

# SELF-STUDY INSTRUMENT

## FISCAL INTEGRITY

### Previous Certification Self-Study

1. List all the “corrective actions,” “conditions for certification” or “strategies for improvement” imposed by the NCAA Division I Committee on Athletics Certification (if any) as they relate to fiscal integrity issues. In each case, provide: (a) the original “corrective action,” “condition,” or “strategy: imposed; (b) the action(s) taken by the institution and the date(s) of those actions(s); and (c) an explanation for any partial or noncompletion of such required actions. [Note: The institution is not required to respond to recommendations for required actions developed by the peer-review team unless those same recommendations were adopted by the Committee on Athletics Certification.]

**Original Strategy:** Establish means by which to assure appropriate institutional control (including prior instructional approval of athletic expenditures) of all revenues raised on behalf of intercollegiate athletics.

*Corrective Action:* In order to ensure appropriate institutional control (including prior institutional approval of athletic expenditures) all revenues raised and athletic department expenditures, regardless of funding source, on behalf of intercollegiate athletics, must meet the following approval process:

1. Head Coach or intercollegiate athletic booster club board—to ensure goods or services have been received and that the expenditure falls within the booster club bylaw expenditure criteria.
2. Assistant/Associate Athletic Director—for expenditures.
3. Business Manager<sup>1</sup>—to determine fund availability and ensure compliance with NCAA regulations.
4. CSULB Foundation Allowability staff—for independent confirmation of funds and to assure that the expenditure is in compliance with requirements of the Foundation, Long Beach State University (CSULB), sponsors, donors, auditors, principles of internal control and legal mandates.

Current Status: Completed and ongoing.

Additionally, Athletic Department expenditures are also subject to stringent purchasing guidelines whereby all proposed purchases over \$1,000 require three phone quotations and those over \$2,000 require three written quotations.

**Original Strategy:** Establish budget-planning procedures that take into account all revenues on behalf of intercollegiate athletics.

*Corrective Action:* All external revenues received on behalf of intercollegiate athletics must be deposited into the CSULB Foundation. Each month, a revenue and expenditure report will be provided to the appropriate athletic administrator and booster club representative for review. The actual revenue and expenditures for the previous twelve months form the basis for the next year’s budget. The appropriate athletic administrator, booster club representative and athletic business manager must approve any adjustments to projected revenue and expenditures.

Current Status: Completed and ongoing.

2. List all actions the institution has completed or progress it has made regarding all plans for improvement/recommendations developed by the institution during its first-cycle certification process in the fiscal integrity area. Also, describe any additional plans for improvement/recommendations developed by the institution since the first-cycle certification decision was rendered by the Committee on Athletics Certification. Specifically include: (a) the original plan; (b) the action(s) taken by the institution; (c) the date(s) of the actions(s); (d) actions not taken or not completed; and (e) explanations for partial completion.

*Original Recommendation:* During the process of reviewing institutional policies and state laws applicable to athletics department staff members who may enjoy economic gain as a result of university affiliation, it became apparent that the

<sup>1</sup> Currently referred to as Associate Athletic Director/Chief Financial Officer

list of personnel required to report such financial interests needed updating. As a result, the following (Sports, Athletics and Recreation) SAR personnel will be required to complete Form 730 Statement of Economic Interests beginning in the 1995 calendar year:

Director of SAR  
Assistant Athletics Director of Media Relations  
Men's Basketball Head Coach  
Women's Basketball Head Coach  
Baseball Head Coach  
Women's Volleyball Head Coach  
Men's Water Polo Head Coach

Corrective Action/Current Status: Completed. In lieu of Form 730, the NCAA Outside Income Report Form is filed with the Compliance Office and is reviewed annually by the University President. The personnel required to complete and file the form have expanded to include every head coach and SAR administrator.

Original Recommendation: Some members of the Committee on Athletics have expressed concern about the completeness and timeliness of the department's budget process. A modification to the charge given the Committee on Athletics regarding the sharing and timing of budget information should help alleviate this concern. The Director of Athletics shall continue to annually share with the Committee on Athletics detailed budget recommendations prior to their implementation and shall work with relevant constituencies to develop more precise procedures to ensure that the budget process is useful to them.

Corrective Action/Current Status: Completed. At the beginning of each academic year, the Director of SAR and the Associate Director of Athletics/Chief Financial Officer present the budget plan for the upcoming fiscal year to the Committee on Athletics.

Original Recommendation: In order to ensure that the aggregate budget for SAR is formally approved by the President, a comprehensive budget package for the entire program is now being presented to the President for review and endorsement effective with the 1995/96 budget.

Corrective Action/Current Status: Completed. On an annual basis, the President approves the SAR budget, a procedure that has been in place since the 1999/00 budget year.

- 3. List all actions the institution has completed or progress it has made regarding required actions identified by the NCAA Committee on Athletics Certification during the institution's interim report process (if applicable) as they relate to fiscal integrity issues. Specifically, include for each: (a) the required action, (b) the action(s) taken by the institution, (c) the date(s) of these actions(s), (d) action(s) not taken or completed, and (e) explanation(s) for partial completion.**

No interim reports or actions required.

## Operating Principle

- 3.1 Financial Practices. The Association's principles include the responsibility of the institution's chief executive officer for approval of the athletics budget and audit of all athletics expenditures. In fulfilling this principle, the institution shall demonstrate that:**

- a. All funds raised for and expended on athletics are subject to institutionally defined practices of documentation, review and oversight.
- b. All expenditures from any source for athletics are approved by the institution.
- c. Budget and audit procedures for athletics are consistent with those followed by the institution generally and with the provisions of NCAA Constitution 6.2:
  1. The institution's annual budget for athletics is approved by the institution's chief executive officer or designee from outside the athletics department.
  2. An annual financial audit is performed by a qualified auditor who is not a staff member of the institution and who is selected by the chief executive officer or designee from outside the athletics department.

Long Beach State University (CSULB) is committed to following prudent management and fiscal practices with regard to the financial affairs of its intercollegiate athletics program. All resources generated and expended by Sports, Athletics and Recreation (SAR) are subject to generally accepted practices of documentation, review, and oversight. Budgets for the athletics program are prepared in detail, approved by the appropriate individual(s), and scrutinized regularly to ensure proper adherence to plans. Through the implementation of a stringent compliance process and services of an independent auditor, SAR ensures that all financial transactions and statements are appropriate, timely, accurate, and in accordance with NCAA rules.

## Self-Study Items

**1. Prepare a list of all revenue sources for intercollegiate athletics that are under the clear accounting and financial control of the institution. Also, prepare a list of all other sources (i.e., those not under the accounting and financial control of the institution) generating revenue on behalf of the institution's intercollegiate athletics program, including outside foundations.**

Listed below are all revenue sources for intercollegiate athletics that are under the clear accounting and financial control of the institution:

- Athletic Event Ticket Sales
- Big West Conference Revenue
- Booster Contributions via Booster Club Activities
- Concession Sales
- Endowment Interest Income
- Facility Rentals
- Fundraising (Corporate Sponsorship)
- Fundraising (49er Athletic Association Annual Fund Drive)
- Game Guarantees
- Instructionally Related Activities (IRA) Fee Revenue
- NCAA Revenue
- Other Program Income
- Promotional Revenue
- Sports Camps
- State Appropriation (General Fund)
- Associated Students (AS) Fee Revenue

All revenue sources for the intercollegiate athletics program at CSULB are under the accounting and financial control of the institution, and are managed by the University or the CSULB Foundation.

**2. Describe the step-by-step process for budget development and approval, and highlight any areas that may differ from the institution's standard or normal budgeting procedures. Prepare a separate description for those sources of revenue under the institution's direct control and another for revenue sources not under the institution's direct control.**

- (a) SAR develops its State Appropriation (General Fund Budget) revenue budget based upon its prior year base budget plus any adjustments recommended by the Resource Planning Process (RPP) Committee and approved by the President. Generally, SAR learns of its actual State Appropriation at the beginning of the fiscal year, following the RPP Committee's budget recommendation to the President and the President's budget instructions to the campus community.
- (b) Unlike other revenue sources, SAR knows of its Instructionally Related Activities (IRA) fee revenue and Associated Students, Inc. (ASI) fee revenue five months prior to the start of the fiscal year.
- (c) Budgeted revenue from all other fund sources is based upon prior years' actual revenue generated plus any adjustments made based on material program changes (i.e., game location affects ticket sale projections).
- (d) SAR uses the incremental budgeting method and each sport/department unit is required to prepare a detailed budget expenditure request based upon last year's budget activity with only minor budget changes allowed.
- (e) Upon receipt of each sport/department unit budget request, the Chief Financial Officer meets with each coach,

assistant athletics director, and/or unit manager to discuss the budget expenditure request in detail, and clarify any significant budget differences from the prior year.

- (f) The Chief Financial Officer then takes the budgeted revenue and expenditure material and prepares the Athletic Department budget document in a format prescribed by the Director of SAR to facilitate comparative analysis. The proposed budget document is then forwarded to the Director of SAR for review and approval.
- (g) The Director of SAR shares budget material with the President, Committee on Athletics, 49er Athletic Association Board, and others for review and discussion.
- (h) Budget revisions are then made as needed and appropriate documentation is retained.
- (i) Finally, the Director of SAR presents the annual budget to the President for approval.

**3. Describe the process used in selecting the independent auditor for the institution's external financial audit for intercollegiate athletics, including any methods used to ensure the independent nature of the auditor. Also describe relevant corrective actions planned or implemented from the three most recent external audits.**

Every four years the CSULB Foundation, on behalf of SAR, sends a Request for Proposal (RFP) to independent audit firms who are qualified to perform an independent audit of accounting support services.

Minimum qualifications for firms submitting proposals include:

- (a) The firm must have an existing client base of at least three public agencies, educational institutions, or non-profit organization in California with enterprise funds and trust accounts or endowment programs; and, during the past five years, have audited at least three such public agencies, educational institutions or non-profit organizations, one of which must include enterprise activities and trust or endowment accounts.
- (b) Members of the firm's audit team shall be experienced in non-profit or in governmental enterprise/fund accounting and Electronic Data Processing (EDP).

The Treasurer of the CSULB Foundation Board of Directors reviews by the CSULB Foundation staff and the RFP's. The Board of Directors then forwards a recommendation for consideration and action. The review process includes interviews with firms chosen for final consideration.

The three most recently completed audits of the SAR Department revenues and expenditures have indicated that no relevant corrective actions were needed.

**4. Describe the ways in which your institution approves expenditures for intercollegiate athletics, including a description of different procedures based on various sources of funding (e.g., state funds vs. restricted/foundation funds).**

State Funds

With few exceptions, the University sets forth procurement requirements for the state fund expenditures intended for intercollegiate athletics. A purchase order requisition form is used to order all materials and services. Each requisition must have a signed approval by the Chief Financial Officer or Director of SAR prior to submittal to the Purchasing Office. The Purchasing Office ensures that funds are available in the SAR budget, and that all purchasing procedures (including bid processes) have been met. The only types of expenditures that can be made without a purchase order are the following:

- Membership/Accreditation
- Dues and Subscriptions
- Distinguished Visitor
- Guest Speaker
- Special Lecturer
- Recruitment Advertisements

Even with these purchases, the University Business Office will not make payments until they verify fund availability in the SAR budget and that either the Chief Financial Officer or the Director of SAR has approved the expenditure.

## Restricted/Foundation Funds

Coaches and unit managers have the authority to expend funds for purchases under \$1,000 provided that funds are available in their operating budget and the type of expenditure was approved in their original SAR line-item budget request.

Purchases between \$1,000 and \$2,000 require a purchase order. Three telephone bids must be obtained prior to the Foundation approving the issuance of a purchase order. For purchases over \$2,000, a purchase order and three written bids must be obtained prior to an approval from the Foundation.

All expenditures must be approved for payment by the following:

- (a) Coach or unit manager—to ensure that goods or services have been received and that the expenditures falls within their line item budget.
- (b) Assistant Athletic Director—for review and signature approval.
- (c) Chief Financial Officer—to determine fund availability and ensure NCAA compliance.
- (d) Foundation Allowability staff—to ensure fund availability and that the expenditure is in compliance with requirements of the Foundation, CSULB, sponsors, donors, auditors, principals of internal control and legal mandates.

The University utilizes a number of procedures to control and regulate the expansion of staff and approve new positions. In order to initiate the recruitment process, SAR must submit a “Request for Interview” and search protocol to the Office of Staff Personnel Services. Before to any further action is taken, the Office of Staff Personnel Services provides a copy of the “Request for Recruitment” to the Office of Budget and Human Resources (HRIS) to verify the feasibility and funds for a new position.

In order to hire additional staff to the Foundation, SAR must first complete an “Employment Opportunities Announcement” form and submit it to the Foundation Human Resources Department. The Human Resources Department verifies the availability of funds prior to starting the recruitment process.

**5. Please attach copies of the management letters (or executive or management summaries) of the institution’s three most recent external (those used to satisfy the annual independent financial audit requirement in Constitution 6.2.3.1) and internal (if any) financial audits for intercollegiate athletics.**

(See Appendix FI.1)

**Information to be available for review by the peer-review team, if requested:**

- **Copies of the institution’s three most recent external (per Constitution 6.2.3.1) and internal (if any) financial audits for intercollegiate athletics.**
- **Copies of all athletics staff members’ most recently completed and signed statements related to the reporting and approval of athletically related income and benefits from sources outside the institution, per NCAA Bylaw 11.2.2.**

## **Operating Principle**

**3.2. Fiscal Management and Stability. The Association’s principles require each institution to administer its intercollegiate athletics program in keeping with prudent management and fiscal practices. To demonstrate fulfillment of this requirement, the institution shall provide evidence that the management and fiscal practices of the institution assure the financial stability necessary for providing all student-athletes with relatively full and stable opportunities for athletics participation.**

## **Self-Study Items**

**1. Explain the institution’s philosophy with respect to the funding of the athletics program.**

As with other self-support situations, the University’s philosophy is to delegate the responsibility of generating and

managing organization-specific resources to the respective organization, SAR, with oversight from the Athletic Finance Committee. SAR receives funds from several sources to operate the athletics program. The University's general fund appropriation from the State is used to pay the salaries and benefits for most administrators and coaches. The annual 49er Athletic Association fund drive and related revenue-generating activities are used for scholarships. Instructionally Related Activities (IRA) funds, Associated Students funds (AS, a form of student fee revenue), box office receipts, game guarantees, and television revenues are used to support operating expenses. With these funding sources, the institution's practice is most influenced by the general fund appropriation, the IRA allocation, and the Associated Students (AS) allocation. The remaining fund sources (box office receipts, game guarantees, facility rentals, fundraising, etc.) have less of an impact and are generated directly by SAR.

### General Fund Resources

This campus has traditionally employed relatively distinct processes for financial allocations, planning, and assessment activities. While there has been some recent progress in integrating these processes, a well-coordinated planning, assessment, and allocation system has not yet been realized.

The University's General Fund allocation process has centered on the Resource Planning Process (RPP), which was designed to ensure that consultation and collegiality in the budget allocation process. The RPP Task Force is comprised of 10 voting members, and co-chaired by the Vice Presidents for Academic Affairs and Administration and Finance. The voting members consist of five representatives of the Academic Senate leadership, two representatives from the administration staff, and a student-leadership representative. One critical aspect of the RPP involves budget presentations made by representatives of each division to the RPP Task Force. Following these presentations and extensive deliberations, the Task Force forwards budget priorities and recommendations to the President. When feasible, the University has implemented the recommendations of RPP.

SAR's organization and operations are comparable to the four divisions of the University: Academic Affairs, Administration and Finance, Student Services, and University Relations and Development. As such, SAR vies for its portion of the University's general fund budget along with the other divisions.

Given that the primary mission of the University is instruction, the RPP and the campus has chosen to allocate incremental State General Funds primarily to instructional areas and to accommodate enrollment. However, in fiscal year 1997-98, the University recognized the need to achieve specific female participation rates and expenditures in women's sports in order to be in compliance with Title IX and the CAL NOW Consent Decree. Accordingly, SAR was allocated an additional \$221,000 over two fiscal years to help realize the principles and objectives of gender equity. In recent years, SAR has received moderate amounts of additional State General Funds for specific projects and initiatives.

### Instructionally Related Activities Allocation

Instructionally Related Activities (IRA) funding has represented a significant source of support for SAR. Since the mid-1990's, Athletics has consistently received about \$750,000 in IRA funds to help support the program. These funds are used primarily to pay the operating costs of each of the sport teams, but are not guaranteed. However, the IRA Advisory Board has recognized the outstanding achievements of the athletic program, has been highly supportive of SAR, and will likely continue this support in the future.

### Associated Students Fee Allocation

In the Spring of 2000, the Athletics Department received significant support from the student body (Associated Students). The students resoundingly approved a referendum that raised student fees in order to increase the amount of funding for athletic scholarships and sport operating budgets. These funds (which totaled approximately \$1 million) allow athletics to award more scholarships up to NCAA limits, provide increased operating budgets for sports teams, fund capital improvement projects, and provide additional funds to recreational sports, and strength-training programs. With the passage of this referendum, called "Beach Pride," the AS provide their clear support of the Athletic Department and their willingness to contribute personally to help establish a tradition of excellence in athletics at CSULB. In summary, it is clear that athletics enjoys a broad base of support among various campus entities. Specifically, the substantial funding by the IRA Board, increase in General Funds for gender equity, and significant funds from the AS are indicative of a campus-wide support for athletics as well as a desire to improve beyond the current status of the program.

From a non-monetary standpoint, the University's commitment to athletics is explicit. The University has spent the last several years developing a strategic plan to, among other things, provide a mechanism to link financial allocations to institutional planning. Six general strategic priorities for the University have evolved from extensive campus wide discussion and review. These strategic priorities form the basis of the University's Strategic Plan and will be utilized in future

budget allocation decisions. One of the six strategic priorities in the plan unequivocally includes athletics as an important program in the University's future and states, "CSULB will use its outstanding students, academic programs, intercollegiate athletics program and the performing arts as vehicles to generate positive national exposure." Additionally, in the University's Mid-Range Goals 2002-2005, the document specifically articulates as one of its goals to "complete a successful certification review of the University's athletic programs by the NCAA." The University's commitment to the athletics program coupled with recent increased funding should help SAR become more competitive and successful in the future.

**2. Using the institution's established budgetary format, prepare a list of both projected and actual athletics revenues (by source) and expenditures (by budget category) for the three most recently completed fiscal years. In doing so, make sure that all athletics administrative costs are included. Provide any revenues and expenditures on a sport-by-sport basis.**

(See Appendix FI.2).

Projected and actual revenues and expenditures are presented in accordance with the institution's established budgetary format.

**3. Describe the institutional procedures that are in place to address any deficit in the intercollegiate athletics budget incurred during any fiscal year(s).**

As a closely regulated state agency, the campus is not able to go into a deficit per se; therefore, no institutional procedures exist to address a deficit situation. However, in order to provide for full utilization of State General Funds and to prevent over-expenditures, SAR follows established expenditure control and projection procedures that are managed by the Office of Financial Management.

SAR is required to submit a quarterly financial assessment to the Office of Financial Management. This assessment process allows SAR to report State General Fund expenditures made at the close of the quarter, and provides detailed information on expenditure plans for the remainder of the fiscal year. This quarterly financial assessment is then reviewed and discussed in a meeting between the Athletic Chief Financial Officer and members of the University Administration and Finance Division (usually the Controller, Associate Vice President for Financial Management and Budget Director). In addition, the University Business Office and Purchasing Office will not process expenditures unless sufficient funds are available in SAR accounts.

In addition, the entire SAR budget (which includes Restricted/Foundation funds as well as the State General Fund) is reviewed at a quarterly meeting of the Athletic Finance Committee (consisting of the Director of SAR, Athletic Chief Financial Officer, Associate Vice President of Budget and Human Resources Management, Associate Vice President for Financial Management and the Deputy Executive Director of the CSULB Foundation). This committee examines all actual and forecasted revenues as well as expenditures regardless of source, challenges, projections or assumptions to evaluate the fiscal implications of proposed plans and programs of the department. Should a deficit be projected, the Athletic Finance Committee can take the necessary action to try and avoid a deficit or ensure that any deficit be properly explained, understood, and resolved.

**4. Outline the sources, uses and amounts of subsidization of the intercollegiate athletics program from non-athletics department and/or non-institutional sources.**

All resources of the athletics program at CSULB are under the accounting and financial control of the institution and are managed by the University or the CSULB Foundation.

**5. Identify the sources, uses and amounts of athletics department surplus and/or funds.**

The department has not and, currently, does not manage either a surplus or reserve fund.

**6. Describe how the university will accommodate future financing needs of the intercollegiate athletics program or plans to respond to changing conditions based upon the institution's future financing projections.**

The campus has a long-established budget planning process that deals with the incremental changes in the University's General Fund support budget. Over the years, the process has been able to respond quickly and appropriately to a wide variety of changes internally as well as externally.

The Resource Planning Process (RPP) Task Force is a representative committee of the campus leadership charged with the role of advising the President on matters related to the General Fund budget allocations for the upcoming fiscal year. Each division head and the Director of Athletics is given the opportunity to present budget proposals to the RPP Task Force for funding consideration and ultimate recommendations to the President. Similarly, if the University's budget experiences external budget pressures caused by reduced state revenues or a decline in student enrollment, the RPP Task Force serves as the advisory counsel to the President.

**7. After reviewing the institution's Equity in Athletics Disclosure Act survey forms for the three most recent years for which the information is available, comment on the institution's provision of full and stable opportunities to student-athletes. In particular, provide comment, sport-by-sport, on per diem, transportation, equipment, percentage of sport budget that has to be obtained via fundraising and other applicable comparisons. Analyze, explain and address any significant discrepancies.**

During the past three years, Long Beach State has provided full and stable opportunities for student-athletes, and has been able to provide significant additional opportunities by increasing scholarships and sport operating budgets. With the help of the Beach Pride student fee referendum, the Department has been able to award athletic scholarships up to NCAA limits for its sports, and increased sport operating budgets by \$352,000 (an increase of 41%) since the 2000-01 fiscal year.

A review of the most recent Equity in Athletics Disclosure Act forms demonstrates Long Beach State's commitment to providing full and stable opportunities to all student-athletes, both male and female. Female athletes represent 57 percent of the total number of participants, are awarded 63 percent of the athletically related student aid, and incur 52 percent of the operating expenses as defined in the survey.

It was determined that all teams are provided adequate and comparable per diem, transportation, lodging and equipment. While differences between sports do exist, those differences are more reflective of particular circumstances and needs of a program rather than a failure to provide adequate resources.

**8. Please attach a copy of Part II of the institution's NCAA Sports Sponsorship Report for the three most recent academic years.**

(See Appendix FI.3)

## Operating Principle

**3.3 Established Fiscal Policies and Procedures.** Membership in the Association places responsibility on each institution to monitor its programs to assure compliance with all applicable rules and regulations of the Association. Consistent with this responsibility, the institution shall demonstrate that it has in place fiscal policies and standard operating procedures to ensure that:

- a. Prospective student-athletes are not provided with impermissible recruiting inducements.
- b. Enrolled student-athletes are not provided with benefits that are expressly prohibited by NCAA legislation.
- c. All expenditures for athletics are handled consistently in accordance with NCAA, conference and institutional rules.

## Self-Study Items

**1. Describe the policies and standard operating procedures that help to ensure that all expenditures for athletics are handles in accordance with NCAA, conference and institutional rules.**

All individuals authorized to expend funds on behalf of SAR are responsible for ensuring that these expenditures comply with NCAA rules. As part of the standard operating procedures for expenditure compliance, the Director of Compliance and Student Services reviews and distributes all NCAA rules, regulations, manuals, and interpretations to all administrative personnel and coaches. When questions arise about expenditures and NCAA rules, individuals consult the NCAA manual and the Director of Compliance. The Director of Compliance and Student Services works very closely with the Athletic Chief Financial Officer when questions arise about athletic expenditures and makes the final determination as to the appropriateness of the expenditure when issues cannot be resolved.

**2. Describe or attach a copy of the university's policies and standard operating procedures for ensuring that prospects do not receive recruiting inducements and enrolled student-athletes do not receive extra benefits contrary to NCAA, conference and institutional rules, including (a) identification of person(s) responsible for these areas, (b) means of monitoring compliance with these rules and, (c) means of ensuring that only institutional or athletics department funds are expended in these areas.**

The Department of Athletics is fully aware of the NCAA rules regarding recruitment and student-athlete benefits, and does not allow recruiting inducements to prospects or extra benefits to current student-athletes. Specific departmental policies and procedures have been established to ensure compliance, and is frequently discussed at meetings with staff, coaches, boosters, the Athletics Association, and other groups. Furthermore, the Department's stringent expenditure control and approval process ensures that no financial inducements or extra benefits are offered. All financial transactions require the approval of the Head Coach and the supervising Assistant/Associate Athletic Director. Transactions must then be reviewed and approved by the Business Office staff. Finally, all financial transactions, without exception, require the approval of the Associate Athletic Director/Chief Financial Officer. If any questions or issues regarding compliance arise, the Associate Athletic Director for Compliance is consulted to provide an answer and make a final resolution, after consulting with the Conference Office or NCAA, as necessary.

All of the above-mentioned individuals are educated, trained, and updated about recruiting inducements and extra benefits. In addition, the Department publishes a brochure called "What You Should Know – NCAA Rules and Regulations," and a comprehensive Booster Club policies manual to ensure that employees and individuals outside the department are familiar with the guidelines. To further ensure compliance, the Department's procedures are reviewed and evaluated by an external constituency every three years.

The Official Visit process for prospective student-athletes is onerous by design and is the Department's most effective way to monitor all activities concerning recruiting. The following statements are based on excerpts of the Department's official visit procedures outline the items that are allowable and ensure additional inducements are not provided:

### Official Visits

Before a prospective student-athlete can come on an official visit, the following items must be completed:

- Submission of Request for Official Visit form

- Submission of Accommodation and/or Meal Request

Items must be turned into the Compliance Office two weeks prior to the official visit.

#### General Rules for Official Visits

- a. Cash must never be given to a prospect.
- b. There is a limit of one official visit per prospect.
- c. A prospect must be notified in writing of the limitation of five official visits prior to the visit.
- d. Visit may not exceed 48 hours (beginning when prospect reaches campus). Coaches may pick up a prospect at airport. The 48-hour time limit does not start until they reach campus or provide entertainment (within a 30-mile radius) as long as they go without delay.
- e. Parking may be arranged during visit.
- f. A student host may accompany a prospect on his/her visit (see "Student Host," below, for regulations).
- g. A prospect at no time may use any automobile except his/her own.
- h. Spouses of coaching staff may contact a prospect within a 30-mile radius of campus while they are on an official visit.
- i. Complimentary admission tickets to home events for the prospect, prospect's parents, or spouse on an official visit may be provided. Additional tickets may be reserved for immediate family members accompanying prospects to home events. These tickets must be purchased.
- j. Three meals a day may be provided.

#### Entertainment on Official Visit

Entertainment must be within a 30-mile radius of campus and can only be provided for the prospect and parents, guardians, or spouse. Friends, other relatives, or dates may not be entertained at any time during the visit. The following types of entertainment are permissible:

- a. Free admission to campus athletic events in the general seating area of the facility. Seating cannot be in the press box, special seating box, or bench area.
- b. Brunch, lunch, or dinner at the home of Long Beach staff.
- c. Entertainment money may not be used to purchase souvenirs (T-shirts, college mementos).

#### Student Host

- a. A maximum of \$30 per day can be provided to the student host for entertainment for the official visit. The money may not be used to purchase souvenirs such as T-shirts or other college mementos.
- b. Host must be a qualifier.

#### After the Official Visit

Official Visit Record and Student Host forms must be turned in to the Compliance Office.

#### Unofficial Visits (Unpaid)

- a. A prospect may have an unlimited number of unofficial visits.

- b. These visits may take place prior to the prospect's senior year.
- c. Complimentary admissions may be left for prospects on unofficial visits (maximum of three passes).
- d. No expenses may be paid for an unofficial visit.
- e. A prospect on an unofficial visit may pay the actual cost of meals and eat with other prospects on an official visit or with other students.
- f. A prospect may stay in the dorms only if the prospect pays the normal student rate for such lodging.
- g. Parking may not be arranged for prospects on an unofficial visit.

### Benefits, Gifts and Services

The following excerpts from the department's Compliance Manual outlines those benefits that are and not permissible.

An extra benefit is any special arrangement received by a student-athlete, relatives or friends that is not available to other students at the University or their relatives or friends.

#### Permissible Benefits

1. Employment of student-athlete
  - a. Payment of actual work performed
  - b. At a rate the same as the going rate in that locality
2. Contribute money to be administered by the Athletic Department
  - a. Endowed Scholarship
  - b. To support sport programs
3. Entertain teams at away contests
  - a. Must be approved by the University
4. Provide an occasional meal
  - a. Must be in Booster's home
  - b. Restricted to infrequent and special occasions (e.g. Christmas, Thanksgiving)
5. It is permissible to request a student-athlete to speak at youth group functions as long as their speech is about drug awareness or educational in nature.

#### Non-permissible Benefits

The student-athlete shall not receive any extra benefits. Extra benefits refer to any special arrangement provided by a Booster that is not authorized by NCAA legislation.

1. Special discounts and credits
2. Free or reduced cost services
3. Use of telephone or credit card for personal reasons without charge
4. Entertainment services
5. Loan of money
6. A guarantee of bond
7. Use of an automobile or transporting student-athlete
8. Signing or cosigning a note with an outside agency
9. Sponsor or become "family" for student-athlete
10. Use of personal properties
11. Gifts or any kind or awards
12. It is not permissible to use a student-athlete's name or picture to promote a commercial product

**Information to be available for review by the peer-review team, if requested:**

- **Monitoring records or other documentation for the most recent year, related to impermissible recruiting inducements and prohibited extra benefits (e.g., official visit records, off-campus recruiting records, team travel forms, records related to distribution of meal money, entertainment expenses, equipment).**

## Evaluation and Plan for Improvement

Given the responses to the self-study items on the previous pages, complete the responses below to: (1) indicate (with a yes or no) whether each part of the operating principle exists in the athletics program, and (2) evaluate whether the activities of the athletics program are in substantial conformity with the operating principle as a whole. [Note: In completing this assessment, make sure that all relevant information from the other three certification areas is considered, given that some overlap does exist.]

Where the institution concludes in its evaluation that it does not conform to the operating principle as a whole or to any particular element(s) of the operating principle [as indicated by a “Currently No” response to the element(s)] or that problems or deficiencies exist in this area, outline the institution’s specific plans for improvement, which include/meet the following required elements: (a) in writing, (b) developed through broad-based campus participation, (c) issues/problems identified in the self-study, (d) measurable goals the institution intends to attain to address the issues/problems, (e) step(s) to achieve the goals, (f) the specific timetable for completing the work, (g) individuals/offices responsible for carrying out the actions, (h) institutional approval, and (i) means for funding. [Note: Please see Appendix A, Page 51 for an example format outlining all required elements of a plan.]

### 3.1. Financial Practices.

	Currently Yes	Found On Pages(s)	Currently No	If Currently No or If Deficiencies Exist, Indicate Plan For Improvement Number
Does the institution demonstrate that:				
a. All funds raised for and expended on athletics are subject to institutionally defined practices of documentation, review and oversight?	X	7	_____	_____
b. All expenditures from any source for athletics are approved by the institution?	X	6	_____	_____
c. Budget and audit procedures for athletics are consistent with those followed by the institution generally and with the provisions of NCAA Constitution 6.2?	X	6	_____	_____
1. The institution’s annual budget for athletics is approved by the institution’s chief executive officer or designee from outside the athletics department?	X	6	_____	_____
2. An annual financial audit is performed by a qualified auditor who is not a staff member of the institution and who is selected by the chief executive officer or designee from outside the athletics department?	X	7	_____	_____

	Yes	No
On the basis of the yes/no answers above, is the institution in substantial conformity with Operating Principle 3.1 (Financial Practices)?	X _____	

*[Note: The institution should not indicate “yes” regarding conformity with the operating principle as a whole unless it has indicated “Currently Yes” for each element of the operating principle or has below a plan to address and “Currently No” response to any element(s) of the operating principle.]*

**3.2. Fiscal Management and Stability.**

	Currently Yes	Found on Page(s)	Currently No	If Currently No or If Deficiencies Exist, Indicate Plan For Improvement Number
Does the institution provide evidence that the management and fiscal practices of the institution assure the financial stability necessary for providing all student-athletes with relatively full and stable opportunities for athletics participation?	X	9	_____	_____

	Yes	No
On the basis of the yes/no answers above, is the institution in substantial conformity with Operating Principle 3.2 (Fiscal Management and Stability)?	X _____	

*[Note: The institution should not indicate “yes” regarding conformity with the operating principle as a whole unless it has indicated “Currently Yes” for each element of the operating principle or has below a plan to address any “Currently No” response to any element(s) of the operating principle.]*

**3.3 Established Fiscal Policies and Procedures.**

	Currently Yes	Found On Page(s)	Currently No	If Currently No or If Deficiencies Exist, Indicate Plan For Improvement Number
Does the institution demonstrate that it has in place fiscal policies and standard operating procedures to ensure that:				
a. Prospective student-athletes are not provided with impermissible recruiting inducements?	X	13	_____	_____

b. Enrolled student-athletes are not provided with benefits that are expressly prohibited by NCAA legislation? X 15 \_\_\_\_\_

c. All expenditures for athletics are handled consistently in accordance with NCAA, conference and institutional rules? X 13 \_\_\_\_\_

Yes No

**On the basis of the yes/no answers above, is the institution in substantial conformity with Operating Principle 3.3 (Established Fiscal Policies and Procedures)?**

X \_\_\_\_\_

*[Note: The institution should not indicate "yes" regarding conformity with the operating principle as a whole unless it has indicated "Currently Yes" for each element of the operating principle or has below a plan to address any "Currently No" response to any element(s) of the operating principle.]*

FISCAL INTEGRITY RECOMMENDATIONS FOR IMPROVEMENT			
OBJECTIVE	ACTION	RESPONSIBLE PARTY	TIMETABLE
Define and document sponsorship requirements and standards, provide sponsorship processing training to applicable department employees, and establish controls to ensure that sponsorships are processed in accordance with CSU/campus regulations and expectations	The Athletic Department should consult with the Chancellors office to define sponsorship and establish training program for Athletic Department staffAssistant	Athletic Director, External Relations, and Associate Athletic Director/CFO	Consultation and Training in Summer 2003, Implementation Fall 2003
Develop appropriate processes and procedures to ensure that fundraising activities by the department and booster organizations are approved in advance, follow all applicable guidelines and complete reporting requirements properly	The Athletic Department should develop fundraising processes and procedures, and communicate these processes and procedures with Athletic organizations, including Booster Clubs	Assistant Athletic Director, External Relations, and Associate Athletic Director/CFO	Processes and procedures in Summer 2003, Implementation Fall 2003
Develop a process to review and maximize funds available through federal, state, and other sources of student financial aid in addition to scholarship dollars	The Athletic Department and Financial Management should develop a process to define parameters and determine feasibility for utilizing federal aid in collaboration with scholarship awards	Associate Athletic Director for Compliance and Student Services, Associate Athletic Director/CFO, and Office of Financial Management	Spring 2004 for recruits of Fall 2004