UNIVERSITY OF MAINE

AGREED-UPON PROCEDURES REPORT

PURSUANT TO THE ASSOCIATION OF COLLEGE & UNIVERSITY AUDITORS NATIONAL COLLEGIATE ATHLETIC ASSOCIATION DIVISION I COMPLIANCE AUDIT GUIDE

Academic Year 2011-2012
UNIVERSITY OF MAINE

Agreed-Upon Procedures Report

Pursuant to the Association of College & University Auditors National Collegiate Athletic Association Division I Compliance Audit Guide

June 30, 2012

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INDEPENDENT ACCOUNTANTS' AGREED-UPON PROCEDURES REPORT

Mr. Karlton Creech, Director of Athletics
University of Maine
Orono, Maine

We have performed the procedures enumerated in the following sections of the Association of College & University Auditors (ACUA) National Collegiate Athletic Association (NCAA) Division I Compliance Audit Guide, for the academic year 2011-2012 for the University of Maine (the "University") Department of Athletics (the "Department"):

- Governance and Organization
- Academic Performance Program
- Investigations and Self Reporting of Rules Violations
- Rules Education
- Extra Benefits - Student Athlete Vehicles
- Extra Benefits - Team Travel
- Amateurism

Management is responsible for the University's compliance with those requirements. Our examination was made in accordance with standards established by the American Institute of Certified Public Accountants and accordingly, included examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures either for the purpose for which this report has been requested or for any other purpose.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the compliance of the items discussed above. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Mr. Karlton Creech, Director of Athletics, and the Board of Trustees and Management of the University and is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this report if this report is a matter of public record.

O'Connor and Drew, P.C.
Certified Public Accountants
Braintree, Massachusetts

April 24, 2014
UNIVERSITY OF MAINE
DEPARTMENT OF ATHLETICS

Background

For the Year Ended June 30, 2012

The University is a member of the NCAA Division I and competes in the Hockey East Conference, Colonial Athletic Association Conference for football and America East Conference for all other sports.

The NCAA requires the evaluation of the compliance program of a Division I athletic program at least every four years by an authority independent of the Institution's Athletic Department. To meet this requirement, the University of Maine has developed a plan to examine the areas listed in the ACUA NCAA Division I Compliance Audit Guide over a four year period.

NCAA compliance is a shared responsibility of all members of the University who are involved in the recruitment and education of student athletes. The Compliance Office within the Athletics Department is responsible for monitoring NCAA compliance. The office accumulates information on student athletes and educates other University personnel regarding the NCAA requirements and monitors compliance with the regulations.

The Compliance Office primarily educates coaches on NCAA regulations by conducting seminars for coaches and creating the University’s Coaches Compliance Manual. Members of the Compliance Office obtain their NCAA regulation knowledge by attending NCAA related seminars and guidelines from conference representatives.

As of June 30, 2012, the Compliance Office did not have a formal policies and procedures manual to foster compliance with NCAA regulations throughout the University community. We recommended that management ensure that a policies and procedures manual for the Compliance Office be created and that there is periodic review of the compliance with these polices.

In response to our recommendation, the Athletics Compliance Office created and implemented a compliance manual documenting the policies and procedures which became effective August 1, 2012. The manual addresses all NCAA compliance areas and will be managed by the Associate Athletic Director for Compliance, who will be responsible for assuring, through review of applicable changes in NCAA rules, that the manual remains in conformity with NCAA regulations.
Management’s Response:
The University of Maine’s Compliance Office has continued to make adjustments and improvements by creating a policy and procedure manual, continuously educating staff and students, and enforcing the NCAA bylaws. The Compliance Office with support from the Director of Athletics and the University President is dedicated to the utmost adherence to the rules.

The Compliance Office strives to continue to improve their processes and procedures and knows that the continuous work through the audit process makes our office better.
UNIVERSITY OF MAIN
DEPARTMENT OF ATHLETICS

General Recommendations

For the Year Ended June 30, 2012

Overview:
We have provided the enclosed "general recommendations" for the purposes of providing
general best practices for the University. Although these recommendations do not specifically
correspond to NCAA compliance bylaws, they have been found to aid in developing a solid
foundation of documentation and rules compliance.

General Recommendation (GR12-01):
We reviewed the efforts of the Compliance Office to educate coaches, University personnel and
student athletes of NCAA regulations. Although the Compliance Office was able to provide the
dates of these education efforts; it was unable to provide agendas and supporting documentation
of the sessions for all but two sessions which were held during the year ended June 30, 2012.
We noted there was no formalized policy requiring the maintenance of these documents or of an
attendance sheet signed by the attending coaches, student athletes, and other personnel.

Recommendation:
We recommend that management implement a policy requiring the maintenance of these
documents for no less than the quadrennial review cycle required by the NCAA.

Management's Response:
The University of Maine will save all organized educational materials in a centralized location
chronologically to document all education efforts by the Compliance Office. Periodic
educational emails will still be distributed and saved within the Maine.edu Gmail system.

General Recommendation (GR12-02):
The University is required by NCAA regulations to ensure that student athletes do not receive
extra benefits associated with vehicles. The University requires its student athletes to complete
the "Student-Athlete Vehicle/Housing/Employment Activities" form. For the purposes of this
testing year, we only reviewed the vehicle section of this form.

Recommendation:
We recommend that this form would better fulfill the NCAA mandate regarding extra benefits
and potential improper benefits received by the University's student athletes if the following
questions were added to the form:

(1) Where was the vehicle purchased?
(2) Insured by whom? (Name and Insurance Carrier)
UNIVERSITY OF MAINE
DEPARTMENT OF ATHLETICS

General Recommendations

For the Year Ended June 30, 2012

General Recommendation (GR12-02) - Cont.:

Management's Response:
The University of Maine believes that the current questions identify the key problem areas associated with extra benefits for student-athletes. With this recommendation, the Compliance Office believes that adding the lines "Who pays the insurance for your vehicle?" and "Relationship to you" are appropriate to identify any extra benefits from impermissible sources.

General Recommendation (GR12-03):
During our testing, we noted that the University's Athletic Business Office prepares a "Final Expenditure reconciliation" for all team travel. Supporting documentation for the expenditures incurred by the team is attached to the form. There is no requirement to document that the expenditures were reviewed by the Compliance Office for conformity with NCAA regulations.

Recommendation:
Management should implement procedures requiring that review of these expenditures is noted on the form. We suggest management add the following legend to the form, followed by space for the reviewer's signature and date: "I have reviewed the expenditures and supporting documentation and believe they are in conformity with the relevant regulations of the NCAA."

Management's Response:
Working in coordination with the Business Office and the Compliance Office, the University of Maine will review the travel procedures and look to incorporate routing changes into the new travel system processes. These changes will allow for receipts to be reviewed by Compliance before they go to the Business Office.
UNIVERSITY OF MAINE
DEPARTMENT OF ATHLETICS

Schedule of Findings

For the Year Ended June 30, 2012

Finding (F12-01):
Bylaw 16.11.2.3 states, "An instructional employee or representative of the institution's athletics interests may not provide a student athlete with extra benefits or services, including, but not limited to:

a) A loan of money  
b) A guarantee of bond  
c) An automobile or the use of an automobile  
d) Transportation  
e) Signing or co-singing a note with an outside agency to arrange a loan

Annually, in February, the Compliance Office obtains a listing of student athletes with registered vehicles on campus from the University's Parking and Transportation Services ("PTS"). The Compliance Office then compares this list with a list maintained by the Athletic Department.

As part of our testing procedures we selected a sample of 25 student athletes, who according to the Athletics Department, did not have a registered vehicle on campus. PTS, however, informed us that three of the sampled student athletes had an on-campus vehicle parking permit. One of the selected student athletes received a permit in October 2011, but was not included in the February 2012 list provided by PTS and thus not updated by the Compliance Office. The failure to include this student athlete on the PTS list shows a weakness in the control's design. Additionally, two other student athletes received permits in April 2012 and May 2012, which was after the date that the list was provided by PTS and was not documented by the Compliance Office.

Recommendation:
We recommend that, the Parking and Transportation Service provide the Compliance Office with a list of all student athletes for whom parking permits have been issued on a monthly basis.

Management's Response:
The University of Maine feels strongly that the reconciliation process for reviewing vehicle registrations for student-athletes is adequate based on the resources available. The Compliance Office collects, monitors and educates our student-athletes to submit new information to the Compliance Office continuously. The additional work of reconciling vehicle registrations on a monthly basis with Parking and Transportation Services is not rational. The two student-athletes who received permits in April and May only had their parent's cars on campus for the final weeks of school to allow them to drive home from school when the semester was over.
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Schedule of Findings

For the Year Ended June 30, 2012

Finding (F12-02):
Bylaw 14.1.5 states:

"The eligibility of an international student athlete shall be certified on a form maintained by the Amateurism Cabinet and approved by the Legislative Council. Failure to complete and sign such a form prior to participating in competition shall result in the student-athlete’s ineligibility for intercollegiate competition. The completed form shall be kept on file at the institution with other eligibility documents and shall be available for examination upon request by the NCAA, and, if the institution is a member of a conference, an authorized conference representative. Violations of this bylaw do not affect a student-athlete’s eligibility if the violation occurred due to an institutional administrative error or oversight, and the student-athlete subsequently signs the form; however, the violation shall be considered an institutional violation per Constitution 2.8.1."

We were advised by the Compliance Office that the University had 63 international students. As part of our testing we requested the "General Amateurism and Eligibility Form for International and Select Student-Athletes - Division I." for all 63 international student athletes to ensure each international student athlete had completed the appropriate form as required by Bylaw 14.1.5.

In summary, only 23 of the 63 (or 37%) of international student athletes attending the University had properly completed the form.

The Compliance Office was unable to provide the above mentioned form for 10 of the 63 international student athletes selected. Thirty of the forms provided by the Compliance Office did not contain required signatures as noted below:

a) 16 - Not signed by the student athlete, the Compliance Office, nor the student athlete's head coach prior to the student athlete’s first competition.
b) 3 - Not completed by the Compliance Office prior to the student athlete’s first competition.
c) 5 - Not signed by the Compliance Office, nor the student athlete's head coach prior to the student athlete’s first competition.
d) 6 - Not signed by the student athlete's head coach prior to the student athlete’s first competition.
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Schedule of Findings

For the Year Ended June 30, 2012

Finding (F12-02)-Cont.:

Recommendation:
Management should implement policies and procedures to ensure the appropriate documentation is obtained and completed relating to international student athletes' eligibility prior to the student athlete participating in competition.

Management's Response:
The University of Maine Director of Compliance assumed responsibility for this oversight during the 2011-12 year. Subsequently, the NCAA has removed the requirement to have the International Student-Athlete form completed.