NCAA SELF-STUDY
FISCAL INTEGRITY

Dartmouth College

DRAFT
January 5, 2004

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DARTMOUTH COLLEGE

NCAA Athletic Certification Program

**Fiscal Integrity**

**Subcommittee Membership**

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EXECUTIVE SUMMARY:
Fiscal Integrity

• The budgeting and financing of Intercollegiate Athletics occurs in Dartmouth’s central financial area where the Provost, the Vice President of Finance, the Dean of the Faculty, and the Dean of the College provide oversight. Ultimate authority over the entire budget rests with the President and the Board of Trustees.

• There are no sources generating revenue on behalf of athletics that are not under the direct control of the College. All athletics revenues are subject to departmental and institutional control systems. There are no outside foundations generating revenue on behalf of the athletics programs.

• Dartmouth’s external auditor is selected by the Audit Subcommittee of the Board of Trustees. PricewaterhouseCoopers LLP was the external auditor for the period under review and did not identify any issues relating to the Athletic Department or other intercollegiate programs during the course of its audit.

• Policies and procedures exist to ensure that funds are expended according to department, College, Ivy, and NCAA rules and regulations. All transactions and trips must be approved in advance programmatically and financially. Expense and trip reports are reviewed to ensure that actual expenses are in line with estimates; exceptions are investigated.

• Dartmouth provides approximately 60 percent of the support for the Athletic Department. Revenue sources supplementing the College contribution include departmental revenue (ticket sales, game and event program sales, food and merchandise concessions, NCAA sponsorship funds, corporate sponsorships and other promotions, facility use passes, and facility rentals), gift income (routed through the College’s Gift Recording Office), endowment income (managed by the College’s Investment Office), and other income derived from fees for physical education and fitness programs, fundraising activities such as raffles, and golf course revenues.

• Dartmouth is committed to supporting a wide range of high-quality athletic programs that provide continuing, stable opportunities for student athletes. The College intends to sustain the current level of funding for intercollegiate athletic programs into future years, subject to annual adjustments as institutional resources and other funds are available to finance athletic programs, facilities, and associated support services. Athletics has been identified as one of the institutional priorities for the upcoming fundraising campaign.

• Dartmouth Athletics is in full compliance with NCAA operating principles for fiscal integrity.
NCAA Self-Study
Fiscal Integrity

Self-Study Items

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 action(s); and (c) an explanation for any partial or noncompletion of such required actions. Please 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.

Dartmouth did not have any "corrective actions," "conditions for certification" or "strategies for improvement" imposed by the NCAA Division I Committee on Athletic Certification in its first-cycle certification decision.

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. Specifically include: (a) the original plan; (b) the action(s) taken by the institution; (c) the date(s) of the action(s); (d) actions not taken or not completed; and (e) explanations for partial completion. Please note, the institution will not be required to fulfill an element of a first-cycle plan if the element does not affect conformity with an operating principle.

Recommendation #1

Address any long-term planning and goals in its gender-equity plan affecting the viability of current or future sport offerings and the potential financial implications for both men’s and women’s sports.

Actions for #1 - The Dartmouth College Athletic Department (DCAD) has strived to attain gender equity at the departmental level. It has achieved a significant amount of success in maintaining a student-athlete ratio comparable to the overall student-body ratio of male and female undergraduates, boasting some of the most favorable ratios in the NCAA. Part of the reason for this success is attributable to the College’s Gender Equity Committee, which was established Fall 1997 to enable an annual review of the DCAD's on-going commitment to maintaining gender equity in its athletic programs and meeting the expectations of Title IX. The Committee has met annually since the last certification cycle in 1996-97; minutes of the 2003 meeting are attached as Appendix A.
Dartmouth realizes that maintaining gender equity in athletics does not come without costs, and the College and DCAD have been fiscally responsible in working toward and maintaining equity in all aspects of the Department's operation and offerings. Past gender equity initiatives requiring a financial commitment from the DCAD and College have included improving the locker room situation for female student-athletes and female faculty and staff, increasing per diem meal and travel allotments, the purchase of equipment and safety gear to minimize risk where it has been identified, improving coaches’ salaries in women's sports, increasing the level of funding available for recruiting female student-athletes, and restructuring sport "Friends'” accounts so that men's and women's teams benefit equally from donations to a sport (e.g., a donation earmarked for golf is shared by the men's and women's golf teams).

During the construction of Scully-Fahey Field and the Boss Tennis Center, Dartmouth addressed a desperate need for locker rooms. In addressing this need, the provision for equitable facilities for both sexes was emphasized. The DCAD was also able to give the field hockey team a locker room facility closer to their newly constructed field with the renovation of a Thompson Arena locker room. Further, a women's faculty/staff locker room was constructed to improve the locker situation for female faculty and staff using the College's athletic facilities.

The long-term viability of all athletic teams was reviewed this past fall when the College underwent a series of College-wide budget cuts. The DCAD's proposed solution to cut the budget was to drop men’s and women’s swimming and diving in order that the other 32 intercollegiate programs could continue to be supported at their current levels. Such funding levels were thought to be necessary to enable Dartmouth teams to compete successfully within the Ivy League. Although these programs have since been reinstated due to the identification of new funding sources, the decision showed the DCAD's and College's commitment to preserving a high-quality and equitable experience for all sponsored intercollegiate teams.

Overall, the Gender Equity Committee has been satisfied with the equitable athletic opportunities and support for both genders. The plan to ensure gender equity is now in a maintenance phase. While there are no additional initiatives with financial implications that remain undone, the DCAD and the College realize that maintaining this gender-equitable status will continue to draw upon the DCAD’s and College’s financial resources.

**Recommendation #2**

Include all JV sports in the overall budget figures with gender participation numbers to give a clearer picture of expenditures and commitment to gender equity concerns.

**Actions for #2** - Dartmouth Athletics currently sponsors three (3) junior-varsity (JV) programs: football, men's soccer and women's soccer. Subsequent to the College's first-cycle certification study, the Athletic Department adopted accounting practices
to enable the College to include all monies spent on JV sports with the varsity programs. If, for any reason, the JV program expenses need to be evaluated, the expenses can be tracked separately within the varsity program.

Men's freshmen crew and women's novice crew are best described as "hybrids" between varsity and JV programs. These teams are coached by the varsity coaching staff, and the majority of competitions are the same for the freshmen/novice and varsity teams, resulting in equal treatment while on the road (student-athletes from freshmen/novice teams stay at the same hotels and receive the same type of transportation and the same per diem allowance as varsity team members). Therefore, the same level of opportunity is afforded these student-athletes as is afforded the men's and women's varsity crew student-athletes. As such, expenses for freshmen/novice crew and varsity crew programs are only differentiated by gender in current accounting practices, not by JV/varsity.

**Recommendation #3**

Review the Athletic Department’s courtesy car distribution plan to ensure that it is equitable for women’s sports and that it is reevaluated periodically.

**Actions for #3** - The courtesy car program in the Athletic Department was reviewed in April 1997 with several changes being implemented effective for the 1997-98 academic year. The fleet's distribution was modified among men's and women's programs to approximate the proportion of intercollegiate student-athletes and all personal use of cars was eliminated. Cars will continue to be assigned in the future in such a way that their availability approximates proportionality numbers. (Currently 52% of the intercollegiate student-athletes are men and 48% are women. Cars are assigned in such a way that men's teams have 56% of the cars and women's teams 44%). Some courtesy cars are shared among two or three sport programs. The Assistant to the Intercollegiate Programs Office monitors the use of cars by distributing keys for requested business purposes (e.g., recruiting). If a car is needed by a team when one from the fleet is not available, a car is rented for the team.

Also, in the spring of 2002 the cars in the courtesy car program were merged with the College's central car pool (VOX Car Office). The Athletic Department still manages the distribution process, and the rental fees for the cars are charged monthly to the Dartmouth Athletic Sponsor Program. The funding for the lease program is approved through the normal College process, and the Sponsors program is closely monitored through the Deputy Director of Athletics' office.
**Recommendation #4**

Include all expenditures and fund-raising revenues for the institution’s skiing program as a normal part of the athletics budget to ensure that all athletics budget procedures are consistent with those followed by the institution generally and with the provisions of NCAA Constitution 6.2.

**Actions for #4 -** The College engaged in a thorough external and internal audit of the ski programs during the 2002-03 academic year. These audits identified a series of issues to be addressed by the College. The budgetary practices of the ski programs as well as the College's ability to certify that all expenditures and fund-raising revenues are received and spent in accordance with College and NCAA rules and regulations were included in these issues to be resolved.

Thus far, the results of this work indicate that the financial controls over the review, approval, funding, and tracking of individual expense transactions meet the College’s requirements and standards for fiscal accounting. However, there has been insufficient pre-approval of certain expenditures for compliance purposes (such as team travel rosters and itineraries). To address this issue, any ski program activities relating to travel and recruitment will be pre-approved by the Associate Director(s) of Athletics in accordance with the policies and procedures governing all other intercollegiate programs. In addition, vouchers for travel expenditures, recruiting expenses, or payments to any coach or student will be routed through the Athletic Department business office for review and approval in advance of payment.

College officials continue to work through these issues and are in the process of completing a comprehensive plan to fully address any weaknesses.

3. **Describe any additional plans for improvement/recommendations in the area of fiscal integrity developed by the institution since the first-cycle certification decision was rendered by the Committee on Athletics Certification.**

**Equipment**

The Athletic Department is in the process of developing an inventory system for sports that are not currently under the controls of the Equipment Room. Skiing currently has no interaction with the Equipment Room (coaches purchase and maintain all equipment and apparel on their own) while the men's and women's golf teams and men's and women's crew teams order some of their equipment through the Equipment Room but it is then maintained and recollected by the coaches. Other sports such as men's and women's tennis order disposable equipment and apparel through the Equipment Room; however, equipment such as tennis racquets are ordered and maintained by the coaches. In many sports, student-athletes are allowed to keep equipment that is considered "used up" for competitive purposes after one year (e.g., lacrosse sticks, etc.) even though it may still have a market value.
Any equipment or apparel orders not made through and/or maintained by the Equipment Room will be covered under a separate policy. For example, coaches of sports not utilizing the Equipment Room for all equipment/apparel purchases and distributions/recollections will be required to submit an inventory report to their sport supervisor and the Equipment Manager delineating what equipment and apparel is purchased and issued each year and documenting its recollection, sale or lack of recollection if permissible by NCAA rules.

**Dining Cards**

The College is currently reviewing its system of tracking prospect and host meals during official visits. Specifically, past practices did not enable the College to ensure that only one student-athlete host was receiving a meal with a prospect. Hosts were given dining cards to use during prospect visits. These dining cards were linked to sport recruiting budgets with no itemized listing of the charges going back to the coach nor the compliance office. The amended system will allow charges to be tracked more closely ensuring compliance with NCAA legislation.

4. **List all actions the institution has completed or progress it has made regarding required actions identified by the NCAA Division I 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 action(s); (d) action(s) not taken or completed; and (e) explanation(s) for partial completion.

Dartmouth was not required to complete an interim report since only seven (7) years will have elapsed between first-cycle (1997) and second-cycle certification (2004).
3.1 Operating Principle: Financial Practices

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 athletic program, including outside foundations.

The following are the revenue sources for intercollegiate athletics at Dartmouth:

**Game-related**

**Ticket sales** – Admission is charged at football, men’s and women’s basketball, men’s and women's ice hockey, and selected men’s and women’s soccer games; admission is also charged at a small number of other competitions and special events.

**Revenue Sharing** – Ticket sales at Ivy League football games are shared at a rate of 60% (home team) and 40% (away team).

**Guarantees** – Several sports receive guarantees to play in tournaments across the country, parts of which are used to offset travel expenses and the remaining balances are budgeted.

**Game program advertisements and sales** – Ads are sold for the football and winter sports programs by an outside vendor. The outside vendor solicits the ads, retains the revenue, and prints the game programs at no cost. Programs are distributed free of charge at all events except football: the revenue from football program sales is budgeted within the Athletic Department budget.

**Food and merchandise concessions** – The Athletic Department contracts out concession services at home events held in athletic facilities, and shares a percentage of net sales with the vendors. Food service is provided by Dartmouth Dining Services and outside vendors, while one outside vendor operates the concession for merchandise sales.

**Corporate sponsorship, marketing, promotions** – Limited advertising space on banners and rink boards, public address and message board spots, and other promotional opportunities are sold. Fan clubs for young people have also been established to encourage greater attendance at events and to promote general interest in the sport.

**Facilities**

Various athletic facilities, from soccer fields to Leverone Field House, are rented to College departments and outside users. Passes allowing holders to use athletic facilities are sold to faculty, staff, and the public on a daily and annual basis.
NCAA broad-based program shares

The annual distribution of NCAA broad-based participation income is budgeted within the Athletic Department. In addition, the Athletic Department receives funding from the Academic Enhancement Fund which is budgeted in the Academic Skills department within the Dean's area.

Other income

Other income consists primarily of income related to memberships at the Dartmouth Sailing Club, Hanover Country Club fees, physical education, and fitness programs. When necessary, surpluses in this category help to offset overages in the Athletic Department budget.

Gift income

All in-kind and other gifts are routed through the College’s normal gift accounting system for deposit, tracking, and acknowledgment.

Endowment income

Endowment principal is managed by the College’s Investment Office. Income from all funds is budgeted during the annual budget preparation process and distributed at the end of the fiscal year according to College policies. These sources of income are reconciled and applied by the Athletic Business Office to fund expenses in the appropriate program accounts.

Sources not under the accounting and financial control of the institution

There are no sources generating revenue on behalf of athletics that are not under the direct control of the College. All athletics revenues are subject to departmental and institutional control systems. There are no outside foundations generating revenue on behalf of athletic programs.

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.

Institutional Process

The College’s annual process for budget development and approval begins with the base budget for the current fiscal year and proceeds as follows:
• revenues and expenses are adjusted by previously approved budget changes and/or any nondiscretionary increases or decreases (such as for debt service payments)
• requests for incremental funding from each vice-presidential division are considered and approved or rejected for inclusion in the budget
• adjusted base budgets are further increased or decreased by inflation factors that reflect cost estimates, economic trends and/or desired budget targets
• resulting projected revenue and expense budgets are balanced to net zero institution wide by modifying inflation factors and/or allocating budget reductions or other redistributions across campus divisions
• the proposed budget plan is submitted to the Trustees for approval, and once approved, becomes the basis for determining budget targets for each division
• each division prepares line item budgets at the program level which meet the budget targets approved by the trustees

Dean of the College Process

The institution’s approved budget plan assigns a net expense target to each vice-presidential division, including a target for the Dean of the College.

• the Dean allocates the divisional target to four general areas – athletics, health services, student services, and auxiliary operations
• specific budget allocations are distributed to area directors
• directors budget the utilization of their resources (including available reserves) to meet assigned targets
• line item budgets are approved by the Executive Officer and submitted to the institution’s Budget Office for review and consolidation with the institution-wide budget

Athletics Process

Once budget targets for the athletic programs have been determined and approved by the Dean of the College, the budget process continues as follows:

• program directors review budget targets and all available funding, allocating funding among various departments and programs
• business managers verify all compensation budgets
• business managers review budget targets and guidelines with department staff responsible for program budgets
• departments prepare line item budgets
• business managers and directors approve line item budgets and forward those budgets to the Executive Officer in the Dean’s Office for final approval and submission to the Budget Office
Revenues

Revenues from each of these programs contribute to the overall athletic budget.

Ticket sales – Ticket revenue is projected by factoring in historical and expected attendance trends, home schedules, guarantees, anticipated season pass sales, and ticket prices.

Revenue sharing – Revenue is projected much the same as ticket sales, by factoring in historical and expected attendance trends, home and away schedules, anticipated season pass sales, and ticket prices.

Guarantees - Income is budgeted depending on the travel schedules that are submitted by the coaches in January.

Game program sales, food and merchandise concessions, facility pass sales, and facility rentals – Budget amounts are based upon historical figures and tend to remain constant from year to year except for annual College inflators, prevailing market conditions, or changes in the number of events.

Corporate sponsorship, marketing, and promotions – Sponsorship revenue is projected by factoring in the number of contract renewals and the number of promotions that are scheduled for the upcoming year. The budget tends to stay relatively constant from year to year since all inventory (signage space, etc.) is being fully utilized.

NCAA broad-based program shares – NCAA sports sponsorship income is budgeted after we receive the projected distribution numbers from the NCAA financial office. In addition, the NCAA contribution from the Academic Enhancement Fund has remained constant.

Other income – The other income budget (e.g. revenue from the Hanover Country Club, Dartmouth Sailing Club memberships, physical education, and fitness programs) is based on past activity levels and expected trends that reflect industry forecasts, local market conditions, pricing changes and participation estimates.

Gift income – The gift revenue budget is based on past donation levels, economic factors, and is also impacted by the extent of fundraising efforts.

Endowment Income – The College’s annual distribution of endowment return is controlled at the institutional level in accordance with an endowment spending formula adopted by the College’s Trustees. The formula requires that the distribution of endowment return available for budget utilization fall within parameters determined by various criteria reflecting current and historic endowment return. The Trustees annually review the endowment distribution parameters as part of the approval process for the overall budget plan and approve annual adjustments to the distribution as deemed appropriate. Any utilization of endowment principal from endowment funds that allow
for principal withdrawals must be specifically approved by the Executive Vice-President for Finance.

**Sources not under the accounting and financial control of the institution** -- There are no sources generating revenue on behalf of athletics that are not under the direct control of the College. All Athletic Department revenues are subject to departmental and institutional control systems. There are no outside foundations generating revenue on behalf of athletics.

**Expenses**

**Compensation Expense** - Budgets for salaries and wages of exempt, nonexempt, and union staff in permanent positions are controlled centrally by the College. All requests for new positions must be authorized by the Dean, the institution’s Budget Office, and Human Resources before compensation budgets can be submitted for additional staff, regardless of the funding source. Position budgets are adjusted to reflect annual raises based on Trustee-approved increases in salaries and wages across the institution. The allocations of compensation increments to individual, non-union employees are based on recommendations from supervisors and department heads that reflect employee performance and market salaries. Adjustments to wages for union staff are negotiated and paid on a contract basis. All increments must be approved by the Dean. Any changes to compensation budgets for permanent positions due to promotion, restructuring, or turnover during the fiscal year must be approved by Human Resources in consultation with supervisors, department heads, and the Dean’s Office.

Budgets and expenditures for temporary staff, including any student workers, are controlled by departments within the bounds of resources or budgets available to fund the expenditures. Any hiring of temporary staff must be approved in advance by the appropriate department head and business manager. In addition, all payroll authorizations for temporary employees are reviewed by the Dean’s Office to ensure that the business manager has approved the hiring.

**Team Travel** – Each head coach submits his/her team travel schedule to the Business Office in January. The department’s Travel Coordinator creates a spreadsheet wherein each schedule is broken down into the following categories: travel squad (coaches and students), transportation requirements (air, bus, or van), meals (number of breakfasts, lunches, and dinners), and lodging (number of nights). A rate is applied to each category and the total cost, by trip, is determined for each team. The proposed team budgets are then reviewed by the Senior Associate Director of Athletics for Intercollegiate Programs, Business Manager of Athletics, and Travel Coordinator. Comparisons are made to prior years and schedules, and teams that request additional trips provide supporting documentation. Finally, the trips are approved by the Senior Associate Director of Athletics for Intercollegiate Programs and the Business Manager of Athletics and are incorporated into the budget.
Equipment – The Equipment Manager, with input from the head coaches, prepares and maintains a replacement schedule for all team equipment and uniforms. The upcoming year’s plan is reviewed by the directors, and any changes are incorporated into the budget for final approval. If unplanned specific equipment needs arise, that are then approved by the directors, the funding for this equipment will be made available from other sources (i.e., reallocation of existing funds, gift reserves, etc.).

Recruiting – Allocations are determined by the Director of Athletics based upon each sport’s recruiting needs for that particular year. The number of visits conforms to the NCAA and Ivy limits. The allocations are reviewed annually and may be modified as recruiting priorities dictate.

Other – All other expenses, including facility costs, officials’ fees, preseason meals, and other team related and administrative costs, are adjusted according to the College annual expense inflators and other College budget allocations. The Director of Athletics may choose to reallocate funds if it becomes clear that a team does not require its entire budget or if a team needs additional funds.

Full departmental budgets, showing revenues and expenses for all sports, are attached as Appendix B.

3. Attach documentation (e.g., management letters, executive summaries) from the institution’s three most recent external audits that verify the institution is in compliance with Constitution 6.2.3 (annual independent financial audit requirement). Also 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, as well as a description of the institution’s efforts to ensure the audit meets the standards of the NCAA Financial Audit Guidelines.

The Audit Subcommittee of the Board of Trustees selects Dartmouth’s external auditor. PricewaterhouseCoopers LLP was the external auditor for the period under review, and in addition to conducting an audit of the College’s annual financial statements, they performed the required NCAA audit during this period. The Athletic Department may not retain its own auditors, and no member of its staff is involved with the Trustee appointment of an external auditor.

PricewaterhouseCoopers LLP has not identified any issues relating to the Athletic Department or other intercollegiate programs during the course of their financial statement audits, work on agreed-upon procedures for compliance with Constitution 6.2.3, or other work for the College during the period under review. (See Appendix C). The College’s Internal Audit Department did not conduct any review of the Athletic Department or other intercollegiate programs during the period under review.
4. Describe relevant corrective actions planned or implemented from the three most recent external audits.

There were no exceptions or material weaknesses noted in the general control environment during the three most recent external financial audits.

5. 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., booster and support group funds, state funds vs. restricted/foundation funds).

There are several policies and procedures in place to ensure that funds are expended according to department, College, Ivy, and NCAA rules and regulations. All transactions and trips must be approved in advance programmatically by the appropriate administrator, and financially by the business managers. A number of forms ensure compliance with the approval process, especially since these forms are required before purchases will proceed through the reimbursement and payment system. For example, coaches need to obtain purchase order numbers prior to ordering office equipment, and these forms need to be approved by the Senior Associate Director of Athletics for Intercollegiate Programs as well as the Business Manager of Athletics. If the signatures are not obtained, the purchase order number will not be issued by the Athletics Business Office and the purchase will not be approved within the College’s Procurement Services department. Similar controls govern all coaches’ recruiting and official visit trips. Upon the conclusion of a recruiting trip, official visit, or other transaction, the coach or administrator must file an expense report and a trip report. These reports are reviewed by the business managers to ensure that actual expenses are in line with estimates. Any exceptions are investigated.

Each team has a “Friends” gift reserve which can be used to fund various expenses. Generally speaking, if a coach has spent the entire budget allotment for a particular purpose and has additional expenses, he or she may request that the overage be covered by any unbudgeted balance in that team’s Friends account.

The preceding approvals must be secured for all transactions, regardless of the source of funding. New positions and the budgets to support those positions within the Dartmouth College Athletic Department must be approved in advance by the Director of Athletics, the Executive Officer and the Dean of the College. For new positions in skiing, approval must also be given by the Director of Outdoor Programs.

The Dartmouth Athletics' budget does not receive any state funding.
3.2 Operating Principle: Fiscal Management and Stability

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

Dartmouth College is committed to providing a wide variety of athletic opportunities that meet the talents, interests and needs of a broad range of individuals. The spectrum of programs and activities available includes recreation, physical education, intramural and club sports, and a broad array of competitive intercollegiate athletic teams. Furthermore, the institution is committed to broad-based participation with equity among the genders in its athletic programs.

In sponsoring a variety of opportunities for students to grow intellectually, physically, socially, emotionally and morally, our goals are to make available high-quality coaching, support services, scheduling, facilities and equipment; and to encourage excellence and meaningful interaction, regardless of the level of participation. In order to maintain overall support for athletic programs and make sure that our participants are enriched individually and by one another during their recreational and athletic experiences, our goals are to structure a realistic budget and develop appropriate sources of revenue that enable us to achieve the greatest degree of success for the athletic programs.

Revenues raised from various sources within Athletics contribute to, but do not fully fund, our broad selection of athletic programs. To accomplish these objectives, the College provides roughly 60 percent of the support needed to maintain quality programs. Beyond what the institution provides for budget support, revenue sources include departmental revenue, gift income, endowment income and other income. Departmental revenue includes ticket sales, game and event program sales, food and merchandise concessions, NCAA sponsorship funds, corporate sponsorships and other promotions, facility use passes, and facility rentals. Other income derived from fees for physical education and fitness programs, fundraising activities such as raffles, and golf course revenues complete the funding sources for athletic programs.

2. Using the institution’s established budgetary format, prepare a list of both projected budget 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.

All of the requested financial information appears in Appendix B. The accounting for revenues and expenditures by natural classification is consistent across all intercollegiate programs. The skiing programs as well as the riding program are not under the direct supervision of the Athletic Department, therefore some of the accounting procedures in those areas may differ slightly, but those differences do not have a material effect on the reporting of program revenues and expenditures by class.
3. Describe the institutional procedures that are in place to address any deficit in the intercollegiate athletics budget incurred during any fiscal year(s).

The intercollegiate athletic programs are held to the same budgeting, accounting, and administrative standards as all other departments of the College. The directors and staff responsible for managing these programs are expected to fund their activities in accordance with the approved budget plan. It is understood that a certain amount of risk is inherent in the estimates upon which each budget is based, and that actual revenues and expenditures can vary. In particular, revenues from games and events, as well as rentals of facilities, can fluctuate significantly from year to year. Accordingly, as each year progresses, program managers and fiscal officers prepare year-end projections of actual results on a quarterly basis that are reviewed by the Executive Officer (chief budget officer for the division) and submitted to the Budget Office. Any significant variance from the budget is described, and the responsible department proposes a funding plan for variances that result in over-expenditures. If necessary, appropriate corrective action is taken by the program directors to remain within the budget. If for any reason a budget deficit that can not be funded within the department is anticipated, the Executive Officer will make the necessary provisions to cover the overspending within the division, or at the institutional level if approved by the Budget Office. To the extent that there are budget surpluses, departments may be allowed to set aside reasonable amounts in reserves for future expenditures or budget variances. Management staff at all levels are evaluated on an annual basis in part based on how well their budgets are managed. This is also a factor in making personnel decisions regarding promotions, salary increases, and replacements.

4. Outline the sources, uses and amounts of funds received by the intercollegiate athletics program from non-Athletic Department and/or non-institutional sources.

The athletics programs do not receive any subsidy from non-institutional sources. However, due to the College's organizational structure, academic counseling for student-athletes and three (3) varsity sports -- equestrian, men's skiing and women's skiing -- are housed outside of the Athletic Department. As such, the funding of these programs is also outside of the Athletic Department and is described below.

**Academic Counseling for Student-Athletes** - Student-athletes have access to a variety of services supported by the NCAA Academic Enrichment Fund which are administered by the Academic Skills Center within the Dean of the College division. The purpose of this program is to advise student-athletes on a variety of issues related to developing well-balanced lifestyles, encouraging growth in decision-making, fulfilling career and life goals, and generally enhancing the quality of the student-athlete experience at the College. These services include individual academic counseling, academic programs which target the specific needs of student-athletes, and other academic skills resources. In addition, the NCAA Fund supports a Laptop Computer Program that allows athletes to utilize laptop computers while traveling to and from an athletic event or competition.
During the review period, the NCAA provided $50,000 of annual funding for this program.

**Dartmouth Ski Team** – The intercollegiate skiing program is offered through the Outdoor Programs Office (OPO), within the Dean of the College division. The Ski Team grew out of the Dartmouth Outing Club’s earliest activities and continues to be one of OPO’s core programs. The sources of revenues are outlined in Section 3.1 and the amounts of both revenues and expenditures are included in Appendix B.

**Dartmouth Equestrian Team** – The intercollegiate equestrian program is offered through the Dartmouth Riding Center, within the Dean of the College division. In addition to the Equestrian Team, the Riding Center offers physical education classes for students, riding lessons, and recreational riding for students and the general public. The sources of revenues are outlined in Section 3.1 and the amounts of both revenues and expenditures are included in Appendix B.

5. **Identify the sources, uses and amounts of Athletic Department surplus and/or reserve funds.**

Generally, athletic programs have three types of reserves: 1) unrestricted operating reserves, 2) restricted gift reserves, and 3) restricted endowment income reserves. See detailed schedules of reserve activity for the years ended June 30, 2000, 2001, and 2002 (Appendix D).

Unrestricted operating reserves consist of relatively small amounts that have been set aside from prior year operating surpluses or budgeted reserve transfers to cover future expenditures. Often these reserves are used to finance incremental expenditures (such as equipment) or to cover unexpected budget overruns resulting from revenue or expense fluctuations.

Restricted reserves are created from unexpended donor gifts or endowment income that carry restrictions governing the use of those funds. Annual fundraising activities generate the largest share of restricted gifts for individual sports or clubs, and in most areas, these gifts are fully utilized each year. Gifts to be used at the discretion of the Director of Athletics are also placed in a reserve account for expenditure by the Director, usually to support program activities of a one-time, special nature. Occasionally, due to the timing of gifts received, a gift reserve may have a deficit balance at the end of the fiscal year. These negative balances are carried forward to be offset by gifts received in the following year. Income from endowment funds that support specific sports or activities is utilized each year to support budgeted expenditures. These reserves also fund a number of annual prizes and awards and expenditures to support athletic facilities.

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.**
Again, Dartmouth College is committed to supporting a wide range of high-quality athletic programs that provide continuing, stable opportunities for student-athletes. The College intends to sustain the current level of funding for intercollegiate athletic programs into future years, subject to annual adjustments as institutional resources and other funds are available to finance athletic programs, facilities, and associated support services.

The Athletic Department’s budget is financed primarily from College operating funds, revenues from ticket sales and user fees, restricted gifts, and endowment income. Funds from ticket sales and use fees, annual gifts, and endowment income distributions are subject to fluctuations resulting from economic and other factors not under the institution’s control. Short-term reductions in these resources, unless especially severe, can be offset by temporary or one-time spending reductions, unbudgeted revenue surpluses, and/or draws on program reserves, division resources, or other institutional funds. These temporary measures to balance the budget do not affect the quality or long-term viability of the programs. To the extent that overall athletic resources are expected to substantially decline or fail to keep pace with necessary spending increases for an extended period of time, individual programs are subject to budget cuts and possibly elimination based on an evaluation of institutional priorities. Any decision to eliminate athletic programs will involve an impact assessment which indicates that across-the-board reductions cannot be successfully implemented without compromising the College’s ability to sustain other programs at an acceptable level and without negatively affecting gender equity across all programs.

In connection with a series of institution-wide budget reduction initiatives over the last two years, the College announced in November, 2002 its intention to eliminate the intercollegiate swimming and diving programs. The announcement followed a careful review of the impact on student-athletes as well as the other intercollegiate and athletic programs which could not reasonably sustain further across-the-board budget cuts. After discussions with interested students, parents, alumni and others, the College supported a limited-scope, targeted fundraising effort (entirely separate from the annual Friends solicitation process) in the hope that sufficient gifts could be raised to continue the programs. The fundraising effort met its goal, and the programs were reinstated with funding to be available from a current use fund over the next ten years. The swimming and diving programs will continue over this period while the College explores long-term funding possibilities. The College does not consider this short-term gift funding mechanism to be a viable strategy for the future support of its athletic programs.

The College has identified Athletics as one of the institutional priorities for the upcoming fundraising campaign. During the campaign, efforts will be focused on soliciting endowment gifts to support our sports programs as well as our athletic facilities. Meeting these goals will significantly raise the level of endowment funding needed to sustain existing programs in the near term and will also represent a substantial investment in the continuation of high-quality programs and facilities into the future.
7. Using the institution’s Equity in Athletics Disclosure Act survey forms, Athletic Department budget reports, and other appropriate documentation for the three most recent years for which information is available, evaluate each of the following areas for every sport sponsored by the institution. On the basis of this review, state the institution’s determination of its ability to provide relatively full and stable opportunities to student-athletes in each sport in the specific areas of: (a) coaching, (b) scholarships, (c) recruiting, (d) operating expenses, and (e) percentage of the sport budget that has to be obtained via fundraising.

A review of the appropriate documentation for the past three years revealed that Dartmouth has provided full and stable opportunities for all student-athletes. Dartmouth’s Equity in Athletics Disclosure Act (EADA) forms for the past three years are attached as Appendix E.

All sport teams are adequately supported with a paid head coach, and many programs receive significant funding for one or more full-time assistant coaches. Differences in salaries are mainly a function of marketplace factors, experience, and the length of each individual’s annual appointment, which is determined according to the needs of the program. Similarly, recruiting resources are allocated to best meet the particular competitive needs of each program.

As per Ivy League rules, Dartmouth does not provide athletic scholarships. Financial aid for all students, including athletes, is awarded and renewed on the sole basis of economic need.

Teams are provided adequate and comparable resources to participate fully in Ivy League competition where formal scheduling arrangements exist, and to complement League schedules with appropriate non-conference competitions and travel. The standard travel policies for overnight travel, mode of transportation, and per diem are applied equally to all sports. While differences between sports do exist, those differences are mostly attributable to the needs of a program rather than a failure to provide adequate resources. For example, travel to a warmer climate for competition during spring break is a vital component of the spring sport programs, thus the percentage of expenditures on travel is higher for teams such as baseball, softball and golf.

It is a departmental priority to provide all student-athletes with appropriate and safe equipment as dictated by the needs of the particular sport. While the ability to keep pace with other institutions in offering modern athletic facilities is one of the biggest challenges facing the College, progress continues to be made in this area. All programs are currently provided adequate facilities, although some are approaching the need for replacement or renovation, most notably the soccer competition venue and the strength and conditioning facility. Plans are being formulated to address these particular needs.

Fundraising is a necessary part of each sport’s overall budget. While every effort is made to reserve these funds for “extras” such as team banquets, awards and out-of-region
travel, at times fundraised dollars do support important programmatic elements such as second assistant coaches, overages in allocated budgets for recruiting and equipment. (See Appendix F) While the reliance on fundraising for real program needs is hardly unique in the Ivy League, we have been fortunate that the percentage of sport budgets raised through fundraising has remained fairly stable. We are confident that sufficient resources will continue to exist to provide relatively full and stable programs.

The decision to eliminate the men’s and women’s swimming and diving programs that was announced in November of 2002 followed a thorough review of the necessary funding levels for each sports team in the face of a college-wide budget reduction for fiscal year 2003. While funding for the overall intercollegiate program was determined to be adequate, the athletic administration concluded that an across-the-board cut of that magnitude would likely negatively impact the competitiveness of the affected programs and, consequently, the quality of the experience of the student-athletes. A targeted campaign to raise funds on behalf of the swimming and diving programs was sufficient to allow the College to reinstate the programs for the next ten years while alternative funding sources were explored.

The intercollegiate athletic program is a vital component of the educational experience at Dartmouth. The College anticipates that it will not only continue to fund one of the largest intercollegiate programs in the country, but also one that is able to compete successfully within the Ivy League and, in certain sports, at the national level.

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

Copies of the NCAA Sports Sponsorship Report for FY2000, FY2001, and FY2002 are attached in Appendix G.
3.3 Operating Principle: Established Fiscal Policies and Procedures

1. Describe the policies and standard operating procedures that help to ensure that all expenditures for athletics are handled in accordance with NCAA, conference and institutional rules including:
   (a) Identification of person(s) responsible for these areas; and
   (b) Means of monitoring compliance with these rules.

Dartmouth has many controls both internal and external to the Athletic Department which help ensure that all expenditures for athletics are handled in accordance with NCAA, conference and institutional rules.

Senior Associate Director of Athletics for Intercollegiate Programs Brian J. Austin and the Business Manager of Athletics ensure that all recruiting travel and team travel expenditures are in compliance with rules and regulations. Recruiting travel and team travel is authorized in advance and actual expenditures are approved after the completion of travel to certify that all appropriate rules and regulations were followed. The purchase of goods and services must also be authorized in advance by the Senior Associate Director of Athletics for Intercollegiate Programs.

Athletics Business Office headed by the Business Manager of Athletics Kenneth Snelling reviews all expense reports for their compliance with institutional, Ivy and NCAA regulations. Once these expense reports have been approved by the Athletics Business Office, they are forwarded to the College's Controller’s Office for review and processing.

Associate Director of Athletics for Compliance and Administration M. Grace Calhoun is responsible for coach certification and education each academic year. Further, the Associate Director and staff authorize all on-campus recruiting activities prior to the visit or event and approve team travel rosters prior to all team travel.

The skiing and riding programs also comply with institution-wide policies governing the expenditure of funds. For the riding program, the Director of Riding initiates expenditure requests and the Executive Officer in the Dean's Office reviews and approves all travel expenditures in addition to monitoring program expenditures on a periodic basis. Expenditures for the ski programs are initiated by the coaches, and forwarded to the Director of Skiing who reviews all requests for appropriateness and available funding. Once approved, these requests are reviewed by the business manager in Outdoor Programs to ensure compliance with College regulations and forwarded to the Controller’s Office or Procurement Services for processing. The Director of Outdoor Programs also monitors ski program expenditures on a periodic basis. An audit of the ski program during the 2002-03 academic year identified weaknesses in the advance authorization process for NCAA compliance purposes, which management is currently addressing by restructuring internal procedures and responsibilities to better integrate the NCAA compliance requirements with the fiscal policies governing the expenditure of
funds. More specifically, ski program activities relating to travel and recruitment will be pre-approved by the Associate Director(s) of Athletics in accordance with the policies and procedures governing all other intercollegiate programs. In addition, vouchers for travel expenditures, recruiting expenses, or payments to any coach or student will be routed through the Athletic Department business office for their review and approval in advance of payment.

2. Describe or attach a copy of the university’s policies and standard operating procedures for ensuring that prospects do not receive recruiting inducements (e.g., official visit procedures, policies regarding staff travel advances for recruiting trips/expenses, etc.) and enrolled student-athletes do not receive extra benefits (e.g., per diem policies, student-host reimbursement procedures, financial aid review policies, equipment checkout/retrieval procedures, etc.) 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 Athletic Department funds are expended in these areas.

Official Visit Procedures

The official visit process begins with the coach submitting a “Sponsored Visit Funding Request” form to the Deputy Director of Athletics. After authorizing payment, the Deputy Director of Athletics gives a copy of this form to the team administrative assistant who makes a copy for her/his records. The coach files the “Visitation Request” form with the Assistant to Intercollegiate Programs. This form includes personal information about the recruit as well as meals, entertainment and athletic events the recruit will attend while on campus. If necessary, the coach will submit a separate form to include a parent(s) or spouse on the official visit.

Assistant to Intercollegiate Programs Sherryta Freeman verifies the transcript and test scores, checks the 48-hour limit, and verifies that the per diem does not exceed the institutional limit of $20. The Assistant to Intercollegiate Programs signs off on the form and submits it to the Information Systems/Office Manager, who is responsible for keeping a complete record of all official visits.

Information Systems/Office Manager Heidi Bushway sends out a packet to the student-host with information on host procedures. Student-athletes are educated on hosting procedures prior to the start of their season and must sign a form stating their understanding of these rules. The Student-Athlete Handbook can be referenced throughout the year for student host regulations. The student-host signs a slip confirming receipt of an amount of no more than $20, and at the conclusion of the visit submits an “After Visit/Expense Record,” all receipts, and any left-over money to the coach. If the student host used personal funds to supply the recruit with meals for any reason, the student will be reimbursed for that amount (up to the $20 maximum per day) provided qualifying receipts are received on a timely basis.
Dining cards are also provided to on-campus recruits, and the cards are requested by the coach as part of the process listed above. A section of the "Visitation Form" is used to specify the meal requirements. The student host is then issued a dining card from the Information Systems/Office Manager. The dining card allows the recruit to eat a specified number of meals during the course of their visit. At the end of the visit the recruit gives the card back to the student host and the student host gives the card to the coach. The coach then returns the meal card to the Information Systems/Office Manager.

**Recruiting Trips**

Each coach completes a “Coach’s Travel Request and Itinerary” form for each recruiting trip and submits it to the Senior Associate Director of Athletics for Intercollegiate Programs at least three working days before departure. The form includes expense allocation and method of transportation utilization. Once approval has been obtained, copies of this form are distributed to the Senior Associate Director of Athletics for Intercollegiate Programs, the coach and team administrative assistant. The original form is submitted to the Business Manager of Athletics.

**Financial Aid Review Policies**

Financial aid decisions are made independently by the Financial Aid Office. All awards are based on need. All appeals of financial aid decisions, including those from athletes, are reviewed by the Financial Aid Review Committee. Athletic personnel do not participate in any part of the financial aid decision making process.

**Equipment Checkout/Retrieval**

The following procedures outline the process student-athletes must follow to receive equipment from the Athletic Department:

I. **Issuing Equipment**: Personal athletic equipment is issued for the season. There are two major prerequisites for issuing equipment to student-athletes: 1) The student-athlete must be on the official team squad list. This allows the orderly assignment of lockers and establishment of individual accountability. 2) The student-athlete must be certified by Dartmouth Health Services that he/she is in satisfactory physical condition.

II. **Responsibility for Equipment**: It is the individual’s responsibility to protect the equipment that has been issued to him/her. Student-athletes will be charged the replacement cost for any item which they lose or damage through neglect.

III. **Turning in Equipment**: Student-athletes have three working days at the end of the season to turn in their equipment and clear their account. If, during the season, a student-athlete decides not to (or cannot) participate in a sport, he/she must turn in all equipment immediately. The student-athlete's College account is
charged for the value of the equipment if it is not returned to the equipment room by the aforementioned deadline.

IV. **Off-Season Control**: Typically, equipment is readied and stored for the next season. On occasion, certain items can be checked out in the off-season. This is done by a written request from the coach to the equipment manager. The student-athlete is still responsible for the equipment.

V. **Practice Gear**: Items common to all sports such as practice socks, T-shirts, shorts, sweats, etc. are issued to individuals for daily use for the season only. Items are issued on controlled, numbered laundry pins in as many sets as necessary to ensure availability for all practices and games. Student-athletes are responsible for the return of these apparel items at the end of the practice sessions or games.

Note: The Athletic Department currently has some sports that are not entirely under the above-mentioned controls of the Equipment Room. These sports operate outside of the normal procedures, in part, due to location (e.g., Hanover Country Club and Boss Tennis Center) and equipment needs (e.g., student-athletes in men’s golf buy their own golf clubs and the rowing teams require rowing shells). In these sports, the coaches are responsible for tracking equipment and ensuring adherence to the procedures listed above.

**Other**

A thorough compliance review revealed sound systems for preventing student-athletes from receiving extra benefits in most problematic areas. One exception was in the area of occasional meals where it was identified that inadequate tracking mechanisms were in place. An occasional meal form was instituted during FY03 which must be submitted and pre-approved by the compliance office prior to any student-athlete receiving an occasional meal.