SECTION 4: FINANCIAL POLICIES

BUDGET DEVELOPMENT
In the state of Virginia, no state funds may be used in support of intercollegiate athletics. Intercollegiate Athletics reports to the President of the University who is responsible for oversight of the program. The budget for intercollegiate athletics is submitted to the President and ultimately the Board of Visitors for approval.

As dictated by the College, athletics must maintain a balanced budget on an annual basis. The athletics budget is funded by revenue from student fees, guarantees, ticket sales, special events, promotions or sponsorships, endowments, annual restricted and unrestricted giving, NCAA revenue and concession/licensing revenue. The Athletics Department fiscal year begins on July 1 and ends on June 30. At the end of the fiscal year, any remaining funds are transferred to an athletics reserve fund. Expenses paid from the athletics reserve fund are subject to the approval of the Vice President for Finance at the College.

For each administrative area or team unit, there is a coach or director responsible for budget management. In general, with the exception of salaries and athletics grants-in-aid, budgets are usually operated with a concern for the bottom line, not line item. There is flexibility to increase or decrease specific budget categories, as long as total expenses do not exceed the originally budgeted amount. If a budget manager would like to exceed the expense budget in one category or line item, an offsetting savings in another area or an additional source of revenue must be clearly identified. Any changes from the budgeted expenditures are subject to review and approval.

BUDGET DEVELOPMENT PROCEDURES
1. The Athletics Department will receive from the VP for Finance directives to be followed in developing the overall budget. The directives include projected salary and benefit costs, agency service charges and projected tuition and fee expenses.
2. Beginning in January or February, each budget manager will be asked to complete a budget proposal spreadsheet provided by the Assistant Athletics Director-Business (AADB) and include any requested budget increases. Sample budget worksheets are provided in Appendices 4-Aa and 4-Ab.
3. The Athletics Director in cooperation with the budget committee (Senior Associate Athletics Director-External Affairs, Associate Athletics Director-Internal Affairs, Assistant Athletics Director-Business and Senior Woman Administrator) will develop a proposed balanced budget which is submitted to the Vice President for Finance. Once there is agreement between the Athletics Director and VP-Finance the draft budget is forwarded to the President and ultimately the BOV for approval.
4. All College budgets are reviewed, revised and approved at the April meeting of the Board of Visitors.

INDIVIDUAL ADMINISTRATIVE BUDGET PROCEDURES
1. Each budget manager will be provided with an approved budget at the beginning of the fiscal year.
2. Plans to supplement operating expense budgets with outside sources of revenue, including restricted AEF Funds, must be projected and approved in the budget development process. All team operating expenses, no matter the source of funding, are processed through the athletics business office. A one-time draw of AEF funds will be made at the end of the fiscal year to fund expenses as necessary.

3. All budget proposals are subject to review and approval by the athletics department budget committee.

4. Mid-year requests to increase or decrease budgeted expense categories must be made in writing to the AADB by the respective budget manager.

**CONTROLS**

1. It is the responsibility of each budget manager to stay within the budget allocation for his or her area. To assist in this process, each budget manager will be provided with a monthly report summarizing transactions that have been posted in the College’s general ledger. Budget managers should also keep individual records to document expenses and charges to their respective account(s).

2. The athletics business office cannot control when the College’s financial operations department posts transactions in the general ledger. In general, expenses paid via check are typically posted about three weeks after the invoice has been received. W&M credit card transactions are usually posted by the end of the month in which the statement is issued. The credit card statements typically start on the 16th of a month, and end on the 15th.

3. All travel expenses must be arranged by the athletics travel coordinator in the business office, who will ensure that expenses are in compliance with all relevant policies.

4. Only authorized university officers and agents who have been granted a written delegation of signature authority may sign contracts on behalf of the university. Please see the Signature Authority section of the Procurement Office website for more information.

**PROCESSING DEPOSITS**

1. The College’s Deposit Procedures state: “Deposits are to be made in a timely manner. The policy states that deposits should be made at least once every five working days or whenever $100 has accumulated, whichever comes first.” Please turn in checks to the athletics business office immediately so that checks may be stamped “For Deposit Only” and locked up. Coaches overseeing camps should either purchase a stamp and stamp the checks before turning them in to the Business Office, or handwrite “For Deposit Only [Camp Name]” on the checks before turning them in. This ensures that if a check were lost an outside individual could not cash the check.

2. If a check is returned for insufficient funds and the money cannot be recovered from the individual who wrote the check, the operating budget for the respective unit will be charged for the amount of the check.

3. The procedures for processing deposits are provided in Appendix 4-B.
PURCHASING PROCEDURES
Individuals are responsible for following all W&M and department purchasing procedures. Please see the following appendices to this section of the policy and procedure manual for more specific policies:
- Purchasing Policies
- Credit Card Policies
- Reimbursement Policies – Travel
- Reimbursement Policies – Non-Travel

PAYMENT PROCEDURES
1. W&M’s accounts payable office will refuse to pay an invoice unless there is written confirmation from the vendor that they will refuse to accept payment via credit card, or will charge an additional fee for credit card payments. A list of vendors who have indicated that they either refuse to accept credit cards, or will charge an additional fee for credit card transactions is maintained by W&M’s accounts payable office and will updated periodically on the athletics P&P manual (Vendor Data).
2. The Virginia Prompt Pay Act requires that all invoices be paid within 30 days after the invoice and items purchased have been received (whichever is later). The athletics department forwards all invoices to the campus accounts payable office as quickly as possible, but typically all payments arrive to the vendor at least 30 days after the invoice is received, regardless of when the invoice is delivered to accounts payable. **Under no circumstances should anyone make any guarantee to a vendor that payment can or will be made less than 30 days after W&M receives the invoice.**
3. When making a purchase that has been approved in eVA and cannot be paid with a credit card, please tell the vendor to e-mail the invoice to: triebusiness@wm.edu. If e-mail is not an option, tell the vendor to mail the invoice directly to the business office:
   W&M Athletics Department
   Attn: Business Office
   P.O. Box 399
   Williamsburg, VA 23187-0399
   If for some reason an invoice is mailed to you, or is given to you at the time of purchase, bring it immediately to the business office.
4. On a daily basis, invoices will be stamped in by the business office; the “Date Invoice Received” line completed, and then put in the mail box of the purchaser. The purchaser must sign the “Received by” line, indicating that the amount is as expected, and the items on the invoice have been received. If the items ordered arrive after the invoice, write the date that they arrive on the “Date Goods Received” line. **Return all invoices to the business office no more than five business days after the invoice/goods received date.** All payment requests must have the approval signature of the person requesting the payment. (This may mean that you get an invoice returned to you if it was not sent directly to the business office first.) Invoices will then be processed by the business office and delivered to the accounts payable office within 5-6 business days for final processing and payment.
INDEPENDENT CONTRACTORS
A request to pay someone as an independent contractor (other than sport camps) must first be submitted and approved via the eVA system, and then be made using the Independent Contractor Payment Form, unless the person submits an invoice for their payment. All areas of the form must be completed and submitted no more than one week following the event worked. We cannot pay W&M employees or students as independent contractors. Please use Appendix 4-H Student Employment Form if you will be paying a student on an hourly basis.

NEW VENDORS - FEDERAL W-9 FORM
W&M requires that we submit a W-9 form (http://www.irs.gov/pub/irs-pdf/fw9.pdf) for any vendor to be paid with a check that we have not previously paid. The form does not require an original signature, so it can be e-mailed or faxed to us. The business office will obtain that form when needed, but if you know we are paying somebody for the first time, it will help tremendously if you can ask for the form when making the purchase. This will prevent payment delays due to waiting for the form to arrive at the end of the process. The accounts payable office will not issue a payment for a vendor if they don’t have this form on file. This form is not needed for vendors paid with a W&M credit card.

ATHLETIC EDUCATIONAL FOUNDATION (AEF) – TRIBE CLUB
The purpose of the Tribe Club is to solicit donations from individuals and corporations for the primary, but not sole, purpose of providing scholarship support for William and Mary student-athletes. The Executive Director of the Tribe Club reports to the Tribe Club Executive Board and is also the Senior Associate Athletic Director-External (SAADE) reporting to the Athletic Director. The SAADE is considered a member of the development staff of the College.

1. Fund Types
   a. Unrestricted: The Tribe Club was initially formed to generate funds in support of athletic scholarships for football and men’s basketball. Each year the annual goal for the unrestricted campaign is set as part of the budget development process. While unrestricted funds may be allocated at the discretion of the athletics director, the established allocation is as follows: Football (70.4655%); Men’s Basketball (22.2522%); and Women’s Athletics (7.2823%).
      i. The Tribe Club is responsible for transferring to athletics (WMAA), at a minimum, the budgeted goal on or about June 30th each year. Any adjustments to the goal, up or down, must be requested by the Athletic Director and approved by the Tribe Club Board. For fiscal year 2012-13, the annual unrestricted commitment is budgeted to be more than $2.3 million.
      ii. Funds raised in excess of the goal or required draw are maintained in a reserve to assist with future campaigns or emergency departmental needs. In a given year, if the annual unrestricted goal is not met, funds may be drawn from the reserve to meet the goal.
b. Restricted: Beyond the unrestricted campaign, the Tribe Club permits and supports sport or event specific fundraising efforts. Restricted campaign goals are also established as part of the budget process each year. At the end of the budget cycle the WMAA will initiate a one-time draw against the restricted account to cover the approved expenditures. Any funds remaining in the restricted account are maintained in the account and will be expended only for the designated sport. Individuals making a payment to a restricted account should make the check or payment to Tribe Club-Sport/Event (i.e. Tribe Club-Baseball.)
   i. Generally a portion of the restricted fund balance for each sport will be allocated to supplement annual grant-in-aid expenses, or operating expenses.
   ii. Funds proposed or projected for annual expenses must be submitted and reviewed as part of the annual budget development and approval process. The total amount of those projected expenses will be removed from the restricted account at the beginning of the budget year (July 1). Any funds not utilized during the year will be returned to the restricted funds at the end of the budget year.
   iii. If a sport exceeds its approved budget, all additional expenses may be covered by a draw of funds from the respective sport’s restricted account. Conversely, if a sport does not expend the full budgeted amount the draw from the restricted account may be reduced accordingly.
   iv. In extenuating circumstances, one time expenditures for an unanticipated operating expense or for a fundraising initiative may be paid directly from a restricted AEF account. Requests for direct payment from a restricted account must be forwarded in writing and approved by the Athletic Director or Associate Athletic Director in advance of the expenditure.
   v. The guidelines for the accrual of interest and potential service fees for restricted accounts are provided in Appendix 4-C.

c. Endowments: All William and Mary endowments are maintained and managed by the William and Mary Foundation. Endowments may be restricted or unrestricted in nature. The minimum gift required to initiate a new named endowment is $50,000.
   i. The annual expendable portion of endowment accounts are set by the Endowment Board. Currently the annual expendable is approximately 4% of the market value. However, the exact expendable balance is calculated on a five-year rolling average of the balance at the end of each quarter.
   ii. Endowment funds must be deposited in a College account by November 1st to allow for expendable funds for the next academic year.

2. Campaign/Solicitation Guidelines
   a. Each year the Tribe Club is challenged to organize and implement an annual campaign to meet both the unrestricted and restricted campaign goals. The
campaign solicitation and event schedule is established in August or September just prior to the academic year. If you have questions concerning the solicitation or event schedule contact the Tribe Club office.

b. Any individual or groups proposing to solicit parents, alumni or friends of the athletic program must have prior approval from the SAADE. Communication is essential to avoid conflicting or repetitive solicitations.

c. Any restricted campaign must be managed in cooperation with the Tribe Club office and all funds must be deposited in an account maintained by the Tribe Club.

3. Gifts-in-Kind
   a. Material goods that can benefit the athletic department are considered gifts-in-kind. Individuals who have suggestions of gifts or needs of this type that could benefit their program or the department generally should contact the Tribe Club office. All solicitations for goods or services must be approved in advance by the SAADE. Be mindful that although we can accept a donation of services, the Tribe Club cannot give gift-in-kind credit for the donation of services.

b. There are three options for crediting gift-in-kind donations. The donor must select only one of the three options for any one transaction. The gift-in-kind options include:
   i. Goods may be given to the department as a trade-out for marketing inventory such as advertising. The gift value is equal to the listed cost of the advertising and must be so indicated on the advertising contract.
   ii. Goods may be given in exchange for tickets to athletic contests. In this case the gift is valued at the market cost of the ticket.
   iii. A gift of goods may be donated directly to the Tribe Club for gift credit. In this case the value is set using the most objective measure available to both the donor and the Tribe Club staff. The donation value (for college credit only) for the goods will not be noted in the acknowledgement letter sent from the college development office to the donor. The letter will state only what the gift was; it will be up to the donor to set a value for IRS purposes. The IRS does not allow a dollar amount to be included in the letter.

4. Booster Clubs
   A Booster Club is a self-administered and self-organized support group promoting a specific intercollegiate sport. To assure oversight and compliance with NCAA and College rules, all Booster Club accounts must be maintained in a restricted Tribe Club account. Although funds are maintained within the Tribe Club, membership dues are not charitable gifts and therefore are not tax deductible and do not entitle individuals to Tribe Club membership.
   a. Each Booster Club is responsible for all expenses of the club to include all operating expenses such as mailings and postage.
   b. To avoid conflicts with the annual campaign initiatives the department must approve and has the right to limit solicitations to sport specific alumni and/or parents.
c. Booster Clubs that accrue a balance of funds may purchase goods in support of a particular team provided there is full compliance with all approval procedures.

d. An overview of steps required to start a booster club and/or request payments on behalf of a particular team from an existing booster club are provided in Appendix 4-D.

5. “Friends” Clubs

Friends Clubs are sport specific accounts within the Tribe Club that support individual teams. They should not be confused with booster clubs, such as the Closers Club (baseball), Quarterback Club (football), Tribe Aces (tennis), etc. Contributions to Friends clubs are tax deductible contributions; fees and contributions to booster clubs are not. Contributions to Friends clubs go dollar for dollar to the intended sport. The “Friends” club approach is a branding initiative of the Tribe Club and all accounts flow into and are held by the Tribe Club. Disbursements from these specific accounts must be approved by the coach and the Associate Athletic Director for Internal Operations.

6. Charitable Donations

The athletic department and individual staff members will at times receive requests for charitable donations from various worthy and deserving groups and activities. All requests for goods should be forwarded to the Director of Athletics. Generally requests will not be considered unless they meet all of the criteria as follows:

a. Request must be within the NCAA guidelines specific to charitable donations. Refer to Bylaw 13.16, Donation of Equipment and the departmental Compliance Manual for applicable forms and processing procedures.

b. Requesting group or individual must be in Tidewater area.

c. Organization must have a direct relationship with the Athletic Department or have direct involvement by an athletic department staff member.