



**STEPHEN F. AUSTIN STATE UNIVERSITY**

NACOGDOCHES, TEXAS

PROCUREMENT AND PROPERTY SERVICES

P. O. Box 13030

NACOGDOCHES, TX 75962

**REQUEST FOR PROPOSAL**

**RFP NUMBER**

**AUDITOR-FY17**

**ADDENDUM NO. 2**

**Dated: 06/29/17**

**PROPOSAL MUST BE RECEIVED BEFORE:**

**5:00PM, THURSDAY, JULY 6, 2017**

**MAIL PROPOSAL TO:**

Stephen F. Austin State University  
Procurement Services  
P. O. Box 13030  
Nacogdoches, TX 75962-3030

**HAND DELIVER AND/OR  
EXPRESS MAIL TO:**

Stephen F. Austin State University  
Procurement Services  
2124 Wilson Drive  
Nacogdoches, TX 75962

Show RFP Number, Due Date and Time on Return Envelope

**NOTE:** PROPOSAL must be time stamped at **Stephen F. Austin State University Procurement Services** before the hour and date specified for receipt of proposal.

**REFER INQUIRIES TO:**

Kay Johnson  
Stephen F. Austin State  
University  
Procurement Services  
936-468-4037  
Email: [johnsondk6@sfasu.edu](mailto:johnsondk6@sfasu.edu)

**STEPHEN F. AUSTIN STATE UNIVERSITY  
Request for Proposal #AUDITOR-FY17**

**ADDENDUM NO. 2**

**THIS ADDENDUM DOES NOT HAVE TO BE ACKNOWLEDGED FOR THE RESPONSE TO  
RECEIVE CONSIDERATION.**

**Section 2 Statement of Work**

**2.3 AUDIT FOR CHARTER SCHOOL**

2.3.3 Audit firm must be a member of the AICPA Government Audit Quality Center.



**STEPHEN F. AUSTIN STATE UNIVERSITY**

NACOGDOCHES, TEXAS

PROCUREMENT AND PROPERTY SERVICES

P. O. Box 13030

NACOGDOCHES, TX 75962

**REQUEST FOR PROPOSAL**

**RFP NUMBER**

**AUDITOR-FY17**

**ADDENDUM NO. 1**

**Dated: 06/26/17**

**PROPOSAL MUST BE RECEIVED BEFORE:**

**5:00PM, THURSDAY, JULY 6, 2017**

**MAIL PROPOSAL TO:**

Stephen F. Austin State University  
Procurement Services  
P. O. Box 13030  
Nacogdoches, TX 75962-3030

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University  
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936-468-4037  
Email: [johnsondk6@sfasu.edu](mailto:johnsondk6@sfasu.edu)

**STEPHEN F. AUSTIN STATE UNIVERSITY  
Request for Proposal #AUDITOR-FY17**

**ADDENDUM NO. 1**

**THIS ADDENDUM DOES NOT HAVE TO BE ACKNOWLEDGED FOR THE RESPONSE TO RECEIVE CONSIDERATION.**

**Please note the following responses to questions received by email:**

1. Who prepares the financial statements and accompanying notes for the charter school?

**Answer:** The financial numbers and information for the notes are prepared by the University's Controller's Office; however, the audit firm enters the numbers and notes into their template.

2. Who prepares the schedules of revenues and expenses and the notes for the NCAA agreed upon procedures engagement?

**Answer:** The University's Controller's Office prepares the financial statements in excel, and provides note information. The audit firm enters into their template.

3. What has been the typical duration of the engagement fieldwork?

**Answer:** The duration is a quick turn-around from the date the numbers are available until the reports are delivered. Two to three auditors are typically onsite for two days performing work for both engagements simultaneously. Internal Audit dedicates around 80 hours to assist with samples, questions, scheduling, etc. Internal Audit places all information deemed non-confidential on a jump drive for the auditors' to take with them to perform work off-site.

4. Is the auditor required to present the results to the Board of Regents?

**Answer:** No, the Chief Audit Executive presents the reports.

5. Can you please clarify the desired/available timing? Section 2.4.2 notes a due date of January 15, however, but also indicates information will not be available until November 30 and there are several holidays in December. Has the prior firm performed any type of work prior to August 31 for the engagements?

**Answer:** Desired time for onsite fieldwork is during the week of December 11. The previous firm did not perform interim fieldwork.

6. Are you aware of any compliance findings for either engagement during the current year that must be reported?

**Answer:** No compliance findings are known or anticipated.

7. Are there any on-going, pending, or threatened litigation matters involving either engagement?

**Answer:** No

8. Any significant changes to either the athletic offerings or amount of revenue for fiscal 2017?

**Answer:** No

9. Any significant changes in the operations of the charter school during 2016 – 2017?

**Answer:** No

10. Any significant turnover of personnel or other changes that would impact the typical timeline for completion of these engagements?

**Answer:** No turnover in the relevant positions in Internal Audit; Controller's Office; Charter School leadership; or Athletics leadership.

11. Does SFA have any arrangements with any hotels, etc. for discounted rates? If so, which hotels and what are the rates?

**Answer:** The University has arrangements with several hotels for discounted rates. There is a list on the SFASU procurement website at the following link <http://www.sfasu.edu/purchasing/925.asp>



# STEPHEN F. AUSTIN STATE UNIVERSITY

NACOGDOCHES, TEXAS

PROCUREMENT AND PROPERTY SERVICES  
P. O. Box 13030  
NACOGDOCHES, TX 75962

## REQUEST FOR PROPOSAL

**RFP NUMBER**  
**AUDITOR-FY17**

**PROPOSAL MUST BE RECEIVED BEFORE:**  
**5:00PM, THURSDAY, JULY 6, 2017**

### MAIL PROPOSAL TO:

Stephen F. Austin State University  
Procurement and Property Services  
P. O. Box 13030  
Nacogdoches, TX 75962-3030

### HAND DELIVER AND/OR EXPRESS MAIL TO:

Stephen F. Austin State University  
Procurement and Property Services  
2124 Wilson Drive  
Nacogdoches, TX 75962

Show RFP Number, Due Date and Time on Return Envelope

**NOTE:** PROPOSAL must be time stamped at **Stephen F. Austin State University Procurement and Property Services** before the hour and date specified for receipt of proposal.

### **REFER INQUIRIES TO:**

Kay Johnson  
Stephen F. Austin State University  
Procurement and Property Services  
936-468-4037  
email: johnsondk6@sfasu.edu

**STEPHEN F. AUSTIN STATE UNIVERSITY  
Request for Proposal #AUDITOR-FY17**

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- Exhibit A Execution of Offer
- Exhibit B Acknowledgment of Addenda
- Exhibit C Pricing Summary
- Exhibit D 2017 NCAA Agreed Upon Procedures Guide

**SECTION 1  
INTRODUCTION**

**1.1 SCOPE OF PROPOSAL**

Stephen F. Austin State University, hereafter referred to as “SFA” or “the University”, is seeking proposals for an independent accountant to perform auditing services.

**1.2 CONTRACT TERM**

The Term of the Agreement shall be from date of award through August 31, 2018. Thereafter, the term of this Agreement may be extended for four additional 1-year periods at the option of SFA. Optional renewal pricing will not exceed proposed escalation rate percentage provided herein in Exhibit C.

**1.3 SFA INFORMATION**

1.3.1 SFA is an institution of higher education operated as an agency of the State of Texas. SFA employs approximately 1,600 full and part-time faculty and staff. SFA had an enrollment of 12,742 full and part-time students during the Fall 2016 semester. Most staff positions are based on a 12-month appointment coinciding with the fiscal year (9/1-8/31). Contracts are executed only for faculty, and limited other appointments. A 9-member Board of Regents is appointed by the Governor of Texas, each serving staggered 6-year terms.

1.3.2 The SFA Charter School is chartered by the State Board of Education and accredited by the Texas Education Agency. The Charter School is an open enrollment charter and provides Kindergarten through 5<sup>th</sup> grade education. As of August 31, 2016, the Charter School had total net position of \$1,506,694.

1.3.3 The Intercollegiate Athletics Program at SFA consists of women’s sports which include basketball, volleyball, golf, bowling, softball, soccer, tennis, and track; and men’s sports which include football, basketball, golf, track, and baseball. Total operating revenues for fiscal year 2016 were \$17,793,162.

**1.4 SCHEDULE OF EVENTS\***

Issuance of Request for Proposals .....	June 12, 2017
Proposal Closing .....	July 6, 2017 5:00pm
Evaluation of Proposals and Selection of Finalists and/or Negotiations .....	July 7-13, 2017
Award of Agreement.....	July 17, 2017

\*Dates are tentative and subject to change.

**1.5 OPEN RECORDS**

The parties understand the information exchanged in the negotiation process is confidential to the fullest extent permitted by law, and neither party will disclose such information to anyone other than representatives of the negotiating parties except as required by Texas law. Final awards and contracts, after all negotiations are completed, may be subject to the Texas Open Records Act. . Additionally, state law requires each contract for the purchase of goods or services to be posted on the University’s website.



By entering into a contract with the university, the firm acknowledges and accepts the university will comply with all applicable laws regarding the public posting of contracts.

#### **1.6 CONFIDENTIALITY**

Pursuant to the Gramm-Leach-Bliley Act (GLBA), every Service Provider (Contractor), defined as any person or entity that receives, maintains, processes or otherwise is permitted access to nonpublic personal information as defined in 16 C.F.R. § 313.3(n), whether in paper, electronic, or other form, about a University employee, or student through its provision of services directly to the University is subject to the following requirements:

- a. The Service Provider (Contractor) must ensure the security and confidentiality of nonpublic personal information as defined in 16 C.F.R. § 313.3(n), protect against any anticipated threats or hazards to the security and integrity of such information and protect against unauthorized access to or use of such information that could result in substantial harm or inconvenience to any University employee or student.
- b. To the extent Contractor is provided Stephen F. Austin State University employee or student information owned, possessed or used by Stephen F. Austin State University and that is communicated to, learned, or otherwise acquired by Contractor in the performance of Contractor's duties and obligations under this Agreement, Contractor, its management, employees and agents agree to keep such information confidential, beginning on the date Contractor is first given access to said data and continuing through the term of this Agreement and any time thereafter. Contractor, its employees and agents shall not disclose, communicate or divulge, or permit disclosure, communication or divulgence, to another or use for Contractor's, its management's, employees' or agents' own benefit or the benefit of another, any such confidential information, unless required by law. Contractor shall take appropriate safeguards to protect the data and limit access to such to only those representatives of Contractor that must have access for the purposes of this Agreement.

#### **1.7 STATE AUDITOR'S OFFICE REQUIREMENTS**

By submitting a response, the selected Contractor understands that acceptance of state funds under this contract acts as acceptance of the authority of the State Auditor's Office to conduct an audit or investigation in connection with those funds. The selected Contractor further agrees to cooperate fully with the State Auditor's Office in the conduct of the audit or investigation, including providing all records requested. The selected Contractor will ensure that this clause concerning the State Auditor's Office's authority to audit state funds and the requirement to cooperate fully with the State Auditor's Office is included in any subcontracts it awards. Additionally, The State Auditor's Office at any time have access to and the rights to examine, audit, excerpt, and transcribe any pertinent books, documents, working papers, and records of the Contractor relating to the contract for any purpose.

**1.8 U.S. DEPARTMENT OF HOMELAND SECURITY'S E-VERIFY SYSTEM**

By entering into this Contract, the Contractor certifies and ensures that it utilizes and will continue to utilize, for the term of this Contract, the U.S. Department of Homeland Security's E-Verify system to determine the eligibility of:

1. All persons employed to perform duties within Texas, during the term of the Contract; and
2. All persons (including subcontractors) assigned by the Contractor to perform work pursuant to the Contract, within the United States of America.

The Contractor shall provide, upon request of SFA, an electronic or hardcopy screenshot of the confirmation or tentative non-confirmation screen containing the E-Verify case verification number for attachment to the Form I-9 for the three most recent hires that match the criteria above, by the Contractor, and Contractor's subcontractors, as proof that this provision is being followed.

If this certification is falsely made, the Contract may be immediately terminated, at the discretion of SFA and at no fault to SFA, with no prior notification. The Contractor shall also be responsible for the costs of any re-solicitation that SFA must undertake to replace the terminated Contract.

**1.9 ISRAEL NON-BOYCOTT VERIFICATION**

Pursuant to Section 2270.002, *Texas Government Code*, Contracting Party hereby represents, verifies, and warrants that it does not boycott Israel and will not boycott Israel during the term of the Agreement, as that term is defined by Section 808.001(1), *Texas Government Code*.

**1.10 TITLE IX**

Stephen F. Austin State University strictly adheres to Title IX of the Education Amendments of 1972, the federal Campus Sexual Violence Elimination Act; United States Department of Education regulations and directives; and the university's sexual harassment policy and procedures ("Regulations"). Specifically, the Regulations apply to all students, employees, visitors, and other third parties on Stephen F. Austin State University-controlled property, including institutions and entities with whom Stephen F. Austin State University places its students. Further, such Regulations prohibit unequal treatment on the basis of sex as well as sexual harassment and sexual misconduct. As a condition of employment, enrollment, doing business, or being permitted on the campus, the above-mentioned individuals, organizations, and entities must agree to: 1) Report immediately to the Title IX coordinator any and all claims of sex discrimination or sexual misconduct; 2) Cooperate with Stephen F. Austin State University's Title IX investigation; and, 3) Cooperate fully with all sanctions that Stephen F. Austin State University may impose against such individual, organization, or entity, who is found to have violated the Regulations. If the individual, organization, or entity fails to adhere to any of the aforementioned requirements, Stephen F. Austin State University reserves the right to take appropriate action, including but not necessarily limited to, immediate removal from campus; discipline of employees and students (including termination of employment and/or expulsion from school); and termination of business or contractual relationships.

**1.11 GROUP PURCHASING AUTHORITY**

Texas law authorizes institutions of higher education (defined by Section 61.003, Education Code) to use the group purchasing procurement method (ref. Sections 51.9335, 73.115, and 74.008, Education Code). Additional Texas institutions of higher education may therefore elect to enter into a contract with the successful Proposer under this RFP.

**SECTION 2  
STATEMENT OF WORK****2.1 SCOPE OF WORK**

2.1.1 Stephen F. Austin State University, hereafter referred to as "SFA" or "the University", is seeking responses for an independent accountant to perform the auditing services for the University's Intercollegiate Athletics Program and Charter School in accordance with the statement of work.

2.1.2 One audit firm will be selected to perform the services for both engagements; however, separate engagement letters will be issued.

**2.2 AGREED UPON PROCEDURES FOR INTERCOLLEGIATE ATHLETICS PROGRAMS**

2.2.1 Provide an independent auditor's report in accordance with agreed upon procedures applied to the intercollegiate athletic program's financial report detailing operating revenue, expenses and capital for the year ended August 31, 2017 in accordance with the National Collegiate Athletic Association (NCAA) Constitution which states the following:

3.2.4.15.1 Verification and Certification. The report shall be subject to annual agreed-on verification procedures approved by the membership (in addition to any regular financial reporting policies and procedures of the institution) and conducted by a qualified independent accountant who is not a staff member of the institution and who is selected by the institution's chancellor or president or by an institutional administrator from outside the athletics department designated by the chancellor or president. The independent accountant shall verify the accuracy and completeness of the data prior to submission to the institution's chancellor or president and the NCAA. The institution's chancellor or president shall certify the financial report prior to submission to the NCAA.

2.2.2 The agreed upon procedures shall be agreed to between the university and the successful Respondent and may include but not be limited to the Minimum NCAA Agreed-Upon Procedures for Revenue, Expenses and Other Reporting Items provided in the 2017 NCAA Agreed Upon Procedures Guide as Revised 05/15/2017 (Exhibit D).

**2.3 AUDIT FOR CHARTER SCHOOL**

2.3.1 Provide an independent auditor's report on the annual financial and compliance report of the Charter School as of August 31, 2017 in accordance with auditing standards and requirements of the Texas Education Agency.

- 2.3.2 Provide compliance assistance throughout the term of the contract upon request at no additional cost to the University.

## 2.4 INFORMATION RELATED TO BOTH AUDITS

- 2.4.1 The Intercollegiate Athletics Program's and Charter School's financial reports are prepared by the SFA Controller's Office. The SFA Department of Audit Services is available to assist the auditors with scheduling, questions, pulling samples, retrieving data, and other procedures.
- 2.4.2 The timing of the audit procedures is crucial. The financial reports will be available from the Controller's Office around November 30, 2017 for the first year report.. The university is closed for the holidays during late December and early January. Twenty-five printed and bound copies of the intercollegiate final report, and thirty printed and bound copies of the charter school final report and an electronic copy of each must be delivered to the Chief Audit Executive no later than 5:00pm January 15, 2018 for the first year report. The Texas Education Agency and NCAA have required reporting dates for each report year that will be documented in the engagement letter.
- 2.4.3 Both final reports are distributed to university administrators, the Board of Regents, and to the university's reporting and oversight agencies. The final reports are public records.
- 2.4.4 The prior year reports can be viewed by contacting Gina Oglesbee, Chief Audit Executive, at [oglesbeegs@sfasu.edu](mailto:oglesbeegs@sfasu.edu).

## SECTION 3 INSTRUCTIONS TO RESPONDENTS

### 3.1 CONTACT INFORMATION

- 3.1.1 All questions regarding the RFP or response must be forwarded to the Director of Procurement and Property Services:  
 Kay Johnson  
 PO Box 13030  
 Nacogdoches, TX 75962  
 Phone: 936/468-4037  
 Fax: 936/468-4282  
 Email: [johnsondk6@sfasu.edu](mailto:johnsondk6@sfasu.edu)

### 3.2 SUBMITTAL DEADLINE AND LOCATION

- 3.2.1 All proposals must be received by SFA no later than 5:00 pm, Thursday, July 6, 2017.
- 3.2.2 Proposals are to be submitted to:

#### MAIL PROPOSAL TO:

Stephen F. Austin State University  
 Procurement and Property Services  
 P. O. Box 13030  
 Nacogdoches, TX 75962-3030

#### HAND DELIVER AND/OR EXPRESS MAIL TO:

Stephen F. Austin State University  
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 2124 Wilson Drive  
 Nacogdoches, TX 75962

- 3.2.3 All U.S. Mail addressed to any component of SFA is delivered to a central mail room and redistributed by SFA personnel to the addressee's on-campus post office box. Consequently, there is a possibility of delay between receipt of mail at the central mail room and receipt in the Procurement and Property Services Department. Proposals must be in the office of the Procurement and Property Services Department by the time set for RFP closing in order to be considered, and receipt by SFA at the central mail room will not be deemed sufficient. The University shall not be responsible for responses received after the due date and time. Late responses will not be considered under any circumstances. Late responses, properly identified will be returned to the respondent unopened.
- 3.2.4 Proposals will be publicly opened Friday, July 7, 2017 at 8:00am in the office of the Director of Procurement, 2124 Wilson Drive. Only the names of the Respondents will be read aloud.
- 3.2.5 Proposals received after the time for closing will be returned to Respondent unopened regardless of the circumstance. It is the responsibility of the Respondent to get the proposals delivered in a timely manner regardless of delivery method or circumstances.
- 3.2.6 Faxed or electronically mailed proposals will not be accepted.
- 3.2.7 Proposals may be withdrawn at any time prior to the time and date set for proposal closing.
- 3.2.8 Stephen F. Austin State University reserves the right to accept or reject any or all proposals and to waive irregularities or technicalities provided such waiver does not substantially change the offer or provide a competitive advantage to any Respondent in the judgment of Stephen F. Austin State University.

### **3.3 SUBMITTAL INSTRUCTIONS**

- 3.3.1 All proposals must be submitted in the format prescribed in Section 3.6.
- 3.3.2 **Each Respondent must submit at least one original proposal with original signatures on the Execution of Offer and Form of Proposal and four (4) complete copies.**
- 3.3.3 All proposals must be complete and convey all of the information requested to be considered responsive. If the proposal fails to conform to the essential requirements of the RFP, SFA alone will determine whether the variance is significant enough to consider the proposal susceptible to being made acceptable and therefore a candidate for further consideration, or not susceptible to being made acceptable and therefore not considered for award.
- 3.3.4 Each respondent, by submitting a proposal, represents that the respondent has read and completely understands the request for proposal documents and agrees to abide by the terms of this RFP and any resulting agreement. Failure of the selected contractor to fulfill the provisions of this request for proposal shall in no way relieve the obligation of the Contractor to furnish all services necessary to carry out the provisions of the agreement.
- 3.3.5 Proposals shall be signed by a legally authorized representative of the Respondent. Unsigned proposals (Exhibit A) will be rejected as a material failure.

### **3.4 ACCEPTANCE AND FORMATION OF AGREEMENT**

- 3.4.1 No recommendation for award will be made until Stephen F. Austin State University is fully satisfied that the Respondent is professionally competent and properly equipped to render the specified service.
- 3.4.2 The University reserves the right to further negotiate, after proposals are opened, with any Respondent that submits a proposal. SFA may award a contract(s) based on initial proposals received without any discussion of such proposals. Therefore, each proposal should be submitted on the most favorable and complete price and terms possible.
- 3.4.3 SFA reserves the right to enter into an agreement not based only on the cost to the University, but which, in the sole opinion of SFA, is deemed to represent the best value to SFA.

### **3.5 EVALUATION CRITERIA**

- 3.5.1 Award will be based on a comprehensive review and analysis based on a weighted value of averaged evaluation scores and negotiation of the proposal that best meets the needs of the University. Submission of a proposal represents concurrence with this method of evaluation and award. Furthermore, Respondents will not, under any circumstances, dispute any award made using this method.
- 3.5.2 Evaluation of the proposals will be performed by an evaluation committee representing Stephen F. Austin State University. Proposals will be evaluated using the following criteria, which are listed below in no particular order. Stephen F. Austin State University reserves the right to award an agreement not based only on the cost to the University, but on the criteria that best meet the University's requirements and goals. The University shall be the sole judge of determining which proposal represents the best value to the University.

#### **3.5.3 Criteria**

- a. 25% - The firm's experience in performing auditing services for Universities or Colleges, particularly university intercollegiate athletics programs, indicating a proven ability to perform all necessary services in a timely and professional manner;
- b. 25% - The firm's experience in performing auditing services for charter school programs or school districts, indicating a proven ability to perform all necessary services in a timely and professional manner;
- c. 15% - Satisfaction of present and previous clients with level of service, including SFA, if SFA is or has been a client within the past thirteen (13) years;
- d. 25% - Proposed schedule of fees and estimated budget for the project;
- e. 10% - Profile or key personnel to be involved in the project and their specific experience working with Universities or Colleges, particularly intercollegiate athletics and charter school programs or school districts.

### 3.6 PROPOSAL FORMAT

3.6.1 Proposals shall be prepared in a straightforward and concise manner, identifying clearly and concisely any deviations, enhancements, and other differences that exist between the RFP and the respondent's proposed services. Emphasis should be placed on responsiveness to the RFP requirements, completeness and clarity of content and conformance to the RFP instructions. **Respondents shall organize their proposal in a point-by-point format according to Section 3.6.2.** Failure to follow point-by-point presentation could be grounds for disqualification.

3.6.2 Proposal shall include the following information and be submitted in the following order:

- a. Required Submittal – **failure to provide any of the following documents will result in disqualification of the proposal from further consideration**
  - i. Exhibit A – Signed Execution Of Offer
  - ii. Exhibit B – Acknowledgement of Addenda, if any
  - iii. Exhibit C – Financial Proposal-proposed schedule of fees and estimated budget for each project; Maximum renewal escalation rate
- b. Evaluation Submittals
  - i. A statement of qualifications;
  - ii. Profile of key personnel to be assigned to the SFA project and their experience related to University/College organization, intercollegiate athletics, and charter school programs or school districts;
  - v. Provide a list of no more than five (5) University, College, Charter School, or School District organizations for which Respondent currently provides auditing services. At a minimum, include entity name, date and type of auditing services performed, contact name, address, telephone number and e-mail address;
  - vi. Provide a list of no more than five (5) University, College, Charter School, or School District accounts cancelled or terminated in the previous 24 months. At a minimum, include entity name, contact name, telephone number, email address and reason for termination;
  - vii. Provide a copy of the Respondent's most recent peer review report.
  - viii. Provide a statement that the Respondent understands the timing requirements in Section 2.4.2 and asserts that the reporting deadline will be met.

**EXHIBIT A  
EXECUTION OF OFFER**

In compliance with this RFP, and subject to all the conditions herein, the undersigned offers and agrees to furnish any or all commodities or services and to comply with all terms, conditions and requirements set forth in the RFP documents and contained herein.

By signature hereon, Respondent affirms that he/she has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted Qualifications. Failure to sign the response, or signing it with a false statement, shall void the submitted response or any resulting contracts, and the Respondent may be removed from all bid lists.

By the signature hereon affixed, the Respondent hereby certifies that neither the Respondent nor the firm, corporation, partnership, or institution represented by the Respondent or anyone acting for such firm, corporation, or institution has violated the antitrust laws of this State or the Federal antitrust laws nor communicated directly or indirectly the response made to any competitor or any other person engaged in such line of business.

By signature hereon, Respondent certifies that if a Texas address is shown as the address of the Respondent, Respondent qualifies as a Texas Resident Bidder as defined in Rule 34 TAC 20.38.

**Certifications:**

Texas Family Code Child Support Certification. By signature hereon, Respondent certifies as follows: "Under Section 231.006, Texas Family Code, the Contractor certifies it is not ineligible to receive the payments specified in the Agreement and acknowledges that this Agreement may be terminated and payment may be withheld if this certification is inaccurate."

Sales Tax Certification. By signing the Agreement, the Respondent certifies as follows: "Under Section 2155.004, Texas Government Code, the Contractor certifies that the individual or business entity named in this Agreement is not ineligible to receive the specified contract and acknowledges that this contract may be terminated and payment withheld if this certification is inaccurate."

Franchise Tax Certification. By signing the Agreement, a corporate or limited liability company, Respondent certifies that it is not currently delinquent in the payment of any Franchise Taxes due under Chapter 171 of the Texas Tax Code, or that the corporation or limited liability company is exempt from the payment of such taxes, or that the corporation or limited liability company is an out-of-state corporation or limited liability company that is not subject to the Texas Franchise Tax, whichever is applicable. Contractor acknowledges and agrees that if this certification is false or inaccurate, at University's option, the Agreement may be terminated and payment withheld.

Payment of Debts to the State of Texas. That pursuant to Section 403.0551, Texas Government Code, the Respondent agrees that any payments owing to the Contractor under this contract may be applied towards any debt or delinquent taxes that the Contractor owes the State of Texas or any agency of the State of Texas, until such debt or delinquent taxes are paid in full.

The person signing the Response should show title or authority to bind his/her firm in contract.

Federal Employer's Identification Number: \_\_\_\_\_

Sole Owner should also enter Social Security No.: \_\_\_\_\_

Respondent/Company: \_\_\_\_\_

Signature (INK): \_\_\_\_\_

Name (Typed/Printed): \_\_\_\_\_

Title: \_\_\_\_\_

Street: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Telephone No/Fax No: \_\_\_\_\_

Email: \_\_\_\_\_

**THIS SHEET MUST BE COMPLETED, SIGNED, AND RETURNED WITH RESPONDENT'S PROPOSAL. FAILURE TO SIGN AND RETURN THIS SHEET MAY RESULT IN THE REJECTION OF YOUR RESPONSE.**



**EXHIBIT B  
ACKNOWLEDGEMENT OF ADDENDA**

Receipt is hereby acknowledged of the following addenda to this RFP.

Addenda No. \_\_\_\_\_ Dated \_\_\_\_\_

Addenda No. \_\_\_\_\_ Dated \_\_\_\_\_

Addenda No. \_\_\_\_\_ Dated \_\_\_\_\_

Addenda No. \_\_\_\_\_ Dated \_\_\_\_\_

Respondent/Company: \_\_\_\_\_

**Refer to the SFA Procurement and Property Services Department web-site  
to confirm all addenda issued: <http://www.sfasu.edu/purchasing/122.asp>**

**EXHIBIT C  
FINANCIAL PROPOSAL**

Having carefully reviewed the specifications and related documents affecting the proposal to provide services to Stephen F. Austin State University, the undersigned submits the following Financial Proposal in accordance with the Request for Proposal documents:

**Respondent Name:** \_\_\_\_\_

**Authorized Signature:** \_\_\_\_\_

**A. Pricing for Services Offered**

**Charter School** \$ \_\_\_\_\_

[includes all time, labor, materials, and reimbursable expenses (travel, lodging, parking fees, etc.) necessary to complete Services]

Attach breakdown of schedule of fees.

**Intercollegiate Athletics** \$ \_\_\_\_\_

[includes all time, labor, materials, and reimbursable expenses (travel, lodging, parking fees, etc.) necessary to complete Services]

Attach breakdown of schedule of fees.

**B. Optional Renewal Escalation Rate Percentage:** \_\_\_\_\_ %

(Reference Section 1.2)

**EXHIBIT D  
2017 NCAA AGREED UPON PROCEDURES GUIDE**

Begins on next page

# 2017 Agreed-Upon Procedures



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## **INTRODUCTION**

NCAA member institutions are required to submit financial data detailing operating revenues and expenses related to its intercollegiate athletics program to the NCAA on an annual basis. This financial data is subject to agreed-upon procedures performed by a qualified independent accountant and must be submitted to the president or chancellor prior to submission to the NCAA.

The financial agreed-upon procedures reporting requirements of NCAA member institutions' ("institution") intercollegiate athletics programs are mandated under the provisions of NCAA Bylaw 3.2.4.15 for Division I. Requirements applicable to Division II are found in Bylaw 6.2.3. No bylaw-mandated financial reporting requirements are currently in place for Division III outside the institution's regular financial audit. Per those requirements, all revenues and expenses 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 president or chancellor or the president or chancellor's designee.

## **BACKGROUND INFORMATION**

### **1. NCAA LEGISLATION**

The NCAA agreed-upon procedure reporting legislation for each of the three membership divisions are contained in each division's manual:

#### **a. Division I**

Bylaw 3.2.4.15. "An institution shall submit financial data detailing operating revenues, expenses and capital related to its intercollegiate athletics program to the NCAA on an annual basis in accordance with the financial reporting policies and procedures. The required data shall include, but is not limited to, the following:

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

- (5) Value of all pledges at fiscal year-end that support athletics; and
- (6) The athletics department fiscal year-end fund balance.”

Bylaw 3.2.4.15.1. “The report shall be subject to annual agreed-on verification procedures approved by the membership (in addition to any regular financial reporting policies and procedures of the institution) and conducted by a qualified independent accountant who is not a staff member of the institution and who is selected by the institution's chancellor or president or by an institutional administrator from outside the athletics department designated by the chancellor or president. The independent accountant shall verify the accuracy and completeness of the data prior to submission to the institution's chancellor or president and the NCAA. The institution's chancellor or president shall certify the financial report prior to submission to the NCAA.”

**b. Division II**

Bylaw 6.2.3.1. “At least once every three years, all expenses and revenues 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 agreed-on procedures approved by the Division II membership (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 president or chancellor or by an institutional administrator from outside the athletics department designated by the president or chancellor. If, within the last three years, the institution has conducted an overall institutional audit that includes a financial audit of all athletics department funds, then the institution is not required to perform a separate financial audit of all athletics department expenditures.”

Bylaw 6.2.3.1.1. “The report created pursuant to the approved procedures shall be



completed and presented to the president or chancellor on or before January 15 after the end of the institution's fiscal year.”

**c. Division III**

Bylaw 6.2.3. “All expenditures and revenue for or on behalf of a Division III member institution's intercollegiate athletics programs shall be subject to the institution's regular financial audit. In particular, additional revenue and expenditures associated with outside groups or individuals shall be included in this audit.”

**2. INTERPRETATIONS**

**a. Objectives of Agreed-Upon Procedures**

The institution’s agreed-upon procedures report shall be presented to the president or chancellor by the independent accountant. The report’s primary purpose is to ensure that the president or chancellor 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 president or chancellor may wish to contact the NCAA administrative services staff for assistance.

The report’s secondary purpose is to ensure the accuracy of the data the institution is submitting for sports sponsorship, Pell grants and grants-in-aid, which determines the calculation of several revenue distributions.

The agreed-upon procedures scope of work shall include the reporting of revenue and expenses 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 presidents or chancellors 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 24-37 (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

president or chancellor'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 Bylaw 3.2.4.15. At a minimum, the institution's president or chancellor 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 president or chancellor 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 president or chancellor should consider carefully what approach best serves the institution's needs in evaluating institutional control. The president or chancellor 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 president or chancellor, and the information provided as part of the agreed-upon procedures report is intended to assist president or chancellors 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 president or chancellor.

**b. 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 NCAA 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.

**c. 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 accountants or 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 president or chancellor 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 Bylaw 3.2.4.15, provided that all revenues and 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 president or chancellor 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.**

**1. 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. 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:

- a. The internal account structure of the reporting institution's intercollegiate athletics program;
- b. The institution's usual treatment of indirect facilities and administrative support related to athletics, and
- c. 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 Appendices A thru C.

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.

After the institution has prepared the statement, the independent accountant shall meet with the institution’s president or chancellor (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.

## **2. 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 president or chancellor 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 on behalf of the institution's intercollegiate athletics program. The independent accountants will then test those procedures. After completing these procedures, independent accountants shall report their findings to the president or chancellor in a format similar to that outlined in Appendix E.

### **3. 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 Appendix D to be performed by the independent accountant to comply with this legislation.

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 president or chancellor 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 president or chancellor in an engagement letter signed in advance by the institution's president or chancellor. 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 E.

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.

**a. 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;
- (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.

**b. 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).

**c. Report on Agreed-Upon Procedures**

**(1) 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 E 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 E.

**(2) 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.

**(3) Notes and Disclosures**

- (a) 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.
- (b) 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.
- (c) 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.



## APPENDIX A | 2017 Revised Revenue Categories

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 (\* denotes new or updated content for 2017):

ID	Category	Definition (2013-14 and previous)	Definition (2014-15 forward)
1	Ticket Sales	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).	Input revenue received for sales of admissions to athletic events. This may include: <ul style="list-style-type: none"> <li>• Public and faculty sales.</li> <li>• Student sales</li> <li>• Shipping and Handling fees.</li> </ul> Please report amounts paid in excess of ticket's face value to obtain preferential seating or priority in Category 8 (Contributions).
2	Direct State or Other Government Support	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).	Input state, municipal, federal and other appropriations made in support of athletics. <p>This amount includes funding specifically earmarked for the athletics department by government agencies for which the institution cannot reallocate.</p> <p>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 (Category 4).</p>
3	Student Fees	Include student fees assessed and restricted for support of intercollegiate athletics.	Input student fees assessed and restricted for support of intercollegiate athletics.

ID	Category	Definition (2013-14 and previous)	Definition (2014-15 forward)
4	Direct Institutional Support	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. Report actual amounts and do not net with Transfers to Institution (category 37).	Input direct funds provided by the institution to athletics for the operations of intercollegiate athletics including: <ul style="list-style-type: none"> <li>• Unrestricted funds allocated to the athletics department by the university (e.g. state funds, tuition, tuition discounts/waivers, transfers)</li> <li>• Federal work study support for student workers employed by athletics.</li> <li>• Endowment unrestricted income, spending policy distributions and other investment income distributed to athletics in the reporting year to support athletic operations. Athletics restricted endowment income for athletics should be reported in Category 17.</li> </ul>
5	Less – Transfers to Institution		If the institution allocated funds to athletics as represented in Categories 3-4 and the athletics department provided a transfer of funds back to the institution in the reporting year, report the transfer amount as a negative in this category. The transfer amount may not exceed the total of Categories 3-4. Transfers back to the institution in excess of Categories 3-4 should be reported in Category 50 – excess transfers to institution.

ID	Category	Definition (2013-14 and previous)	Definition (2014-15 forward)
6	Indirect Institutional Support	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).	<p>Input value of costs covered and services provided by the institution to athletics but <u>not charged</u> to athletics including:</p> <ul style="list-style-type: none"> <li>• Administrative services provided by the university to athletics but not charged such as HR, Accounting and IT.</li> <li>• Facilities maintenance.</li> <li>• Security.</li> <li>• Risk Management.</li> <li>• Utilities.</li> </ul> <p>Do not include depreciation.</p> <p>Note: This category should equal Category 36. If the institution is paying for debt service, leases, or rental fees for athletic facilities, but not charging to athletics, include those amounts in Category 6A.</p>
6A	Indirect Institutional Support – Athletic Facilities Debt Service, Lease and Rental Fees		<p>Input debt service payments (principal and interest, including internal loan programs), leases and rental fees for athletics facilities for the reporting year provided by the institution to athletics but <u>not charged</u> to athletics.</p> <p>Do not report depreciation.</p> <p>Note: If the institution is paying for all athletic facilities debt service, lease and rental fees and not charging to athletics, this category will equal Category 34. If athletics or other entities are also paying these expenses or the institution is charging directly to athletics, this category will not equal Category 34.</p>
7	Guarantees	Include revenue received from participation in away games.	Input revenue received from participation in away games.

ID	Category	Definition (2013-14 and previous)	Definition (2014-15 forward)
8	Contributions	<p>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).</p>	<p>Input contributions <b>provided and used by athletics</b> in the reporting year including:</p> <ul style="list-style-type: none"> <li>• Amounts received from individuals, corporations, associations, foundations, clubs or other organizations designated for the operations of the athletics program.</li> <li>• Funds contributed by outside contributors for the payment of debt service, lease payments or rental fee expenses for athletic facilities in the reporting year.</li> <li>• Amounts received above face value for tickets.</li> </ul> <p>Contributions shall include cash and marketable securities.</p> <p>Do not report:</p> <ul style="list-style-type: none"> <li>• Pledges until funds are provided to athletics for use.</li> <li>• Contributions to be used in other reporting years.</li> </ul>
9	In-Kind	Previously in contributions	<p>Input market value of in-kind contributions in the reporting year including:</p> <ul style="list-style-type: none"> <li>• Dealer-provided automobiles.</li> <li>• Equipment.</li> <li>• Services.</li> <li>• Nutritional product.</li> </ul> <p>All in-kind contributions that are made as a result of a licensing or sponsorship agreement should be reported in Category 15.</p> <p>Please offset in-kind values in the appropriate expense category.</p>

ID	Category	Definition (2013-14 and previous)	Definition (2014-15 forward)
10	Compensation and Benefits provided by a third party	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 22 and 24 combined.	Input all benefits provided by a third party and contractually guaranteed by the institution, but not included on the institution's W-2. These may include: <ul style="list-style-type: none"> <li>• Car stipend.</li> <li>• Country club membership.</li> <li>• Allowances for clothing, housing, and entertainment.</li> <li>• Speaking fees.</li> <li>• Camps compensation.</li> <li>• Media income.</li> <li>• Shoe and apparel income.</li> </ul> The total of this category should equal expense Categories 23 and 25 combined.
11	Media Rights	Include institutional revenue received directly for radio and television broadcasts, Internet and e-commerce rights received through institution-negotiated contracts.	Input <b>all</b> revenue received for radio, television, internet, digital and e-commerce rights, including the portion of conference distributions related to media rights – if applicable.  Consult with your conference offices if you do not have the media rights distribution amount available.
12	NCAA Distributions	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.	Input revenues received from all NCAA distributions including NCAA championships reimbursements and payments received from the NCAA for hosting a championship.  In some cases, NCAA distributions may be provided by the conference office. Consult with the conference office for the amount if you do not have it available and include in this category.
13	Conference Distributions (Non Media and Non Bowl)	Include any payments received from the NCAA for hosting a championship (permissible to include in Revenue Not Related to Specific Teams).	Input all revenues received by conference distribution, excluding portions of distribution relating to media rights (reported in Category 11) or NCAA distributions (reported in Category 12).  Note: Conference distributions of revenue generated by a post-season bowl to conference members should be recorded in this category. Distributions for reimbursement of post-season bowl expenses should be included in Category 19.

ID	Category	Definition (2013-14 and previous)	Definition (2014-15 forward)
14	Program, Novelty, Parking and Concession Sales	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).	<p>Input revenues from:</p> <ul style="list-style-type: none"> <li>• Game Programs.</li> <li>• Novelties.</li> <li>• Food and Concessions.</li> <li>• Parking.</li> </ul> <p>Advertising should be included in Category 15.</p>
15	Royalties, Licensing, Advertisement and Sponsorships	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).	<p>Input revenues from:</p> <ul style="list-style-type: none"> <li>• Sponsorships.</li> <li>• Licensing Agreements.</li> <li>• Advertisement.</li> <li>• Royalties.</li> <li>• In-kind products and services as part of sponsorship agreement.</li> </ul> <p>An allocation may be necessary to distinguish revenues generated by athletics versus the university if payments are combined.</p>
16	Sports Camp Revenues	Include amounts received by the athletics department for sports camps and clinics.	Input amounts received by the athletics department for sports camps and clinics.
17	Athletics Restricted Endowment and Investments Income	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.”	<p>Please report <u>spending policy distributions</u> from athletics restricted endowments and <u>investment income used for athletics operations in the reporting year</u>.</p> <p>This category includes only restricted investment and endowment income <b>used</b> for the operations of intercollegiate athletics; institutional allocations of income from unrestricted endowments qualify as “Direct Institutional Support” and should be reported in Category 4.</p> <p>Note: Please make sure amounts reported are only up to the amount of expenses covered by the endowment for the reporting year.</p>

<b>ID</b>	<b>Category</b>	<b>Definition (2013-14 and previous)</b>	<b>Definition (2014-15 forward)</b>
<b>18</b>	Other Operating Revenue	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.	Input any operating revenues received by athletics in the report year which cannot be classified into one of the stated categories.  If the figure is greater than 10% of total revenues, please report the top three activities included in this category in the comments section.
<b>19</b>	Bowl Revenues		Input all amounts received related to participation in a post-season bowl game, including: <ul style="list-style-type: none"> <li>• Expense reimbursements.</li> <li>• Ticket sales.</li> </ul>
	<b>Total Operating Revenues</b>	<b>Total of categories 1-17.</b>	<b>Total of Categories 1-19.</b>

## APPENDIX B | 2017 Revised Expense Categories

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

(\* denotes new or updated content for 2017):

ID	Category	Definition (2013-14 and previous)	Definition (2014-15 forward)
20	Athletic Student Aid *	<p>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.</p>	<p>Input the total amount of athletic student-aid for the reporting year including:</p> <ul style="list-style-type: none"> <li>• Summer school.</li> <li>• Tuition discounts and waivers (unless it is a discount or waiver available to the general student body).</li> <li>• Aid given to student-athletes who are inactive (medical reasons) or no longer eligible (exhausted eligibility).</li> </ul> <p>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).</p> <p><b>Note: Pell grants are provided by the government, not the institution or athletics department, and therefore should be excluded from reporting in this category.</b></p> <p>This information can be managed within the NCAA’s Compliance Assistance (CA) software. The information entered into CA will automatically populate to the athletic student aid section within the NCAA Financial Reporting System when the CA import feature is selected.</p>
21	Guarantees	<p>Include amounts paid to visiting participating institutions.</p>	<p>Input amounts paid to visiting participating institutions, including per diems and/or travel and meal expenses.</p>



ID	Category	Definition (2013-14 and previous)	Definition (2014-15 forward)
22	Coaching Salaries, Benefits and Bonuses paid by the University and Related Entities	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).	<p>Input compensation, bonuses and benefits paid to all coaches reportable on the university or related entities W-2 and 1099 forms inclusive of:</p> <ul style="list-style-type: none"> <li>• Gross wages and bonuses.</li> <li>• Benefits including allowances, speaking fees, retirement, stipends, memberships, media income, tuition reimbursement and earned deferred compensation.</li> </ul> <p>Place any severance payments in Category 26.</p> <p>Note: Bonuses related to participation in a post-season bowl game should be included in Category 41.</p>
23	Coaching Salaries, Benefits and Bonuses paid by a Third Party	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).	<p>Input compensation, bonuses and benefits paid to all coaches by a third party and contractually guaranteed by the institution, but not included on the institutions W-2 including:</p> <ul style="list-style-type: none"> <li>• Car stipend.</li> <li>• Country club membership.</li> <li>• Allowances for clothing, housing, and entertainment.</li> <li>• Speaking fees.</li> <li>• Camps compensation.</li> <li>• Media income.</li> <li>• Shoe and apparel income.</li> </ul> <p>Expense Category 23 and 25 should equal Category 10.</p> <p>Note: Bonuses related to participation in a post-season bowl game should be included in Category 41.</p>

ID	Category	Definition (2013-14 and previous)	Definition (2014-15 forward)
24	Support Staff/ Administrative Compensation, Benefits and Bonuses paid by the University and Related Entities	Include gross salaries, bonuses and benefits paid to administrative staff (i.e., football secretary, sport-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.	Input compensation, bonuses and benefits paid to all administrative and support staff reportable on the university or related entities (e.g. foundations or booster clubs) W-2 and 1099 forms inclusive of: <ul style="list-style-type: none"> <li>• Gross wages and bonuses.</li> <li>• Benefits including allowances, speaking fees, retirement, stipends, memberships, media income, tuition reimbursement and earned deferred compensation.</li> </ul> <p>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.</p>
25	Support Staff/ Administrative Compensation, Benefits and Bonuses paid by Third Party	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).	Input compensation, bonuses and benefits paid to administrative and support staff by a third party and contractually guaranteed by the institution, but not included on the institutions W-2 including: <ul style="list-style-type: none"> <li>• Car stipend.</li> <li>• Country club membership.</li> <li>• Allowances for clothing, housing, and entertainment.</li> <li>• Speaking fees.</li> <li>• Camps compensation.</li> <li>• Media income.</li> <li>• Shoe and apparel income.</li> </ul> <p>Expense Category 23 and 25 should equal Category 10.</p>

ID	Category	Definition (2013-14 and previous)	Definition (2014-15 forward)
26	Severance Payments	Include severance payments and applicable benefits recognized for past coaching and administrative personnel.	Input severance payments and applicable benefits recognized for past coaching and administrative personnel.
27	Recruiting	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.	Input 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.
28	Team Travel	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. Institution's own vehicles or airplanes as well as in-kind value of donor-provided transportation.	<p>Input air and ground travel, lodging, meals and incidentals (including housing costs incurred during school break period) for competition related to preseason, regular season and non-bowl postseason. Amounts incurred for food and lodging for housing the team before a home game also should be included. Use of the institution's own vehicles or airplanes as well as in-kind value of donor-provided transportation.</p> <p>Note: Expenses related to post-season bowls should be included in Category 41.</p>
29	Sports Equipment, Uniforms and Supplies	Include items that are provided to the teams only. Equipment amounts are those expended from current or operating funds.	<p>Input items that are provided to the teams only. Equipment amounts are those expended from current or operating funds. Include value of in-kind equipment provided.</p> <p>Note: Expenses related to post-season bowls should be included in Category 41.</p>

ID	Category	Definition (2013-14 and previous)	Definition (2014-15 forward)
30	Game Expenses	Include game-day expenses other than travel that are necessary for intercollegiate athletics competition, including officials, security, event staff, ambulance and such.	<p>Input game-day expenses other than travel which are necessary for intercollegiate athletics competition, including officials, security, event staff, ambulance, etc. Input any payments back to the NCAA for hosting a championship or conference for hosting a tournament.</p> <p>Note: Expenses related to post-season bowls should be included in Category 41.</p>
31	Fund Raising, Marketing and Promotion	Include costs associated with fund raising, marketing and promotion for media guides, brochures, recruiting publications and such.	Input costs associated with fund raising, marketing and promotion for media guides, brochures, recruiting publications and such.
32	Sports Camp Expenses	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.	Input 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 22-25.
33	Spirit Groups	Include support for spirit groups including bands, cheerleaders, mascots, dancers, etc.	<p>Include support for spirit groups including bands, cheerleaders, mascots, dancers, etc.</p> <p>Note: Expenses related to post-season bowls should be included in Category 41.</p>
34	Athletic Facilities Debt Service, Leases and Rental Fees		<p>Input debt service payments (principal and interest, including internal loan programs), leases and rental fees for athletics facilities for the reporting year regardless of entity paying (athletics, institution or other).</p> <p>Do not report depreciation.</p> <p>Note: If the institution is paying for <u>all</u> debt service, leases, or rental fees for athletic facilities but not charging to athletics, this category should equal Category 6A. If athletics or other entities are paying these expenses or the institution is charging directly to athletics, this category will not equal Category 6A.</p>

ID	Category	Definition (2013-14 and previous)	Definition (2014-15 forward)
35	Direct Overhead and Administrative Expenses	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.	Input overhead and administrative expenses <u>paid by or charged directly to athletics</u> including: <ul style="list-style-type: none"> <li>• Administrative/Overhead fees charged by the institution to athletics.</li> <li>• Facilities maintenance.</li> <li>• Security.</li> <li>• Risk Management.</li> <li>• Utilities.</li> <li>• Equipment Repair.</li> <li>• Telephone.</li> <li>• Other Administrative Expenses.</li> </ul>
36	Indirect Institutional Support	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).	Input overhead and administrative expenses <u>NOT paid by or charged directly to athletics</u> including: <ul style="list-style-type: none"> <li>• Administrative/Overhead fees <u>not charged</u> by the institution to athletics.</li> <li>• Facilities maintenance.</li> <li>• Security.</li> <li>• Risk Management.</li> <li>• Utilities.</li> <li>• Equipment Repair.</li> <li>• Telephone.</li> <li>• Other Administrative Expenses.</li> </ul> <p>Do not report depreciation.</p> <p>Note: This category should equal Category 6.</p>
37	Medical Expenses and Insurance	Include medical expenses and medical insurance premiums for student-athletes.	Input medical expenses and medical insurance premiums for student-athletes.
38	Memberships and Dues	Include memberships, conference and association dues.	Input memberships, conference and association dues.
39	Student-Athlete Meals (non-travel)		Include meal allowance and food/snacks provided to student-athletes.  Note: Meals provided during team travel should be reported in Category 28.

ID	Category	Definition (2013-14 and previous)	Definition (2014-15 forward)
40	Other Operating Expenses	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.	Input any operating expenses paid by athletics in the report year which cannot be classified into one of the stated categories, including: <ul style="list-style-type: none"> <li>• Non-team travel (conferences, etc.).</li> <li>• Team banquets and awards.</li> </ul> If the figure is greater than 10% of total expenses, please report the top three activities included in this category in the comments section.
41	Bowl Expenses		Input all expenditures related to participation in a post-season bowl game, including: <ul style="list-style-type: none"> <li>• Team travel, lodging and meal expenses.</li> <li>• Bonuses related to bowl participation.</li> <li>• Spirit groups.</li> <li>• Uniforms.</li> </ul>
	<b>Total Operating Expenses</b>	<b>Total of categories 20-40.</b>	<b>Total of Categories 20-41.</b>

## APPENDIX C | Other Reporting Items

Please input the following other reporting items below, if applicable (\* denotes new or updated content for 2017):

ID	Category	Definition (2013-14 and previous)	Definition (2014-15 forward)
50	Excess Transfers to Institution	Include, if applicable, the amount of athletic-generated revenues or athletic reserves that are contributed back to your institution for other institutional initiatives outside of athletics. Amount reported should not be deducted from Direct Institutional Support (category 7) allocated to athletics by your institution.	Input, if applicable, the amount of athletic-related funds for the reporting year that are contributed back to your institution that were not applicable to be counted or are in excess of those funds allowable to be counted in Category 5.
51	Conference Realignment Expenses		Input one time amounts paid by athletics and by the institution above normal operating expenses for conference realignment (e.g., exit fees, consulting fees, legal fees, signage, advertising, public relations). Ensure all regular operating expenses such as team travel are reported in the normal expense categories above. Any new revenues should be reported in Category 13. The amount submitted in this category <u>should not</u> be included in operating expense reporting Categories 20-41 above.
52	Total Athletics Related Debt		Input value of athletics debt at the end of the reporting year.  Note: this is the total value of athletics debt. Category 34 above represents payments made against debt held during the current reporting period.
53	Total Institutional Debt		Input total value of institutional debt at the end of the reporting year. Ensure athletics related debt is included in the total figure, regardless of the athletics department structure.
54	Value of Athletics Dedicated Endowments		Input total fair market value of athletics-dedicated endowments at the end of the reporting year.

<b>ID</b>	<b>Category</b>	<b>Definition (2013-14 and previous)</b>	<b>Definition (2014-15 forward)</b>
55	Value of Institutional Endowments		Input total fair market value of institutional endowments at the end of the reporting year.
56	Total Athletics Related Capital Expenditures		Input cost of athletics related capital expenditures for the reporting year.



## **APPENDIX D | Minimum NCAA Agreed-Upon Procedures for Revenue, Expenses and Other Reporting Items**

### **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.

- Compare and agree each operating revenue category reported in the statement during the reporting period to supporting schedules provided by the institution. If a specific reporting category is less than 4.0% of the total revenues, no procedures are required for that specific category.
- Compare and agree a sample of operating revenue receipts obtained from the above operating revenue supporting schedules to adequate supporting documentation.
- Compare each major revenue account over 10% of the total revenues to prior period amounts and budget estimates. Obtain and document an understanding of any variations greater than 10%. Report the analysis as a supplement to the final Agreed-Upon procedures report.

#### **Ticket Sales**

1. 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 and recalculate totals.

#### **Student Fees**

2. Compare and agree student fees reported by the institution in the statement for the reporting to student enrollments during the same reporting period and recalculate totals.
3. Obtain and document an understanding of institution's methodology for allocating student fees to intercollegiate athletics programs.
4. If the athletics department is reporting that an allocation of student fees should be countable as generated revenue, recalculate the totals of their methodology for supporting that they are able to count each sport. Tie the calculation to supporting documents such as seat manifests, ticket sales reports and student fee totals.

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

5. 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 and recalculate totals.

#### **Direct Institutional Support**

6. Compare the direct institutional support recorded by the institution during the reporting period with the institutional supporting budget transfers documentation and other corroborative supporting documentation and recalculate totals.

### **Transfers Back to Institution**

7. Compare the transfers back to institution with permanent transfers back to institution from the athletics department and recalculate totals.

### **Indirect Institutional Support**

8. Compare the indirect institutional support recorded by the institution during the reporting period with expense payments, cost allocation detail and other corroborative supporting documentation and recalculate totals.

### **Guarantees**

9. 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 and recalculate totals.
10. 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 and recalculate totals.

### **Contributions**

11. Any contributions of moneys, goods or services received directly by an intercollegiate athletics program from 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 in aggregate for the reporting year of all contributions received for intercollegiate athletics during the reporting periods shall obtain and review supporting documentation for each contribution and recalculate totals.

### **In-Kind**

12. Compare the in-kind recorded by the institution during the reporting period with a schedule of in-kind donations and recalculate totals.

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

13. Obtain the summary of revenues from affiliated and outside organizations (the "Summary") as of the end of the reporting period from the institution and 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 and recalculate totals.
14. If the third party was audited by independent auditors, obtain the related independent auditors' report.

### **Media Rights**

15. Obtain and inspect agreements to understand the institution's total media (broadcast, television, radio) rights received by the institution or through their conference offices as reported in the statement.
16. Compare and agree the media right revenues to a summary statement of all media rights identified, if applicable, and the institution's general ledger and recalculate totals. Ledger totals may be different for total conference distributions if media rights are not broken out separately.

## **NCAA Distributions**

17. Compare the amounts recorded in the revenue and expense reporting to general ledger detail for NCAA distributions and other corroborative supporting documents and recalculate totals.

## **Conference Distributions**

18. Obtain and inspect agreements related to the institution's conference distributions and participation in revenues from tournaments during the reporting period to gain an understanding of the relevant terms and conditions.
19. Compare and agree the related revenues to the institution's general ledger, and/or the statement and recalculate totals.

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

20. Compare the amount recorded in the revenue reporting category to a general ledger detail of program sales, concessions, novelty sales and parking as well as any other corroborative supporting documents and recalculate totals.

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

21. 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.
22. Compare and agree the related revenues to the institution's general ledger, and/or the statement and recalculate totals.

## **Sports Camp Revenues**

23. 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.
24. Obtain schedules of camp participants and 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 and recalculate totals.

## **Athletics Restricted Endowment and Investment Income**

25. Obtain and inspect endowment agreements (if any) to gain an understanding of the relevant terms and conditions.
26. 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 and recalculate totals.

## **Other**

27. Perform minimum agreed-upon procedures referenced for all revenue categories and recalculate totals.

## **Bowl Revenues**

- 28.** Obtain and inspect agreements related to the institution's revenues from post-season bowl participation during the reporting period to gain an understanding of the relevant terms and conditions.
- 29.** Compare and agree the related revenues to the institution's general ledger, and/or the statement and 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.

- Compare and agree each expense category reported in the statement during the reporting period to supporting schedules provided by the institution. If a specific reporting category is less than 4.0% of the total expenses, no procedures are required for that specific category.
- Compare and agree a sample of expenses obtained from the above operating expense supporting schedules to adequate supporting documentation.
- Compare each major expense account over 10% of the total expenses to prior period amounts and budget estimates. Obtain and document an understanding of any variations greater than 10%. Report the analysis as a supplement to the final Agreed-Upon procedures report.

### Athletic Student Aid

30. Select a sample of students (10% of the total student-athletes for institutions who have used NCAA's Compliance Assistant (CA) software to prepare athletic aid detail, with a maximum sample size of 40 and 20% of total student-athletes for institutions who have not, with a maximum sample size of 60) from the listing of institutional student aid recipients during the reporting period. Data should be captured by the institution through the creation of a squad list for each sponsored sport.
31. Obtain individual student account detail for each selection and compare total aid in the institution's student system to the student's detail in CA or the institution report that ties directly to the NCAA Membership Financial Reporting System.
32. Perform a check of each student selected to ensure their information was reported accurately in either the NCAA's CA software or entered directly into the NCAA Membership Financial Reporting System using the following criteria:
  - The equivalency value for each student-athlete in all sports, including head-count sports, needs to be converted to a full-time equivalency value. The full-time equivalency value is calculated using the athletic grant amount reported on the squad list as the numerator and the full grant amount which is the total cost for tuition, fees, books, room and board for an academic year as the denominator. If using the NCAA CA software, this equivalency value will be calculated for you on the squad list labeled "Rev. Dist. Equivalent Award".
  - A student-athlete can only be included in one sport. Note: NCAA CA software will place an asterisk by the student athlete within the sport that is not countable towards grants-in-aid revenue distribution per sport hierarchy listed in the DI manual.
  - All equivalency calculations should be rounded to two decimal places. Note: The NCAA CA software and the on-line summary form will automatically round to two decimal places.

- The full grant amount should always be the full cost of tuition for an academic year, not semester. The “Period of Award” column on the NCAA CA squad list can identify those student-athletes receiving aid for a particular semester.
- If a sport is discontinued and the athletic grant(s) are still being honored by the institution, the grant(s) are included in student-athlete aid for revenue distribution purposes.
- Student-athletes receiving athletic aid who have exhausted their athletic eligibility or are inactive due to medical reasons should be included in the student-athlete aid total and correctly noted on the squad list.
- Only athletic aid awarded in sports in which the NCAA conducts championship competitions, emerging sports for women and FBS football should be included in the calculations.
- If a selected student received a Pell Grant, ensure the value of the grant is not included in the calculation of equivalencies or the total dollar amount of student athletic aid expense for the institution.
- If a selected student received a Pell Grant, ensure the student’s grant was included in the total number and total value of Pell Grants reported for Revenue Distribution purposes in the NCAA Membership Financial Reporting System.

33. Recalculate totals for each sport and overall.

### **Guarantees**

34. Obtain and inspect visiting institution's 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 and recalculate totals.
35. 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 and recalculate totals.

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

36. 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 listing.
37. 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.
38. Obtain and inspect payroll summary registers for the reporting year for each selection. Compare and agree payroll summary registers from the reporting period 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.
39. Compare and agree the totals recorded to any employment contracts executed for the sample selected and recalculate totals.

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

40. Obtain and inspect a listing of coaches employed by third parties during the reporting period. Select a sample of coaches' contracts that must include football, and men's and women's basketball from the listing.
41. 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.
42. Obtain and inspect reporting period payroll summary registers for each selection. Compare and agree related payroll summary register to the coaching other compensation and benefits paid by a third party expenses recorded by the institution in the statement during the reporting period and recalculate totals.

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

43. Select a sample of support staff/administrative personnel employed by the institution and related entities during the reporting period.
44. Obtain and inspect reporting period summary payroll register for each selection. Compare and agree related summary payroll register 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 and recalculate totals.

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

45. Select a sample of support staff/administrative personnel employed by the third parties during the reporting period.
46. Obtain and inspect reporting period payroll summary registers for each selection. Compare and agree related payroll summary registers to the related support staff administrative other compensation and benefits expense recorded by the institution in the statement during the reporting period and recalculate totals.

### **Severance Payments**

47. 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 and recalculate totals.

### **Recruiting**

48. Obtain and document an understanding of the Institution's recruiting expense policies.
49. Compare and agree to existing institutional- and NCAA-related policies.
50. Obtain general ledger detail and compare to the total expenses reported and recalculate totals.

### **Team Travel**

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

53. Obtain general ledger detail and compare to the total expenses reported and recalculate totals.

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

54. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.

### **Game Expenses**

55. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.

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

56. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.

### **Sports Camp Expenses**

57. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.

### **Spirit Groups**

58. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.

### **Athletic Facility Debt Service, Leases and Rental Fees**

59. Obtain a listing of debt service schedules, lease payments and rental fees for athletics facilities for the reporting year. Compare a sample of facility payments including the top two highest facility payments to additional supporting documentation (e.g. debt financing agreements, leases, rental agreements).
60. Compare amounts recorded to amounts listed in the general ledger detail and recalculate totals.

### **Direct Overhead and Administrative Expenses**

61. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.

### **Indirect Institutional Support**

62. Tested with revenue section- Indirect Institutional Support.

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

63. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.



## **Memberships and Dues**

64. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.

## **Other Operating Expenses and Transfers to Institution**

65. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.

## **Student-Athlete Meals (non-travel)**

66. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.

## **Bowl Expenses**

67. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.

## **ADDITIONAL MINIMUM AGREED-UPON PROCEDURES**

In order for NCAA to place reliance on the Division I financial reporting for NCAA distributions purposes, the following procedure will be performed:

- Compare and agree the sports sponsored reported in the NCAA Membership Financial Reporting System to the squad lists of the institution. The NCAA Membership Financial Reporting System populates the sports from the NCAA Membership Database as they are reported by the institution. If there is a discrepancy in the sports sponsored between the NCAA Membership Financial Reporting System and the squad lists, inquire about the discrepancy and report the justification in the AUP report.
- Obtain the institution's Sports Sponsorship and Demographics Forms Report for the reporting year. Validate that the countable sports reported by the institution meet the minimum requirements set forth in Bylaw 20.9.6.3 for the number of contests and the number of participants in each contest that is counted toward meeting the minimum-contest requirement. Once countable sports have been confirmed, ensure that the institution has properly reported these sports as countable for revenue distribution purposes within the NCAA Membership Financial Reporting System. Note: Any discrepancies MUST be resolved within the NCAA Membership Financial Reporting System prior to the report being submitted to the NCAA.
- For Pell Grants: Agree the total number of Division I student-athletes who, during the academic year, received a Pell Grant award (e.g. Pell Grant recipients on Full Grant-in-Aid, Pell Grant recipients on Partial Grants-in-Aid and Pell Grant recipients with no Grants-in-Aid) and the total value of these Pell Grants reported in the NCAA Membership Financial Reporting System to a report, generated out of the institutions financial aid records, of all student-athlete Pell Grants. Note: individual student-aid file testing in step 32 above should tie any selected student athletes who received Pell Grants back to the report of all student athlete Pell Grants to test the completeness and accuracy of the report.

## **MINIMUM AGREED-UPON PROCEDURES PROGRAM FOR OTHER REPORTING ITEMS**

Following is a complete listing of the minimum agreed-upon procedures for other reporting items, 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.

### **Excess Transfers to Institution and Conference Realignment Expenses**

68. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.

### **Total Athletics Related Debt**

69. Obtain repayment schedules for all outstanding intercollegiate athletics debt during the reporting period. Recalculate annual maturities (consisting of principal and interest) provided in the schedules obtained.
70. Agree the total annual maturities and total outstanding athletic related to supporting documentation and the institution's general ledger, as applicable.

### **Total Institutional Debt**

71. Agree the total outstanding institutional debt to supporting documentation and the institution's audited financial statements, if available, or the institution's general ledger.

### **Value of Athletics Dedicated Endowments**

72. Obtain a schedule of all athletics dedicated endowments maintained by athletics, the institution, and affiliated organizations. Agree the fair market value in the schedule(s) to supporting documentation, the general ledger(s) and audited financial statements, if available.

### **Value of Institutional Endowments**

73. Agree the total fair market value of institutional endowments to supporting documentation, the institution's general ledger and/or audited financial statements, if available.

### **Total Athletics Related Capital Expenditures**

74. Obtain a schedule of athletics related capital expenditures made by athletics, the institution, and affiliated organizations during the reporting period.
75. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.

## **APPENDIX E | Independent Accountant’s Report on Agreed-Upon Procedures**

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:

1. A title that includes the word “independent”;
2. Identification of the specified parties;
3. 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;
4. Identification of the responsible party;
5. A statement that the subject matter is the responsibility of the responsible party;
6. A statement that the procedures performed was those agreed to by the specified parties identified in the report;
7. 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;
8. A statement that the agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants;
9. 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;
10. A list of the procedures performed (or reference thereto) and related findings;
11. Where applicable, a description of any agreed-upon materiality limits;
12. 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;

13. A statement of restrictions on the use of the report because it is intended to be used solely by the specified parties;
14. Where applicable, reservations or restrictions concerning procedures or findings;
15. Where applicable, a description of the nature of the assistance provided by a specialist;
16. The manual or printed signature of the practitioner's firm and
17. The date of the report.

President or chancellor  
XYZ University

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

We have performed the procedures enumerated below, which were agreed to by the president or chancellor 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 3.2.4.15 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 F | 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 Bylaw 3.2.4.15. 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.

## **APPENDIX G | NCAA Online Financial Reporting Links**

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

<http://www.ncaa.org/about/resources/finances/ncaa-membership-financial-reporting-system>

Located on website:

- Login to the NCAA Financial Reporting System (FRS).
- Link to the FY2017 Agreed-Upon Procedures document.
- FRS Help Video.
- NCAA FRS FAQ – help document.
- FRS Supplemental Tool.
- Single-Source Sign-On Quick Start Guide and Users Guide.
- List of key dates for FY2017 reporting.
- List of key contacts.

**If you need assistance in accessing the NCAA Membership Financial Reporting System, please send an email to: [ncaafrs@ncaa.org](mailto:ncaafrs@ncaa.org)**