

BOARD OF REGENTS BRIEFING PAPER

1. AGENDA ITEM TITLE: ANNUAL ATHLETIC REPORTS

MEETING DATE: March 5-6, 2020

2. BACKGROUND & POLICY CONTEXT OF ISSUE:

Title 4, Chapter 24, Section 1, Subsection 9 of the NSHE Handbook provides that each institution with an athletic program must submit to the Board for review an annual report setting forth, among other information, its budget, mission statement, and five-year strategic plan during the second quarter of each fiscal year.

During the December 5-6, 2019, the Board moved the agenda to the March meeting and requested updated reports and updated procedures and guidelines.

UNLV, UNR, CSN and TMCC will present the reports for their respective institutions to the Board.

3. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

The Board is to review and, if appropriate, approve the submitted reports for each institution.

4. IMPETUS (WHY NOW?):

The Board has oversight authority and responsibility for the long-term management of institution athletic programs.

5. CHECK THE NSHE STRATEGIC PLAN GOAL THAT IS SUPPORTED BY THIS REQUEST:

- Access (Increase participation in post-secondary education)
- Success (Increase student success)
- Close the Achievement Gap (Close the achievement gap among underserved student populations)
- Workforce (Collaboratively address the challenges of the workforce and industry education needs of Nevada)
- Research (Co-develop solutions to the critical issues facing 21st century Nevada and raise the overall research profile)
- Not Applicable to NSHE Strategic Plan Goals

INDICATE HOW THE PROPOSAL SUPPORTS THE SPECIFIC STRATEGIC PLAN GOAL

N/A

6. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

Included in this agenda item are the following materials:

- NCAA 2019 Agreed Upon Procedures – Revenue and Expenditure Definitions
- UNLV's Annual Athletic Report 2019
 - UNLV's Supplemental Annual Athletic Report 2019 (Updated with Supplemental Financial Report)
- UNR's Annual Athletic Report 2019 and Equity in Athletics Information 2019
 - UNR Supplemental Financial Information
- CSN's Annual Athletic Report 2019
 - CSN's Supplemental Financial Information
- TMCC's Annual Athletic Report 2019
 - TMCC's Supplemental Financial Information

7. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:

The Board may deem the information excessive or not comprehensive for the oversight of the program.

8. ALTERNATIVE(S) TO WHAT IS BEING REQUESTED/RECOMMENDED:

Board may direct Institutions to remove or include additional financial data and metrics.

9. RECOMMENDATION FROM THE CHANCELLOR'S OFFICE:

The Chancellor's office recommends adopting the changes to policy. Reports are being presented to the Board for review

and approval.

10. COMPLIANCE WITH BOARD POLICY:

<input checked="" type="checkbox"/>	Consistent With Current Board Policy: Title # <u>4</u> Chapter # <u>24</u> Section # <u>9</u>
<input type="checkbox"/>	Amends Current Board Policy: Title # _____ Chapter # _____ Section # _____
<input type="checkbox"/>	Amends Current Procedures & Guidelines Manual: Chapter # _____ Section # _____
<input type="checkbox"/>	Other:
<input type="checkbox"/>	Fiscal Impact: Yes _____ No <u>X</u>
	Explain: _____

2019 Agreed-Upon Procedures



APPENDIX A | 2019 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 2019):

ID	Category	Definition
1	Ticket Sales	<p>Input revenue received for sales of admissions to athletic events. This may include:</p> <ul style="list-style-type: none"> • Public and faculty sales. • Student sales. • Shipping and Handling fees. <p>Please report amounts paid in excess of ticket's face value to obtain preferential seating or priority in Category 8 (Contributions).</p>
2	Direct State or Other Government Support	<p>Input state, municipal, federal and other appropriations made in support of athletics.</p> <p>This amount includes funding specifically earmarked for the athletics department by government agencies for which the institution cannot reallocate.</p> <p>This amount also includes state funded employee benefits. Corresponding expenses should be reported in Categories 22 and 24.</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	<p>Input student fees assessed and restricted for support of intercollegiate athletics.</p>
4	Direct Institutional Support	<p>Input direct funds provided by the institution to athletics for the operations of intercollegiate athletics including:</p> <ul style="list-style-type: none"> • Unrestricted funds allocated to the athletics department by the university (e.g. state funds, tuition, tuition discounts/waivers, transfers). • Federal work study support for student workers employed by athletics. • 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.

ID	Category	Definition
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.
6	Indirect Institutional 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"> • Administrative services provided by the university to athletics but not charged such as HR, Accounting and IT. • Facilities maintenance. • Security. • Risk Management. • Utilities. <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	Input revenue received from participation in away games.
8	Contributions	<p>Input contributions provided and used by athletics in the reporting year including:</p> <ul style="list-style-type: none"> • Amounts received from individuals, corporations, associations, foundations, clubs or other organizations designated for the operations of the athletics program. • Funds contributed by outside contributors for the payment of debt service, lease payments or rental fee expenses for athletic facilities in the reporting year. • Amounts received above face value for tickets. <p>Contributions shall include cash and marketable securities.</p> <p>Do not report:</p> <ul style="list-style-type: none"> • Pledges until funds are provided to athletics for use. • Contributions to be used in other reporting years.

ID	Category	Definition
9	In-Kind	<p>Input market value of in-kind contributions in the reporting year including:</p> <ul style="list-style-type: none"> • Dealer-provided automobiles. • Equipment. • Services. • Nutritional product. <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>
10	Compensation and Benefits provided by a third party	<p>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:</p> <ul style="list-style-type: none"> • Car stipend. • Country club membership. • Allowances for clothing, housing, and entertainment. • Speaking fees. • Camps compensation. • Media income. • Shoe and apparel income. <p>The total of this category should equal expense Categories 23 and 25 combined.</p>
11	Media Rights	<p>Input all revenue received for radio, television, internet, digital and e-commerce rights, including the portion of conference distributions related to media rights – if applicable.</p> <p>Consult with your conference offices if you do not have the media rights distribution amount available.</p>
12	NCAA Distributions	<p>Input revenues received from all NCAA distributions including NCAA championships reimbursements and payments received from the NCAA for hosting a championship.</p> <p>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.</p>
13	Conference Distributions (Non Media and Non Bowl)*	<p>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).</p> <p>Note: Conference distributions of revenue generated by a post-season bowl to conference members should be recorded in Category 13A. Distributions for reimbursement of post-season bowl expenses should be included in Category 19.</p>

ID	Category	Definition
13A	Conference Distributions of Bowl Generated Revenue *	<p>Input conference distributions of revenue generated by a post-season bowl to conference members.</p> <p>Note: Distributions for reimbursement of post-season bowl expenses should be included in Category 19. Portions of distribution relating to media rights are reported in Category 11, NCAA distributions are reported in Category 12 and all other conference distributions are reported in Category 13.</p>
14	Program, Novelty, Parking and Concession Sales	<p>Input revenues from:</p> <ul style="list-style-type: none"> • Game Programs. • Novelties. • Food and Concessions. • Parking. <p>Advertising should be included in Category 15.</p>
15	Royalties, Licensing, Advertisement and Sponsorships	<p>Input revenues from:</p> <ul style="list-style-type: none"> • Sponsorships. • Licensing Agreements. • Advertisement. • Royalties. • In-kind products and services as part of sponsorship agreement. <p>An allocation may be necessary to distinguish revenues generated by athletics versus the university if payments are combined.</p>
16	Sports Camp Revenues	Input amounts received by the athletics department for sports camps and clinics.
17	Athletics Restricted Endowment and Investments Income	<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 used 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>
18	Other Operating Revenue	<p>Input any operating revenues received by athletics in the report year which cannot be classified into one of the stated categories.</p> <p>If the figure is greater than 10% of total revenues, please report the top three activities included in this category in the comments section.</p>

ID	Category	Definition
19	Bowl Revenues	Input all amounts received related to participation in a post-season bowl game, including: <ul style="list-style-type: none"> • Expense reimbursements. • Ticket sales.
	Total Operating Revenues	Total of Categories 1-19.

APPENDIX B | 2019 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 2019):

ID	Category	Definition
20	Athletic Student Aid *	<p>Input the total amount of athletic student aid for the reporting year including:</p> <ul style="list-style-type: none"> • Summer school. • Tuition discounts and waivers (unless it is a discount or waiver available to the general student body). • Aid given to student-athletes who are inactive (medical reasons) or no longer eligible (exhausted eligibility). • Other expenses related to attendance. <p>Note: Division I Grants-in-aid <u>equivalencies</u> are calculated by using the revenue distribution equivalencies by sport and in aggregate. (Athletic grant amount divided by the full grant amount).</p> <p><u>Other expenses related to attendance</u> (also known as gap money or cost of attendance) <u>should not be included in the grants-in-aid revenue distribution equivalencies</u>. Only tuition, fees, room, board and course related books are countable for grants-in-aid revenue distribution per Bylaw 20.02.7.</p> <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>Note: Pell grants are provided by the government, not the institution or athletics department, and therefore should be excluded from reporting in this category. 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>Input amounts paid to visiting participating institutions, including per diems and/or travel and meal expenses.</p>

ID	Category	Definition
22	Coaching Salaries, Benefits and Bonuses paid by the University and Related Entities	<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"> • Gross wages and bonuses. • Benefits including allowances, speaking fees, retirement, stipends, memberships, media income, tuition reimbursement and earned deferred compensation, including those funded by the state. <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 41A.</p>
23	Coaching Salaries, Benefits and Bonuses paid 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"> • Car stipend. • Country club membership. • Allowances for clothing, housing, and entertainment. • Speaking fees. • Camps compensation. • Media income. • Shoe and apparel income. <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 41A.</p>
24	Support Staff/ Administrative Compensation, Benefits and Bonuses paid by the University and Related Entities	<p>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:</p> <ul style="list-style-type: none"> • Gross wages and bonuses. • Benefits including allowances, speaking fees, retirement, stipends, memberships, media income, tuition reimbursement and earned deferred compensation, including those funded by the state. <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>

ID	Category	Definition
25	Support Staff/ Administrative Compensation, Benefits and Bonuses paid by Third Party	<p>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:</p> <ul style="list-style-type: none"> • Car stipend. • Country club membership. • Allowances for clothing, housing, and entertainment. • Speaking fees. • Camps compensation. • Media income. • Shoe and apparel income. <p>Expense Category 23 and 25 should equal Category 10.</p>
26	Severance Payments	Input severance payments and applicable benefits recognized for past coaching and administrative personnel.
27	Recruiting	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	<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	<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>
30	Game Expenses	<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>

ID	Category	Definition
31	Fund Raising, Marketing and Promotion	Input costs associated with fund raising, marketing and promotion for media guides, brochures, recruiting publications and such.
32	Sports Camp Expenses	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	<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 all 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>
35	Direct Overhead and Administrative Expenses	<p>Input overhead and administrative expenses paid by or charged directly to athletics including:</p> <ul style="list-style-type: none"> • Administrative/Overhead fees charged by the institution to athletics. • Facilities maintenance. • Security. • Risk Management. • Utilities. • Equipment Repair. • Telephone. • Other Administrative Expenses.

ID	Category	Definition
36	Indirect Institutional Support	<p>Input overhead and administrative expenses NOT paid by or charged directly to <u>athletics</u> including:</p> <ul style="list-style-type: none"> • Administrative/Overhead fees <u>not charged</u> by the institution to athletics. • Facilities maintenance. • Security. • Risk Management. • Utilities. • Equipment Repair. • Telephone. • Other Administrative Expenses. <p>Do not report depreciation.</p> <p>Note: This category should equal Category 6.</p>
37	Medical Expenses and Insurance	Input medical expenses and medical insurance premiums for student-athletes.
38	Memberships and Dues	Input memberships, conference and association dues.
39	Student-Athlete Meals (non-travel)	<p>Include meal allowance and food/snacks provided to student-athletes.</p> <p>Note: Meals provided during team travel should be reported in Category 28.</p>
40	Other Operating Expenses	<p>Input any operating expenses paid by athletics in the report year which cannot be classified into one of the stated categories, including:</p> <ul style="list-style-type: none"> • Non-team travel (conferences, etc.). • Team banquets and awards. <p>If the figure is greater than 10% of total expenses, please report the top three activities included in this category in the comments section.</p>
41	Bowl Expenses	<p>Input all expenditures related to participation in a post-season bowl game, including:</p> <ul style="list-style-type: none"> • Team travel, lodging and meal expenses. • Spirit groups. • Uniforms. <p><i>Note: All post-season bowl related coaching compensation/bonuses should be reported in Category 41A, Bowl Expenses – Coaching Compensation/Bonuses.</i></p>
41A	Bowl Expenses – Coaching Compensation/ Bonuses	<p>Input all coaching bonuses related to participation in a post-season bowl game.</p> <p><i>Note: All other post-season bowl related expenses should be reported in Category 41, Bowl Expenses.</i></p>
	Total Operating Expenses	Total of Categories 20-41A.

APPENDIX C | Other Reporting Items

Please input the following other reporting items below, if applicable (* denotes new or updated content for 2019):

ID	Category	Definition
50	Excess Transfers to 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.
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.