

Financial and Other Reporting for Intercollegiate Athletics

I. Purpose

Consistent with the University of North Carolina's commitment to ensuring integrity and transparency in its financial and other operations, this regulation establishes financial and other reporting requirements for the intercollegiate athletics programs of the constituent institutions. These requirements ensure that the chancellors, the boards of trustees, the president, and the Board of Governors receive and review the information needed to understand the sources that contribute to the athletics budget, monitor institutional expenditures, and objectively consider the balance between athletics and the academic mission of each constituent institution within the University.

II. Athletically Related Financial Reporting Requirements

A. Reports to the Chancellor

1. Reports to the U.S. Department of Education and the National Collegiate Athletic Association. The chancellor of each constituent institution with an intercollegiate athletics program shall review and approve the athletically related financial information required by and reported to the National Collegiate Athletic Association ("NCAA"), the U.S. Department of Education, and the Board of Governors through applicable University policy and regulations including, but not limited to, the financial information contained in the constituent institution's Equity in Athletics Disclosure Act ("EADA") Report and in its NCAA Operating and Capital Financial Data Report.

2. Review of Financial Indicators. The chancellor of each constituent institution with an intercollegiate athletics program shall annually receive and review the most recent year's data and five-year trend data for the financial indicators contained in the NCAA Dashboard "Presidential View" for the constituent institution's NCAA division.

a. The financial indicators reviewed for Division I institutions must include, at a minimum, the following:

- (1) NCAA Academic Progress Rate;
- (2) Generated Revenues/Total Athletics Revenue (%);
- (3) Net Athletics Revenues (\$);
- (4) Total Athletics Expenditures (\$);
- (5) Salaries and Benefits (%) (as a share of Total Athletics Expenditures);

- (6) Athletics Expenditures/Student-Athlete (\$);
- (7) Athletics Expenditures/Institutional Expenditures (%); and
- (8) Athletics Expenditures Rate of Change vs. University Expenditures Rate of Change (%).

b. The financial indicators reviewed for Division II institutions must include, at a minimum, the following:

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

3. Review and Approval of Annual Intercollegiate Athletics Budget. The chancellor of each constituent institution with an intercollegiate athletics program shall review and approve the annual institutional budget for intercollegiate athletics, including:

- a. Major sources of revenue and expenses;
- b. 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; and
- c. Any relevant financial reports pertaining to the operation of the institution's intercollegiate athletics program.

4. Chancellor's Role in the Annual Report. The chancellor shall ensure that the annual report required by Policy 1100.1 incorporates the information included in this regulation, including the indicators from the NCAA Dashboard "Presidential View" and the athletically related student fees data. The chancellor shall also ensure that the report is forwarded to appropriate members or bodies of the faculty and that any response from such members or bodies is received and considered by the chancellor.

B. Reports to the Boards of Trustees

1. The board of trustees of each institution, through the chancellor, must annually receive and review the financial indicators contained in the NCAA Dashboard “Presidential View” for the institution as described in Section II.A.2., above. This “Presidential View” data should be reported on an annual basis and shall include the most recent year’s data as well as five-year trend data.

2. The board of trustees shall also receive and review the annual institutional budget for intercollegiate athletics, including major sources of revenue and expenses. This budget report shall include, at a minimum:

a. Major sources of revenue and expenses;

b. 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; and

c. Any relevant financial reports pertaining to the operation of the institution’s intercollegiate athletics program.

C. Reports to the President and the Board of Governors

1. The president and, through the president, the Board of Governors shall annually receive and review the financial indicators contained in the NCAA Dashboard “Presidential View” for each institution as described in Section II.A.2., following review by the chancellor and the board of trustees. This information shall be provided by each institution as part of its annual report described in Policy 1100.1.

2. The president and Board of Governors shall 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.

III. Other Athletically Related Reporting Requirements

A. Additional Information to be Included in the Annual Report

Section 13 of Policy 1100.1 requires that chancellors submit an annual report to the board of trustees of the constituent institutions with a copy to the president, who will provide an appropriate summary to the Board of Governors. The annual report from the constituent institutions shall be designed according to criteria and format defined by the president and must include all the elements listed in the policy and the elements listed in this regulation, including the following elements:

1. As part of the discussion of the organization and philosophy of athletics programs (Section 13.a.), the chancellor shall include:

- a. An explanation of the institution's reporting structure for athletics compliance and whether and to whom the athletics compliance director reports outside of the department of athletics;
 - b. Any especially effective practices the institution has adopted that reinforce the integral connection between academics and athletics;
 - c. The indicators from the NCAA Dashboard "Presidential View" as described in this regulation; and
 - d. 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.
2. As part of the information about the admission policy for student-athletes including the definitions utilized for exceptions to campus-based criteria (Section 13.b.), the chancellor shall include:
- a. Any recruited student-athlete exceptions to the Board of Governors' minimum admissions requirements, listed by sport.
3. As part of the provision of academic progression information for student-athletes (Section 13.f.), the chancellor shall include:
- a. Information related to academic integrity and academic success measures such as the APR and six-year graduation rates;
 - b. A summary of student-athlete GPA comparison information as set out in Policy 700.6.1[R].
 - c. Course-clustering information as set out in 700.6.1.1[G].
4. As part of the information about "booster" club organizations (Section 13.g.), the chancellor shall include:
- a. Information related to any associated entity that supports its intercollegiate athletics program, including financial information, operating procedures, and annual audit reviews.
5. The institution's financial indicators contained in the NCAA Dashboard "Presidential View" as described in Section II.A.2., of this regulation, following review by the chancellor and the board of trustees.

IV. Effective Date

These review and reporting requirements shall take effect with and be incorporated in the annual reports due in 2014.