Florida Gulf Coast University Board of Trustees  
June 10, 2015

SUBJECT: Athletic Student Aid Compliance Audit

PROPOSED BOARD ACTION

Accept the Athletic Student Aid Compliance Audit Report provided on January 6, 2015 to President Wilson Bradshaw; Director of Athletics Ken Kavanagh; and Director of Compliance Alex Masse.

BACKGROUND INFORMATION

This report presents the results of a limited scope audit of Athletic Student Aid Compliance during the Fall 2013 and Spring 2014 Semesters. Some student-athletes who participate in intercollegiate sports are awarded Athletic Student Aid, which is administered by the Athletics Department and the Department of Student Financial Services for compliance with National Collegiate Athletic Association (NCAA) and the Atlantic Sun Conference guidelines. The audit objectives were to determine whether new and transfer students receiving Athletic Student Aid are admitted according to NCAA and University policies and procedures; whether students who receive Athletic Student Aid comply with NCAA and University requirements for Satisfactory Academic Progress (SAP); and whether the reports to outside entities of GPA and other data that relates to students who receive Athletic Student Aid agree with University records.

The audit was part of the 2014-2015 internal audit work plan approved by the FGCU Board of Trustees at its June 17, 2014 meeting.

Upon acceptance of the report by the FGCU Board of Trustees, a copy of the report will be sent to the Board of Governors as required.

Supporting Documentation Included: Athletic Student Aid Compliance Audit Report issued January 6, 2015

Prepared by: Director of Internal Audit Carol Slade

Legal Review by: Vice President and General Counsel Vee Leonard (January 6, 2015)

Submitted by: President Wilson G. Bradshaw
To: Ken Kavanagh, Director of Athletics  
    Alex Masse, Director of Compliance

Cc: Dr. Wilson Bradshaw, President  
    Susan Evans, Vice President & Chief of Staff

From: William D. Foster, Senior Auditor  
    Carol Slade, Director, Internal Audit

Date: January 6, 2015

Re: Athletic Student Aid Compliance Audit (FINAL REPORT)

Please see the attached final report of the Athletic Student Aid Compliance Audit. The report is dated December 10, 2014, the completion date of the audit draft report. No management response was required.

On January 6, 2015, Vee Leonard, General Counsel, completed a legal review of the audit report.

The audit was performed by William D. Foster, Senior Auditor and reviewed by Carol Slade, Director, Internal Audit.
ATHLETIC STUDENT AID COMPLIANCE AUDIT

EXECUTIVE SUMMARY

The Report represents a limited-scope audit of Athletic Student Aid Compliance during the Fall 2013 and Spring 2014 Semesters. Some student-athletes who participate in intercollegiate sports are awarded Athletic Student Aid. The Athletics Department and the Office of Student Financial Services are responsible for assessing, distributing, and monitoring Athletic Student Aid. Florida Gulf Coast University (University), as a member of the National Collegiate Athletic Association (NCAA) and the Atlantic Sun Conference, is responsible for insuring that its student-athletes, coaches, staff, other related parties comply with rules and regulations in the NCAA Division I Manual. In order to provide a general overview of the NCAA requirements, Athletics Management has established an FGCU Compliance Manual that is used by athletic staff and coaches. These requirements are provided to student-athletes through the FGCU Student-Athlete Handbook.

Compliance with NCAA rules and regulations is essential so that the University can maintain the number of athletic scholarships it offers and its ability to compete in regular and post-season play. Non-compliance can result in financial fines or refunds of revenue, prohibition against television appearances, public reprimand and censure, loss of voting privileges and membership in the NCAA. Academic violations may result in notification to regional accreditation agencies.

In our opinion, Management’s Athletic Student Aid Compliance processes and controls meet the requirements of the NCAA and Florida Gulf Coast University.

This audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing, issued by the Institute of Internal Auditors. The audit procedures provided a reasonable basis for our opinion.

OBJECTIVES

A. Determine whether new and transfer students receiving Athletic Student Aid are admitted according to NCAA and University policies and procedures.

B. Determine whether students who receive Athletic Student Aid comply with NCAA and University requirements for Satisfactory Academic Progress (SAP).

C. Determine whether the reports to outside entities of GPA and other data that relates to students who receive Athletic Student Aid agree with University records.
**AUDIT SCOPE** – End of Fieldwork was November 10, 2014

The scope of the audit consisted of a review of the financial records for 185 students who received Athletic Student Aid in the amount of $2.9 million during the Fall 2013 and Spring 2014 Semesters.

**BACKGROUND**

The NCAA is a voluntary association of more than 1,000 colleges and universities. It establishes a set of rules and standards for eligibility, membership, regular and post-season play for collegiate sports. The NCAA promotes gender equity, sportsmanship, sound academic standards, nondiscrimination and diversity, which are consistent the University’s guiding principles. The NCAA is composed of three membership classifications: Divisions I, II and III. This structure was adopted to create a fair playing field for teams from similar campuses and provide student-athletes more opportunities to participate in championships.

The University is a member of Division I. Division I schools generally have more students, larger athletics budgets and more athletics department support than schools in Divisions II or III. For example, Division I schools require participation in a minimum of 14 sports, at least seven of which must be women’s teams, and provide a distribution of athletic aid to more student-athletes than in Divisions II and III.

During 2013-14 the University had 285 student-athletes participate on nine women’s and six men’s teams in NCAA Division I sports. It won the 2013-14 Regular-Season A-Sun Championships in men’s and women’s soccer, men’s and women’s basketball, and baseball. In just over three years of Division I postseason eligibility, FGCU has sent 10 teams to various NCAA Tournaments.

The typical process for awarding financial aid to a new student-athlete involves a coach selecting a prospective student-athlete (PSA) based on athletic ability and academic benchmarks. Then the coach notifies Athletics Administration and the Admissions Department to begin monitoring the PSA’s admission process for NCAA compliance. After considering aid limitations on how much aid can be offered to an individual student-athlete and the team as a whole, the coach then makes an offer of athletic aid in the form of a letter, which is signed and returned by the student-athlete to the coach. Upon receipt, all athletic aid is monitored by Athletics Administration and the Office of Student Financial Services.

**SUMMARY OF AUDIT WORK PERFORMED**

**Reviews:**

Tests and Other Procedures:

Objective A: Admitting New and Transfer Students - Before a student-athlete can represent the University in intercollegiate competition, the NCAA requires the University to file, for each team, a Squad List with the NCAA by the first day of outside competition. We selected a sample of 38 student-athletes, which represented 20% of the $2.9 million in athletic aid distributed in this time frame. We then tested these 38 student-athletes to verify they met the requirements for admissions under the University’s Regulation on Undergraduate Admissions.

Objective B: Satisfactory Academic Progress (SAP) – To maintain students’ eligibility to renew athletic student aid and to keep students on track towards graduation, the University has requirements such as successful completion of 70% of class hours attempted, a minimum cumulative grade point average that must be maintained, and a maximum number of hours students may attempt during their college career and continue to receive athletic financial aid. The University’s athletic SAP requirements meet Federal student aid requirements and NCAA aid requirements. We selected a second sample of 30 students who received another 20% of athletic aid. These 30 students were tested for Satisfactory Academic Progress.

Objective C: Testing Reports Sent to Outside Organizations – The NCAA requires various reports to determine that the University, its coaches, boosters, and student-athletes comply with its requirements. We selected a third sample of 30 student-athletes to test that information on various reports was consistent with the University’s records. The Atlantic Sun Conference and Coastal Collegiate Swimming Association did not require any unique reports but required copies of some reports submitted to the NCAA.

SUMMARY OBSERVATIONS

Our audit disclosed that new and transfer students receiving Athletic Student Aid were admitted according to NCAA requirements and University policies and procedures. Also, student-athletes complied with NCAA and University requirements for Satisfactory Academic Progress (SAP). Moreover, Grade Point Averages and other data reported to outside organizations was consistent with University records. Overall, the audit disclosed no reportable findings.