



Athletic Financial Summary

March 28, 2018

PRESENTED BY
Kelvin Lawson, Chair
Board of Trustees

Florida Agricultural and Mechanical University



Athletic Financial Summary

Fiscal Year 2016-17

- Over the last 10 years, FAMU Athletics accrued a deficit of nearly \$8m. The deficit resulted in audit findings and the implementation of a 12-year repayment plan.
- The University made considerable efforts toward balancing the budget for FY 2016-17.





Athletic Financial Summary

Fiscal Year 2017-18

Change/Transition

- Numerous employees separated from the University having accrued over \$400k in annual leave payouts
 - Athletic Director
 - Assistant Athletic Director
 - Budget Coordinator/Facility Manager
 - Compliance Coordinator
 - Executive Assistant
 - Office Manager
 - Head Coach
 - 8 Assistant Coaches
- The inauguration of a new Classic Football game resulted in over \$300k in unbudgeted expenses
- Other additional expenses totaled \$300k (including)
 - Current 60-day notice period for separated employees caused additional expenses (University revised notice period/Policy under current review)





Athletic Financial Summary

FY 2017-18 Year-End Budget Projections

Revenue Summary	
10,745,330	Total Projected Revenue
(9,800,600)	Budgeted Revenue
944,730	Projected Excess revenue
Revenue/Expense Summary	
\$ 944,730.00	Projected Excess revenue
\$ 1,001,791.50	Unbudgeted Expenses
\$ (57,061.50)	Projected Balance





Athletic Financial Summary

Fiscal Year 2017-18

Increase in Revenue Projections

- Fees-
 - Budget based on 9,600 students
 - Actual enrollment is over 9,900
- Advertising Sales-
 - Athletic Director will focus on increasing the amount of committed advertising sales
 - \$112k committed/\$118k proposals
- DSO Support-
 - Commitments from the National Alumni Association and newly-organized FAMU Boosters
- Investing in Champions Campaign-
 - \$305k generated to date compared to \$116k this time FY 2017
 - \$ 1M is estimated by fiscal year-end 2018





Investing in Champions

New Strategies to Increase Revenue

- “TAG BRAGG”
 - Donor recognition program aimed at existing Investing in Champions members
 - Will display donor names around campus and main corridors
- Target marketing strategies to expand potential donor pool via year-round direct contact model
- Website overhaul to include mobile interface components
- More aggressive sponsorship approach that increases focus on regional businesses





Athletics Plan of Action



Garner Additional Revenue

- Student fees (increase in enrollment)
- Investing in Champions
- Advertising Sales
- In-kind Donations
- Additional Fundraisers

Tighten Internal Controls

- De-activate P-cards
- Comprehensive Training for Athletic Staff
- Stronger Enforcement of Regulations, Policies & IOPs
- Establish Oversight Taskforce
- Develop Strategic Plan
- Top-Down Accountability
 - Address policy/procedure violations

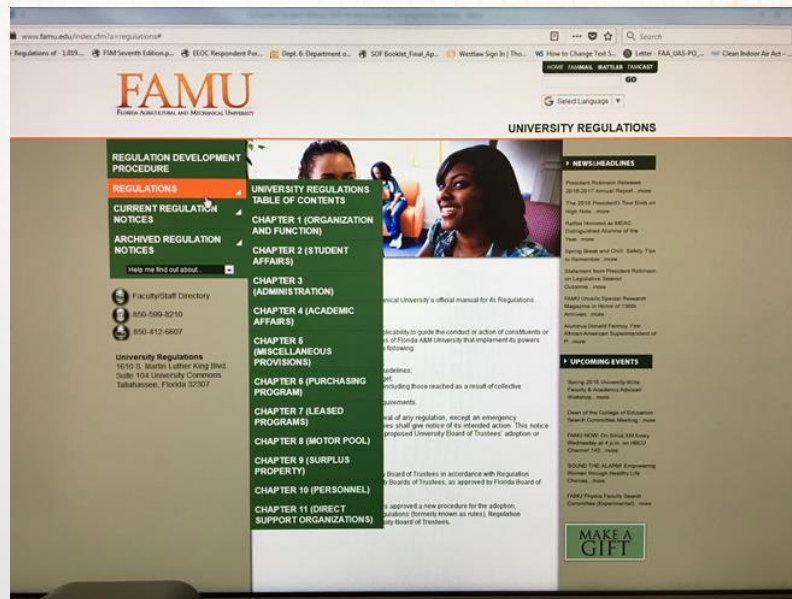




Regulations, Policies and Internal Operating Procedures

Application and Accountability

- ❖ The University has Regulations, Policies, and Internal Operating Procedures in place which are accessible online.
- ❖ This includes but is not limited to Regulations' Chapter 6 which contains the Regulations addressing Procurement.





Regulations and Policies

The University is authorized to take action appropriate disciplinary action for violations of Regulations, Policies and Procedures. Such authority is set forth in, but not limited to:

- Regulation 10.111 (Authority to Discipline all Employees)
- Regulation 10.205 (Authority to Discipline Faculty)
- Regulation 10.302 (Authority to Discipline USPS Employees)
- Regulation 3.019 (Authority to Off Set)
- BOT Policy 2005-17 (Guiding Principles for Intercollegiate Athletics)
- BOT Policy 2006-04 (Penalties for Misuse of Purchasing Cards)
- BOT Policy 2005-16 (Audits of University Athletics Finances)





INTERNAL OPERATING PROCEDURES

The Division of Finance and Administration provides comprehensive Training and Support to the University Community in person and online.



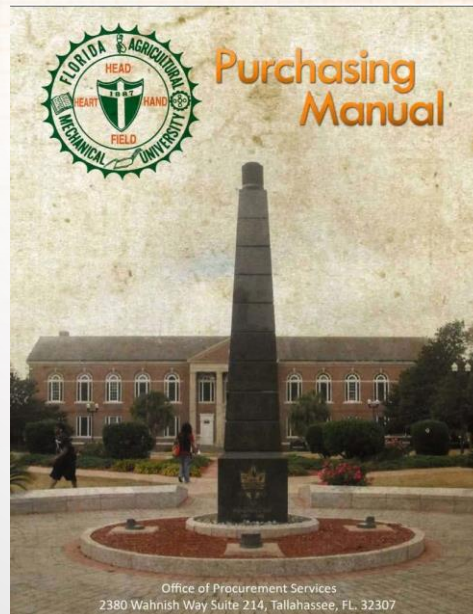
Florida A&M University

Procurement Card (PCard) Training for Cardholders

Office of Procurement Services

Revised November 15, 2013

1



Office of Procurement Services
2380 Wahnish Way Suite 214, Tallahassee, FL 32307

Florida A&M University

Procurement Services
Contract Management Manual



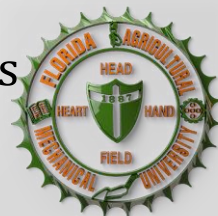
2010 Procurement Services Contract Management Manual





Procurement Policies, Regulations and Procedures

- BOT Policy 2006-04 Purchasing Cards :
 - Cardholders are subject to penalties for misuse of the PCard and/or failure to comply with University regulations, policies and procedures and all applicable governmental laws and regulations.
 - The failure to use the PCard in compliance with this policy, or the failure to provide sufficient documentation can result in the suspension or revocation of the PCard and possible disciplinary action including, but not limited to, employee termination, as well as the filing of criminal charges.
- University Regulation 6.005 Purchases of Commodities and Contractual Services
 - Contracts for commodities or services shall consist of a purchase order or bilateral agreement signed by the Director of Purchasing, University President (or designee) PRIOR to goods or services being rendered
 - In addition, all contracts must be approved by General Counsel as to form and legal sufficiency





Oversight/Accountability

Athletic Director/Interim CFO

- The Division of Finance & Administration conducted training for all athletic staff on key policies and procedures. 100% of all Athletics' staff trained by March 29th.
 - Participant Requirement-Document acknowledging training and consequences for non-adherence to University guidelines, policies, and procedures

Training Acknowledgment

As a University employee and pursuant to Section 1012.80(1)(b), of the Florida Statutes, I understand and acknowledge the following:

Any person who accepts the privilege extended by the laws of this state of employment at any state university shall, by working at such institution, be deemed to have given his or her consent to the policies of that institution, the policies of the Board of Governors, and the laws of this state.

This shall include but is not limited to: all University Regulations, Policies, and Internal Operation Procedures; Regulation 1.019 University Code of Conduct; Regulation 3.019 Settlement of Delinquent Accounts; Collection and Returned Check/Electronic Payment Fees; Write-off Uncollectible Accounts; Regulation 6.005 Purchase of Commodities and Contractual Services; Regulation 10.111 Disruptive Conduct; BOT Policy 2006-04 Purchasing Cards; and all Personnel Regulations under Chapter 10 including Regulations 10.302 Disciplinary and Separation from Employment Actions for University Support Personnel System Employees.

I acknowledge and confirm that on March 22, 2018, I have received Training (i.e. Procurement, Budget, Cash Collections, Travel and Accounts Payable Procedures, Human Resources Recruitment, Maintenance and Repairs, and Property) by the Division of Finance and Administration and will comply. If I have questions about the training, materials presented, or any policy and procedure, I understand it is my responsibility to seek clarification from the Human Resources Department or the Division of Finance and Administration, as appropriate.

I further understand and agree that non-compliance with any law, regulation, policy and/or internal operating procedure, is subject to disciplinary action as appropriate. A signed copy of this acknowledgment will be placed in my personnel file.

Date _____

Employee Signature _____

Print Name _____

Department: _____

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Sec. 1012.80(1)(b), Fl. Stat.





Oversight/Accountability

Internal Control-Multiple Check-points

- Division of Audit & Compliance will provide advisory and assurance services to strengthen controls and determine if control objectives have been met
- All purchases are subject to the approval of the Procurement Director and all contracts are subject to approval of General Counsel
- In addition, the Budget Officer will approve all Athletics' expenditure requests prior to the issuance of purchase orders
- Employees will be held accountable by the Athletic Director and the Division of Finance & Administration for all unauthorized expenses. Penalties include:
 - Reimbursement for the expenditures
 - Revoking of privileges
 - Discipline in accordance with Regulations and Policies, including employee dismissal





Oversight/Accountability

Board of Trustees/President

- BOT Chair and President will continue facilitating monthly meetings with the BOG
- BOT will continue the BOT Special Athletics Committee Meetings
- Newly hired University-wide Compliance Officer will assist in oversight and coordination
- Previous Boosters organization was de-certified
- New FAMU Rattler Boosters established:
 - Bi-Laws
 - Leadership
 - Board of Directors (includes BOT Rep)
- Athletics Oversight Taskforce established for additional oversight





Athletics Oversight Taskforce

Oversight/Accountability

- **Develop Athletic Strategic Plan**

- Finances
- Personnel
- Event Planning
- Compliance
- Fundraising
- Internal Controls





Athletics Oversight Taskforce

Oversight/Accountability

- Financial Oversight
- Compliance Monitoring
- Contract/Agreements Review





“At FAMU, Great Things Are Happening Every Day.”

established 1887

