



**Missouri  
State**<sup>®</sup>  
UNIVERSITY

**NCAA Camps & Clinics**

October 17, 2022

Report No. 179-22

Office of Internal Audit & Risk Management



# Missouri State<sup>™</sup>

U N I V E R S I T Y

**DATE:** October 17, 2022

**TO:** Kyle Moats, Director of Athletics  
Casey Hunt, Senior Associate Director of Athletics/SWA  
Tuamafa Reilly, Assistant Director of Athletics Compliance

**CC:** Rachael Dockery, General Counsel  
Zora Mulligan, Executive Vice-President  
Clifton M. Smart III, University President

**FROM:** Natalie B. McNish, Director of Internal Audit and Risk Management  
Arti Arti, Internal Auditor

## **NCAA Camps & Clinics**

### **BACKGROUND**

The Office of Internal Audit and Risk Management determined rotational audits of athletic programs were necessary to effectively monitor associated compliance and operational risks. Twelve categories were identified as potential risk areas and audits of each category will be completed for both the Springfield and West Plains athletic programs.

As a member of the National Collegiate Athletic Association (NCAA) Division I, Missouri State University has an obligation to ensure overall compliance with all applicable rules and regulations of the Association in the conduct of its intercollegiate athletics programs. Each athletic program employs a head coach with authority to operate their own camps/clinics as allowable by NCAA bylaw 13.12. In addition, the University has established additional requirements for these coaches which are outlined in their employment agreements.

### **OBJECTIVE AND SCOPE**

The objectives were to review compliance with applicable NCAA rules, documented policies and procedures, employment contracts, and widely accepted business practices as they apply to camps and clinics. The scope of the review was limited to the year ended December 31, 2021.

### **SUMMARY**

Improvement is necessary to ensure compliance with applicable NCAA rules, documented policies and procedures and employment agreements.

- Pre- and Post-camp/clinic paperwork was not filed for multiple events and information submitted was often not complete or sufficient to determine compliance with applicable NCAA rules.

- Insurance documentation was not submitted for several camps/clinics and many of the certificates that were submitted did not identify the Board of Governors as additional insured, which is required by each coach's employment agreement.
- Facility fees owed for Football, Men's Basketball, and Baseball camps/clinics were not paid to the University as required by those specific coach's employment agreements.
- The current policy manual has not been updated to include more recent changes to NCAA bylaw 13.12 and does not reflect current department procedures or systems. In addition, information necessary to ensure compliance with certain NCAA rules is not required.
- Compliance system access is not always deactivated once an employee terminates employment.
- Procedures do not exist to ensure information reported on Outside Income forms agree to financial reports submitted post-camp/clinic.

Management has accepted all recommendations and has either already made necessary changes to policies/procedures, or has plans to make those changes in the near future.



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Natalie B. McNish, CFE, CGAP  
Director  
Office of Internal Audit and Risk Management



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Arti Arti  
Internal Auditor

Audit Field Work Completed: September 23, 2022

## **OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT RESPONSES**

### **1. Pre-Camp/Clinic Procedures**

Pre-camp/clinic paperwork was not submitted for seven camps/clinics and insurance documentation was either not submitted or did not list the Board of Governors as an additional insured as required by the coach's employment agreements.

#### **A. Pre-Approval Reporting**

Pre-camp/clinic paperwork was not submitted for 7 of 25 camps/clinics held. In addition, pre-camp/clinic paperwork that was submitted was often incomplete. The purpose of the pre-camp/clinic process is to ensure the event is organized in compliance with NCAA rules and institutional policies. Coaches or staff members are required to report the name of the camp/clinic, applicable sport, dates, location, University facilities needed, participant demographic information, registration fees and discounts, eligible awards or prizes, advertisements, and insurance documentation. Without this paperwork being submitted and reviewed by the Assistant Director for Athletics Compliance, the University is unable to ensure compliance with NCAA bylaws.

#### **B. Insurance Requirements**

The University did not have insurance documentation on file for 11 camps/clinics held and 13 of the 14 who did provide documentation, did not list the Board of Governors as additional insured which is required by each coach's employment agreement and the Athletic Sports Camps/Clinics Policy Manual. To ensure adequate and proper coverage, appropriate certificates should be on file with the Assistant Director for Athletics Compliance before the start date of the camp/clinic.

### **2. Post-Camp/Clinic Procedures**

Post-camp/clinic paperwork was not submitted for 18 camps/clinics and facility fees were not remitted for 9 camps/clinics as required by the coach's employment agreements.

#### **A. Post-Camp/Clinic Reporting**

Post-camp/clinic paperwork was not submitted timely or completely for 18 of 25 camps/clinics held. According to the Athletic Sports Camps/Clinics Policy Manual, this paperwork is due no later than 45 days following the last camp/clinic held for that sport. During the audit, the former Assistant Director for Athletics Compliance requested paperwork be submitted for our review. In response, paperwork for an additional 12 camps/clinics was submitted. No response was received for the remaining 6 camps/clinics.

Post-camp/clinic reporting includes a financial report which identifies revenue received from registrations, merchandise sales, and other sources along with expenditures including salaries, facility fees, housing, meals, promotions, supplies, insurance, refunds, discounts, etc. This reporting also includes staff salary summary, free or reduced admission recipient list, sports camp/clinic refund list. Without this paperwork being submitted and reviewed by the Assistant Director for Athletics Compliance, the University is unable to ensure compliance with NCAA bylaws.

#### **B. Facility Fees**

Facilities fees were not collected for camps/clinics operated by Football, Men's Basketball, or Baseball coaches. Each of these coaches' employment agreements require a payment of \$5 per camp enrollee or a maximum required payment of \$1,000 for use of University facilities. In addition, since no documentation is required to state the number of enrollees present at each camp/clinic, Athletics has no way to determine the amount due; however, the maximum amount to be collected would be \$3,000.

### **3. Institutional Oversight**

Intercollegiate Athletics must develop increased oversight of athletic camps and clinics to ensure compliance with NCAA rules, employment agreements, and other policies and procedures.

#### **A. Policy Updates & Education**

The Athletics Sports Camps/Clinics Policy Manual is incomplete and sometimes inaccurate and the department has not adequately educated coaches and staff to ensure compliance with the established guidelines.

The Athletic Sports Camps/Clinics Policy Manual was last updated February 2017. Since that time, several changes have been made to both procedures used within athletics and NCAA rules. In addition, current requirements for post-camps/clinics paperwork do not include documents which would allow the institution to verify financial report accuracy, identify recruiting prospects who may have participated in camps/clinics and their associated role, or explain pay disparities between student athlete employee compensation.

Oversight would be strengthened through the updating and expanding of the existing policies and training of applicable staff.

#### **B. ARMS System User Access**

Access to Athletics' Administrative Resource Management System (ARMS) was not terminated in a reasonable time for some users whose employment terminated with the University. A comparison of records from the Office of Human Resource and the user access log for the ARMS system identified six users whose employment with the University had terminated and yet, their access to the ARMS system remained active. The compliance system contains student information with a classification level of restricted and private. Access to this information is privileged and should be safeguarded. To ensure only those necessary have access to the system, employees and other users' access should be terminated when they terminate employment/affiliation or move into any role which no longer requires the access.

#### **C. Outside Income**

Procedures do not currently exist to compare outside income reported using the outside income form and the financial information submitted for the camps/clinics. Operating Policy 6.01, Intercollegiate Athletics Policies and Procedures Manual, states, "each staff member is required to provide a written detailed account annually to the President for all athletically related income and benefits from sources outside the institution." Three of five reports submitted did not match information disclosed in post-camp/clinic paperwork. To ensure the accuracy of outside income reported, procedures to compare these reports should be developed and implemented.

### **Recommendations**

We recommend Intercollegiate Athletics:

1. Ensure all required pre-camp/clinic paperwork, including insurance documentation, is submitted by coaches and reviewed for completeness and accuracy by the Assistant Director for Athletics Compliance prior to start date of any camp/clinic.
2. Ensure all required post-camp/clinic paperwork, including applicable facility fees owed, are submitted by coaches and reviewed for completeness and accuracy by the Assistant Director for Athletics Compliance within the required time frame.

3. Enhance institutional oversight by:
  - A. Updating the Athletics Sports Camps/Clinics Policy Manual to include all necessary rules and requirements and align with current procedures and provide education of expectations to all coaching staff.
  - B. Ensuring ARMS system user access is deactivated upon any termination of employment/affiliation or change or move into any role which no longer requires the access.
  - C. Developing procedures to ensure outside income reported is complete and accurate.

### **Management's Responses**

*The Department of Athletics agrees with all three recommendations presented in the report.*

1. *The Office of Athletics Compliance will be sure to review all required forms for camp, prior to the camp/clinic to ensure all fields and documents are submitted.*
2. *It will be required to submit all required post-camp paperwork within 45 days of conclusion of the last camp held by the sport program.*
3.
  - A. *The camp and clinics manual is currently in process with a DRAFT already done to be provided to all camp directors' moving forward.*
  - B. *Due to the number of staff changes this past spring, we will ensure that we deactivate those who are no longer employed by the athletics department immediately upon their departure.*
  - C. *We have corrected the current outside incomes from the audit for those coaches who reported incorrectly the amount earned. We will educate and ensure moving forward that coaches and staff provide the accurate amount of outside income on their form moving forward. The Compliance Office will cross check the financial reports from camps and clinics with the outside income form to cross check for accuracy.*