



**Athletics Budget Update
August 23, 2019**

PRESENTED BY

Chair Kelvin Lawson, Board of Trustees

Florida Agricultural and Mechanical University



Athletics Talking Points

Quick History

- BOT and BOG Updates were presented:
 - June 2, 2019
 - July 26, 2019
 - August 16, 2019
- BOG Revenue/Expense reporting structure was agreed to in 2016 and still used as of this date
- University following BOG guidance set out in various documents in 2016
- University agreed in 2016 to repay improper transfers and is current on making payments
- Loan repayments include support from University Foundation in all 12 years and have been/and will continue to be budgeted





Athletics Talking Points

Quick History

- As the university closes out FY18/2019 it appears that the current deficit in Athletics will require approximately \$1M from the President's Discretionary Fund. *Please note that the \$1M will fluctuate until financial statements have been completed.
- FY18/2019 repayment of \$298K is in addition to the amount needed to balance out the FY18/2019.
- During initial close there was a potential shortfall of \$300K which was initially identified. Shortfalls in revenue and DSO support collections continued to grow. The current amount needed from the President's Discretionary Fund will require approximately \$1M.





Athletics Talking Points

Recent Actions

- The FAMU BOT met on August 16, 2019 and set the budget for Athletics at \$10.2M
 - Includes \$305K for NCAA Fines
 - Includes \$50K for Athletics Loan Repayment
- The new operating expense budget for Athletics is \$9.8M (net of NCAA fines and loan repayment)
- The preliminary budget was internally set at \$10.4M, while BOT and senior management considered \$11.2M. Important to note as budgeted figures will need smaller adjustments.
- Internal reviews have been scheduled monthly through 2019, and will be scheduled in 2020 as we get closer to that time. Reviews with BOG will be scheduled through 2019.





Athletics Talking Points

Moving Forward

- Review of Athletics' revenues is in process by the interim CFO and is resulting in a clearer view of funds generated by Athletics.
- Review of expenses will take an additional 30-60 days. This may result in further recommendations for adjustments to the BOT set budget.

New Concepts

- In accordance with BOG guidance from 2016, the University may explore use of Auxiliary interest to support scholarships for student athletes
- The University will also evaluate financial aid packaging for all students, including student athletes. BOG guidance will be sought
- The University will explore with other SUS institutions and BOG staff additional ideas





Athletics Budget

FY2018-2019

Florida A&M University
Athletics Division
FY2018-2019
August 7, 2019

Revenues:	Budgeted	2018-2019 Collected				
	10,003,653	8,876,440	89%			
Breakdown of Revenues Collected:	Budgeted	Actual	%	Account		
	3,920,000	4,166,818	106.30%	601000	Fees	
	-	(230,852)	0.00%	601299	Fee Waivers	
	620,000	533,905	86.11%	602130	Football Gate Receipts	
	250,000	275,000	110.00%	602131	Game Guarantees	
	662,000	809,000	122.21%	602131	Other Game Guarantees	
	100,000	134,463	134.46%	602132	Athletic Concession Sales	
	6,000	19,446	324.10%	602133	Athletic Program Sales	
	300,000	255,558	85.19%	602134	Football Season Tickets	
	375,000	167,500	44.67%	602136	Athletic Advertising Sales	
	130,000	81,885	62.99%	602139	Royalty	
	400,000	383,032	95.76%	602141	NCAA Revenues	
	25,000	12,703	50.81%	602144	Basketball Receipts	
	900,000	625,852	69.54%	602149	Investing in Champions	*
	800,000	992,002	124.00%	602152	Florida Classic Consortium	
	200,000	281,971	140.99%	602153	MEAC Revenue	
	121,000	30,205	24.96%	602155	Athletic Parking/Vending	
	30,000	3,101	10.34%	604090	MISC	
	989,653	313,011	0.00%	615001	President's Discretionary Fund	
	9,828,653	8,854,600				
Amendment to the Budget		175,000	21,840	12.48%	602146	Tag Bragg
Total Budget		10,003,653	8,876,440			
	Budgeted	Encumbrances	Expenditures	Balance		
Salary	3,834,223	-	3,807,542	26,681		
OPS	269,239	-	259,096	10,143		
SAOF	447,798	-	447,569	229		
Expense	2,906,750	10,488	2,834,182	62,080		
Scholarship	2,345,643	(354)	2,345,636	361		
OCO	-		-	-		
Mandatories	200,000		185,095	14,905		
TOTAL	10,003,653	10,134	9,879,120	114,399		
Revenue Collected	8,876,440.0					
Total Expenditures	(9,889,254.0)					
Profit (Loss)	(1,012,814)					
Notes:						
*Investing in Champions collected amounts are reported from the system, the amounts that were listed previously were provided by the AD and sourced from the Box Office.						





Gap Action Plan/Update

New Information Post Original BOG Staff Update

- Current Budget has 1.2 Million of Risk—Attack Plan to address includes the following:
 - \$100,000 over deliver in Invest in Champions
 - \$150,000 Investment from FAMU Booster
 - \$30,000 Investment from Smaller Support Organizations (Ratter F Club)
 - \$150,000 Scholarship support from NAA*
 - \$400,000 Interest from Appropriate Auxiliary Accounts^
 - \$200,000 Invest more in Financial Aid/Scholarships for Student Athletes
 - \$350,000 Foundation Investment from Athletic Support Dollars*
- **Total of New Updates \$1.380M (Uncovered Risk of \$100,000)**
- **Aggressive Expense Management Tactics in place**
- **Aggressive Fund Development Tactics will be deployed**
 - *Pending Approval by Appropriate Boards
 - ^Not Yet Verified with the State





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

established 1887

