/3e11ed004e0d6250bd0afd1ad6fc8b25/Updated+procedures_8_27_09.pdf?MOD=AJPERES&CACHEID=3e11ed004e0d6250bd0afd1ad6fc8b25)

**To access the forms:**

<https://web1.ncaa.org/ncaaeada/ncaaeadalgin.jsp> (the forms)

**If you need a user name and password to access the NCAA reporting forms:**

[eadahelp@ncaa.org](mailto:eadahelp@ncaa.org)