

THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
FINANCE AND AUDIT COMMITTEE

THURSDAY, 15 FEBRUARY 2007
8:30 A.M.

FLORIDA INTERNATIONAL UNIVERSITY
GRAHAM CENTER CONFERENCE ROOM 243
UNIVERSITY PARK
MIAMI, FL

MEMBERSHIP

KIRK LANDON, *CHAIR*
MIRIAM LÓPEZ, *VICE CHAIR*
ALBERT DOTSON
ARMANDO GUERRA
BRUCE HAUPTLI

T. GENE PRESCOTT, FOUNDATION BOARD OF DIRECTORS

AGENDA

- | | |
|--|-----------------------|
| I. CALL TO ORDER | KIRK LANDON |
| II. APPROVAL OF MINUTES | KIRK LANDON |
| III. CHAIR'S REMARKS | KIRK LANDON |
| IV. FOLLOW-UP TO ITEMS FROM PREVIOUS MEETINGS | KIRK LANDON |
| V. ITEMS FOR COMMITTEE REVIEW | KIRK LANDON |
| A. ACTION ITEMS | |
| 1. CHANGES TO UNIVERSITY INTERNAL AUDIT PLAN, 2006-2007 | TED GUBA |
| B. REPORTS (<i>FOR DISCUSSION - NO ACTION REQUIRED</i>) | |
| 2. SPONSORED RESEARCH REPORT | GEORGE WALKER |
| 3. CFO UPDATE | VIVIAN SANCHEZ |
| 4. OFFICE OF INTERNAL AUDIT REPORT | TED GUBA |
| B. REPORTS (<i>FOR INFORMATION ONLY</i>) | |
| 5. FOUNDATION REPORT | ALEXANDER ZYNE |

6. TREASURY REPORT

ALEXANDER ZYNE

- UNIVERSITY INVESTMENT COMMITTEE

7. ENVIRONMENTAL – REGULATORY & COMPLIANCE

JENNIFER MWAISELA

VI. OTHER BUSINESS

KIRK LANDON

VII. ADJOURNMENT

KIRK LANDON

NEXT FINANCE AND AUDIT COMMITTEE MEETING
IS SCHEDULED FOR
19 APRIL 2007

**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
FINANCE AND AUDIT COMMITTEE**

15 FEBRUARY 2007

SUBJECT: FINANCE AND AUDIT COMMITTEE MEETING MINUTES, 4 DECEMBER 2006

PROPOSED COMMITTEE ACTION:

Adopt the following Resolution:

RESOLVED that the minutes of the meeting of the Florida International University Board of Trustees' Finance and Audit Committee held on 4 December 2006, attached to this Resolution as Exhibit "A," are hereby approved.

EXHIBITS/SUPPORTING DOCUMENTS:

- EXHIBIT "A": 4 DECEMBER 2006
FINANCE AND AUDIT COMMITTEE
MEETING MINUTES.

FACILITATOR/PRESENTER:

- COMMITTEE CHAIR KIRK LANDON

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**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**



**FINANCE AND AUDIT COMMITTEE
MINUTES
4 DECEMBER 2006**

I. Call to Order

The Florida International University Board of Trustees' Finance and Audit Committee meeting was called to order by Chairman Kirk Landon on Monday, 4 December 2006, at 8:33 a.m., in the University Park Graham Center Conference Room 243, Miami, Florida.

The following attendance was recorded:

Present:

Kirk Landon, *Chair*
Albert Dotson
Armando Guerra
Bruce Hauptli

Excused

Miriam López, *Vice Chair*

Trustee Alfonso Leon was also in attendance.

II. Approval of Minutes

Committee Chair Kirk Landon asked if there were any additions or corrections to the minutes of the 28 September 2006, Finance and Audit Committee meeting. Hearing none, the Committee adopted the following:

RESOLVED that the minutes of the meeting of the Finance and Audit Committee, held on 28 September 2006, and attached to this Resolution as Exhibit "A," are hereby approved.

III. Chair's Remarks

Committee Chair Landon welcomed Trustees and staff to the meeting. He welcomed Director of Purchasing Stephen Millspaugh, noting that Stephen joined the University with over 20 years of purchasing expertise. He also welcomed Assistant Vice President for Financial Planning Gustavo Knoepffler, noting that Gustavo most recently served as the Budget Director for Miami-Dade County.

FIU Board of Trustees
Finance and Audit Committee Minutes
4 December 2006
Page 2

Committee Chair Landon recognized Assistant Controller for Student Financials Mercedes Murciano and thanked her for her work improving student financial processes.

IV. Follow-up to Items from Previous Meetings

Committee Chair Landon reported that a meeting with University Staff to review outstanding audit recommendations was held in November 2006, noting that options for resolving the issues in areas such as IT security, Disaster Recovery, Wolfsonian Museum Facilities and Registration of the Frost Art Museum's Collection were discussed.

V. Items for Committee Review

A. Action Items

1. Articles and Bylaws – FIU Athletics Finance Corp.

University Treasurer Alex Zyne presented the Articles and Bylaws for the FIU Athletics Finance Corp. for Committee review, noting that the FIU Athletics Finance Corp. held its first meeting on November 21, 2006.

After discussion, the Committee recommended Board adoption of the following Resolution:

WHEREAS, in order to undertake the financing of the construction and installation of the expansion to the existing FIU Football Stadium, the University has been authorized to establish the FIU Athletics Finance Corporation, a Florida not-for-profit corporation (the "Corporation");

WHEREAS, the Corporation meets all of the requirements of Section 1004.28, Florida Statutes, and Rule 6C8-6.100, F.A.C., which set forth the requirements for an organization to be certified as a direct support organization of the University;

WHEREAS, it is requested that the Florida International University Board of Trustees ("BOT") approve the Articles of Incorporation and Bylaws of the Corporation, in the form attached as Exhibits "B" and "C" hereto, and designate the Corporation as a direct support organization of the University.

NOW, THEREFORE, BE IT RESOLVED by the BOT as follows:

The BOT hereby (i) approves the Articles of Incorporation and Bylaws of the Corporation, in the form attached as Exhibits "B" and "C" hereto; and (ii) designates the Corporation as a direct support organization of the University.

FIU Board of Trustees
Finance and Audit Committee Minutes
4 December 2006
Page 3

2. Adoption of Board of Governors Debt Management Guidelines

University Treasurer Alex Zyne presented the Adoption of Board of Governors Debt Management Guidelines for Board review and approval.

Trustee Hauptli inquired as to how these new guidelines differed from University policy. University Treasurer Zyne noted that the Board of Governors Debt Management Guidelines outlined a timeline process for submitting debt for approval.

After discussion, the Committee recommended Board adoption of the following amended Resolution:

WHEREAS, on April 27, 2006, the Florida Board of Governors adopted the Debt Management Guidelines, attached to this resolution as Exhibit "D", and

WHEREAS, it is requested that the BOT adopt the attached Debt Management Guidelines.

NOW, THEREFORE, BE IT RESOLVED by the BOT as follows:

The BOT hereby adopts the attached Debt Management Guidelines.

B. Reports

3. Sponsored Research Report

Vice President for Research George Walker presented the Sponsored Research Report, reporting on pre and post award activity. He also reported on audits, noting the progress of areas such as accounts receivable, collections and suspense accounts.

4. CFO Update

CFO and Senior Vice President for Administration Vivian Sanchez presented the CFO Update. She reported on the Budget Variance Analysis for the first quarter of FY06-07. She also reported on the Un-Audited Financial Statements – Interim Report and External Audit Update.

5. Office of Internal Audit Report

University Internal Audit Director Ted Guba presented the Office of Internal Audit Report. He also recognized University Information System Auditor Phillip Maddux for his outstanding work.

6. Foundation Report

University Treasurer Alex Zyne presented the FIU Foundation, Inc. Preliminary Financial Statements Recap and Investment Summary through the period ended September 30, 2006.

7. Treasury Report: University Investment Committee

University Treasurer Alex Zyne presented the Treasury Report, noting that as was presented during the last Board of Trustees Finance and Audit Committee Meeting, the University Investment Committee met in September 2006 to review the performance for the last quarter of the fiscal year.

FIU Board of Trustees
Finance and Audit Committee Minutes
4 December 2006
Page 4

He also reported on the Asset Allocation Target Policy by Pool and on the Investment Return Performance as of September 30, 2006.

8. Environmental – Regulatory & Compliance

Vice President Environmental/Health and Safety Jennifer Mwisela presented the Environmental – Regulatory and Compliance Report.

9. University Compliance Program Report

University Compliance Officer Leyda Benitez presented the University Compliance Program Report, noting that the University's Compliance Office is emphasizing education and training by incorporating a basic introduction to compliance issues to the New Employee Experience.

VI. Other Business

The Florida International University Board of Trustees Finance and Audit Committee met alone with the University's senior management where concerns were raised on creating a culture of urgency in internal audit. In addition, there was concern expressed on the security of computers on campus.

The Florida International University Board of Trustees Finance and Audit Committee met alone with the University's Internal Audit Director Ted Guba and Information Technology Auditor Phillip Maddux where topics including information technology security and access control issues, the status of the implementation of the Disaster Recovery Plan and the hiring progress for the vacant positions in the Office of Internal Audit were discussed.

VII. Adjournment

With no other business, Committee Chair Landon adjourned the meeting at 10:55 am.

Trustee Requests

- 1. Committee Chair Landon requested that the University's administration consider designing timelines that would define and expedite implementation, review, and approval processes for conducting University business.*
- 2. Committee Chair Landon requested that the University's Environmental/Health and Safety office produce a column in the Beacon updating the University community on current environmental efforts. (Office of Environmental/Health and Safety will coordinate.)*
- 3. Committee Chair Landon requested a five (5)-year insurance claim history report. As a next step, Trustee Landon requested that Jennifer Mwisela update the insurance information and schedule a meeting to discuss expense and cost.*

Exhibits attached: "A", "B" and "C"

*MEB/mb
12.18.06*

**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
FINANCE AND AUDIT COMMITTEE**

15 FEBRUARY 2007

SUBJECT: CHANGES TO UNIVERSITY INTERNAL AUDIT PLAN, 2006-2007

PROPOSED COMMITTEE ACTION:

Adopt the following Resolution:

WHEREAS the Operating Procedures of the Florida International University Board of Trustees' Finance and Audit Committee (the Committee) Charter provides that the Committee shall review and approve the Office of Internal Audit's annual audit plan;

WHEREAS the Committee approved the University Internal Audit Plan, 2006-2007 September 28, 2006;

WHEREAS subsequent revisions to the plan have been proposed and are attached to this Resolution as Exhibit "B";

THEREFORE BE IT RESOLVED that the Florida International University Board of Trustees' Finance and Audit Committee adopts the revisions to the University Internal Audit Plan for the fiscal year ending June 30, 2007, as attached to this Resolution as Exhibit "B".

BACKGROUND INFORMATION:

LEGAL AUTHORITY:

The Florida International University Board of Trustees' Operating Procedures, Finance and Audit Committee Charter, Specific Responsibilities: The Office of Internal Audit, states in relevant part:

The Finance Committee shall...Review and approve the Office of Internal Audit's annual audit plan (and any subsequent changes thereto), considering the University-wide risk assessment and the degree of coordination with the Auditor General's Office for an effective, efficient, non-redundant use of audit resources.

EXPLANATION OF COMMITTEE ACTION:

The Finance and Audit Committee Charter mandates approval of the audit plan for the upcoming fiscal year.

EXHIBITS/SUPPORTING DOCUMENTS:

- EXHIBIT “B” – CHANGES TO
UNIVERSITY INTERNAL AUDIT PLAN,
2006-2007

FACILITATOR/PRESENTER:

- TED GUBA



January 12, 2007

MEMORANDUM

TO: Kirk Landon, Chair, FIU Finance and Audit Committee

FROM: Ted Guba, Audit Director

SUBJECT: Revised 2006 – 2007 Work Plan

Florida International University's work plan for the fiscal year 2006–2007 was approved by the President and the Board during September 2006. After reviewing the original audit plan and risk assessment, taking into account the increased number of investigations, our expected office resources for the remainder of this fiscal year and discussions with management, I am submitting a revised work plan for this fiscal year for your approval. Overall, the original plan called for 14 audits and reviews and 7 investigations, and the revised plan anticipates that we will complete 14 audits and reviews and 9 investigations.

The 2006–2007 work plan was based on five of the authorized audit positions being filled throughout the year and two new hires coming on board, a Senior Audit Manager by September 1, 2006 and another auditor by January 1, 2007. A staff auditor was dismissed during October. Consequently, there are three unfilled positions. However, we will hire staff during the remainder of the fiscal year, have assistance from three part-time student interns for a seven week period, and will minimize staff leave and training time to increase productivity.

Revisions to the work plan include substituting a more focused audit of Construction Procedures and Controls over Change Orders, which was requested due to Board concerns, rather than the more generalized audit of overall Construction Processes and Controls.

Due to the potential risk of unauthorized access to sensitive patient information identified during the audit of University Health Services – Patient Information Systems, we identified two other related departments managing patient information that were in the same physical location and operating on shared networking equipment with potential security concerns. Consequently, we will include the Counseling and Psychological Services Center and Victim Advocacy Center as two additional audits, and will perform preliminary work for the Housing Audit, with field work deferred to 2007–2008.

Exhibit "B"

We will defer the Purchasing Card Controls audit since the Controller's Office recently assigned an employee the role of auditing departmental recordkeeping for Purchasing Cards, which they plan to start shortly. We have been asked to review the adequacy of the audit program prior to their reviews, and plan to examine the audit work performed as part of next year's plan.

We will also defer our Follow-up Audit on Implemented Recommendations since the State Auditor General will perform detailed audit work on the status of the recommendations from their operational audit, which we will compare with management's reported status.

Finally, we included and completed a Review of Security Over Conference Calls as part of this year's work plan. There was a need for immediate corrective action since these calls could be accessed by the general public.

We believe that these changes to the 2006-2007 work plan reflect the best use of our resources to promote accountability within the University.

C: Cristina Mendoza, Vice President and General Counsel
Modesto Maidique, University President

**Florida International University
Office of Internal Audit
2006 – 2007 Revised Work Plan**

AUDIT & REVIEW ACTIVITIES

	Original Plan	Target Date		Revised Plan/Comments
1	Payroll Certification for the Dept. of Financial Services	June 2007	1	Payroll Certification for the Dept. of Financial Services/Dependent on management's implementation date which is currently scheduled for July 2007
2	Contracts & Grants – Compensation for Personal Services/Time & Effort Reporting	Complete	2	Contracts & Grants – Compensation for Personal Services/Time & Effort Reporting
3	Contracts & Grants - Allowable Expenditures	Feb. 2007	3	Contracts & Grants – Allowable Expenditures/ Completion date pushed back since assigned auditor terminated prior to completion
4	Oracle Database Security – Student Administration	Complete	4	Oracle Database Security – Student Administration
5	Oracle Database Security – Tidal Enterprise Scheduler	May 2007	5	Oracle Database Security – Tidal Enterprise Scheduler
6	Oracle Database Security – Touch Net	May 2007	6	Oracle Database Security – Touch Net
7	Oracle Database Security – All Fusion Harvest	June 2007	7	Oracle Database Security – All Fusion Harvest
8	Quality Assurance Review of the Office of Internal Audit	May 2007	8	Quality Assurance Review of the Office of Internal Audit
9	Foundation – Travel & Expense Reports	April 2007	9	Foundation – Travel & Expense Reports
10	Construction – Process & Controls	Defer 2007-2008		Will substitute Construction – Change Orders/ due to Board Concerns
		June 2007	10	Construction – Change Orders
11	University Health Services – Patient Information Systems	Feb. 2007	11	University Health Services – Patient Information Systems/Identified potential security access concerns during audit in related departments (See #12 & #13)
		March 2007	12	Counseling & Psychological Services Center – Patient Information Systems
		April 2007	13	Victim Advocacy Center – Patient Information Systems
12	Housing	Defer to 2007-2008		We are substituting two audits and will perform preliminary work on Housing (See #11 & #12 above)
13	Purchasing Card Controls	Defer to 2007-2008		The Controller's Office will audit departmental Purchasing Card recordkeeping; we plan to review their work
14	Follow-up Audit on Implemented Recommendations	Defer to 2007-2008		The State Auditor General will audit the status of their recommendations; we will compare their work to management's reported status
		Complete	14	Review of Security Over Conference Calls/ Review completed due to need for immediate corrective action

INVESTIGATIONS

	Original Plan	Target Date		Revised Plan/Comments
1	Allegations Against the Director of Enterprise Technology Support Services	Complete	1	Allegations Against the Director of Enterprise Technology Support Services
2	College of Education EMBERS Grant	Feb. 2007	2	College of Education EMBERS Grant
3	College of Arts & Sciences	Complete	3	College of Arts & Sciences
4	College of Engineering	Complete	4	College of Engineering
5	School of Hospitality & Tourism Management	Complete	5	School of Hospitality & Tourism Management
6	Additional Financial Aid Complaints	Complete	6	Additional Financial Aid Complaints
7	UTS – Audio/Video equipment Purchases Complaint	March 2007	7	UTS – Audio/Video equipment Purchases Complaint
				Additional Complaints Since Plan Approved
		Feb. 2007	8	Aramark Meal Card Review
		Feb. 2007	9	Facilities Christmas Party

FOLLOW-UP ACTIVITIES

We will follow-up on the current status of the implementation of recommendations prior to each Finance and Audit Committee Meeting. Since there are now five scheduled Finance and Audit Committee Meetings per year, we should reevaluate the frequency of follow-up monitoring based on management’s implementation rate of recommendations, the results of the State Auditor General’s follow up on their recommendations, and the results of our Follow-up Audit on Implemented Recommendations.

AUDIT RELATED SERVICES

1. Minimum of Two Surprise Cash Counts
2. Risk Assessment and Work Plan – Finance and Audit Committee Meeting scheduled on 09/10/07
3. Quarterly Audit Committee Reports – five per fiscal year
4. Annual Report – by September 30, 2007

**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
FINANCE AND AUDIT COMMITTEE**

15 FEBRUARY 2007

SUBJECT: OFFICE OF SPONSORED RESEARCH REPORT

PROPOSED COMMITTEE ACTION:

None. Discussion Item.

EXHIBITS/SUPPORTING DOCUMENTS:

- SPONSORED RESEARCH REPORT

FACILITATOR/PRESENTER:

- GEORGE WALKER

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FLORIDA INTERNATIONAL UNIVERSITY BOARD OF TRUSTEES FINANCE AND AUDIT COMMITTEE

OFFICE OF SPONSORED RESEARCH REPORT (OSRA) FEBRUARY 15, 2007

The Office of Sponsored Research Administration continues to focus on improving its administrative services and on helping develop a research university academic culture for the FIU intellectual community. In what follows we provide a brief summary of results, progress, and actions in these areas:

I. Grants Administration:

Pre-Award: An overview of application and award activity by Schools/Centers for the period of July through December 2006 in comparison to the activity for the same period in 2005 is depicted in Tables 1 and 2, and Figures 1 and 2. Award activity is down for the first six months of the fiscal year. The decrease in activity is partially due to the timing of awards being released to the University. This information was conveyed to the Deans of each College with the expectation that each college will put forth an extra effort to secure additional external awards carrying full F&A in the future. OSRA continues to provide, on a weekly basis, a list of potential funding opportunities to the FIU faculty to assist in the identification of potential external research funds. Efforts to attract federal and state funds targeted for research programs are extremely important in order to increase the research volume for fiscal 2007. Table 3 reflects a sample of the largest and average dollar awards received thus far during this fiscal year.

The process for completing electronic grant applications will be tested within the colleges in April 2007, with a full implementation for all colleges targeted for August 2007. OSRA has established 90% of the structure for routing electronic proposals at FIU. The electronic process will provide FIU with a solution for the required federal electronic process (grants.gov), and will allow for a paperless approach to grant administration at FIU. The paperless approach will enable swifter reviews, ease in tracking and submission of applications.

Post Award: Direct and indirect (facility and administrative—F&A) grant expenditures for the period of July through October 2006 by Schools/Colleges/Centers are detailed in Table 5 and Table 6. The expense amounts incurred to date are higher than projected expenditures. The increase in expenditures during the first four months of the year is partially due to F&A corrections, and the elimination of suspense accounts for expense transactions that would go un-posted due to budget exceptions. The increase in grant expenditures is also attributable to the increased award activity received in fiscal 2006.

The RFP process for selection of vendors to implement the grants module suite is under way, with a projected engagement start date of February 19, 2007. The anticipated

project length is nine months, however, during the RFP process we will attempt to identify ways to shorten the project length.

Audit:

Accounts Receivable/Billing: The bad debts associated with projects that ended prior to April 2005 were consolidated, and the projects were closed. Invoices and electronic draw downs are being completed on a monthly basis along with a review of the prior month's outstanding receivables.

Audit Account Closure: Over 400 projects were closed during the past two months, eliminating a large portion of the back log of expired open projects. Overdraft amounts were consolidated in December business. OSRA will continue to review and close projects with a goal of closing all expired projects by April 2007.

II. Research Integrity:

Professor Jonathan Tubman, who recently joined OSRA, received both M.S. and Ph.D. degrees in Human Development and Family Studies from Penn State University. He joined the faculty at FIU as an Assistant Professor in the Department of Psychology in the fall of 1993, and was subsequently promoted to Associate Professor (1998), and Professor (2005). His research program focuses on relations among health risk and other problem behaviors in vulnerable adolescent populations. Since 1998, he has worked with colleagues in Psychology, Social Work, and other units at FIU, primarily through the Community-Based Intervention Research Group (C-BIRG), to implement and evaluate developmentally appropriate, community-based intervention programs for minority adolescents with substance use and related problems. Dr. Tubman is currently the PI on a 5-year randomized clinical trial (RCT) of a brief motivational HIV risk reduction intervention for adolescents undergoing outpatient substance abuse treatment. The significance of this interdisciplinary research effort is that it extends empirically-supported treatments for young adults with alcohol use problems to target HIV risk behaviors among multi-problem minority adolescents in community settings. Since 1998, he has been the Principal Investigator or co-Investigator on four NIH-funded R01 applications, as well as other funded projects. He will initially focus on the following areas:

- Facilitate implementation of the electronic application submission and tracking systems for both the Institutional Review Board (IRB) and the Institutional Animal Care and Use Committee (IACUC). Online submission and tracking modules in InfoEd have been acquired by OSRA, and are currently being tested. More emphasis will be placed on making faster implementation a priority. The implementation of this system will make the IRB review process significantly more efficient and significantly decrease lapses in approvals.
- Initiate the development and implementation of a comprehensive research compliance program. The plan to be developed should be based on existing comprehensive research compliance programs at established research extensive/intensive universities

- nationwide. The implementation of such a compliance program is designed to create and maintain a University-wide research culture that promotes the ethical and responsible conduct of research at FIU.
- Work with the Associate Deans of the University Graduate School (UGS) to develop and initiate the implementation of educational outreach programs to facilitate graduate student mentoring and education; enhance the climate/culture of the university related to graduate student life, and ensure student compliance with routine policies and procedures of UGS.
 - Work with Deans to develop a process to assist them in hiring/tenure/promotion decisions related to research faculty in their units. In a parallel manner, work with key OSRA staff and Deans to develop initiatives sponsored by OSRA to improve faculty and graduate student research opportunities.

III. Customer Satisfaction and Service:

Limited Submissions:

- A new system for Limited Submissions will be in place by February 1, 2007.
- Under the new system, all Limited Submission opportunities will be placed on the OSRA website, including:
 - Links to the funding agency's announcement,
 - Links to the internal competition forms and requirements, and
 - Internal and External Deadlines.
- The initial list of funding opportunities will have the most exhaustive list possible through June, 2007. By March 15, 2007 the list will have been expanded to cover the rest of 2007.

Communication with Colleges and Feedback from Principal Investigators:

- For Spring Semester 2007, the Associate VP for Research Development, Andrés Gil, will begin attending one scheduled faculty meeting in each College or Department to communicate changes taking place at OSRA, and to solicit feedback about challenges researchers may be facing with grant proposals and administration of grants.

OSRA Satisfaction Surveys:

- Satisfaction surveys will be regularly sent to faculty that interact with OSRA.
 - Pre-award surveys: Quarterly surveys will be sent to faculty who have submitted proposals during prior 3 months.
 - Post-award surveys: Quarterly surveys will be sent to faculty who have received grants during prior 3 months.
 - Surveys will be in place by February 10, 2007.

Regular meetings between Associate VP for Research Development and College research administrators:

- Monthly meetings will be instituted between the Associate VP for Research Development and the group of research administrators from all Colleges/Schools.

IV. Workshops, Policies, and further development of the culture and infrastructure of a Research University:

Research Supplement Program (RSP):

- New RSP guidelines were developed, and presented to the Deans Advisory Council meeting on January 9, 2007.

Administrator/researcher workshop:

- An administrator/researcher workshop was conducted in January 2007. OSRA announced the forthcoming series of quarterly workshops and bimonthly training sessions on topics requested by/of interest to the audience. The initial training sessions will involve the electronic grant proposal process. The workshops and training sessions will provide a forum for interactions between faculty and administrators, as well as facilitate community-building required to manage a growing research portfolio.

Table 1 —Applications Comparison July-Dec 2005 vs. July-Dec 2006 by School/College/Center/Division

School/College/ Center/Division	July-December 2005			July-December 2006			Percent Change
	Direct	Indirect	Total	Direct	Indirect	Total	
ARC	\$2,504,002	\$641,693	\$3,145,695	\$4,353,946	\$1,031,485	\$5,385,431	71.20%
Academic Affairs	\$4,809,936	\$513,352	\$5,323,288	\$2,184,355	\$467,371	\$2,651,726	-50.19%
IHRC	\$1,164,408	\$0	\$1,164,408	\$935,813	\$138,991	\$1,074,804	-7.70%
Biological Science	\$140,873	\$10,471	\$151,344	\$0	\$0	\$0	-100.00%
College of Architecture & the Arts	\$49,569	\$0	\$49,569	\$19,247,861	\$0	\$19,247,861	38730.44%
College of Arts and Sciences	\$26,242,346	\$7,260,075	\$33,502,421	\$8,848,827	\$2,435,497	\$11,284,324	-66.32%
SERC	\$3,111,900	\$748,578	\$3,860,478	\$4,365,452	\$1,095,104	\$5,460,556	41.45%
College of Business Admin.	\$1,949,335	\$186,874	\$2,136,209	\$1,191,655	\$254,127	\$1,445,782	-32.32%
College of Education	\$12,395,259	\$1,259,925	\$13,655,184	\$5,546,244	\$444,996	\$5,991,240	-56.12%
College of Eng. & Computing	\$17,468,455	\$4,122,494	\$21,590,949	\$43,086,218	\$6,645,152	\$49,731,370	130.33%
College of Medicine	\$0	\$0	\$0	\$3,886,452	\$1,379,746	\$5,266,198	N/A
CHUA	\$20,488,691	\$4,178,384	\$24,667,075	\$15,363,073	\$4,523,878	\$19,886,951	-19.38%
Division of Student Affairs	\$342,498	\$20,320	\$362,818	\$2,457,677	\$191,343	\$2,649,020	630.12%
Division of Finance & Admin.	\$11,482	\$0	\$11,482	\$0	\$0	\$0	-100.00%
University Advancement	\$50,000	\$0	\$50,000	\$125,000	\$0	\$125,000	150.00%
College of Law	\$0	\$0	\$0	\$103,516	\$0	\$103,516	N/A
Honors College	\$0	\$0	\$0	\$25,000	\$0	\$25,000	N/A
LACC	\$860,386	\$49,823	\$910,209	\$0	\$0	\$0	-100.00%
SJMC	\$1,623,526	\$637,410	\$2,260,936	\$549,027	\$146,328	\$695,355	-69.24%
SHTM	\$0	\$0	\$0	\$13,665	\$1,162	\$14,827	N/A
UTS	\$100,001	\$0	\$100,001	\$702,847	\$24,659	\$727,506	627.50%
TOTALS	\$93,312,667	\$19,629,399	\$112,942,066	\$112,986,628	\$18,779,839	\$131,766,467	16.67%

Figure 1 —Applications Comparison July-Dec 2005 vs. July-Dec 2006 by School/College/Center/Division

Applications Submitted 2005 vs 2006

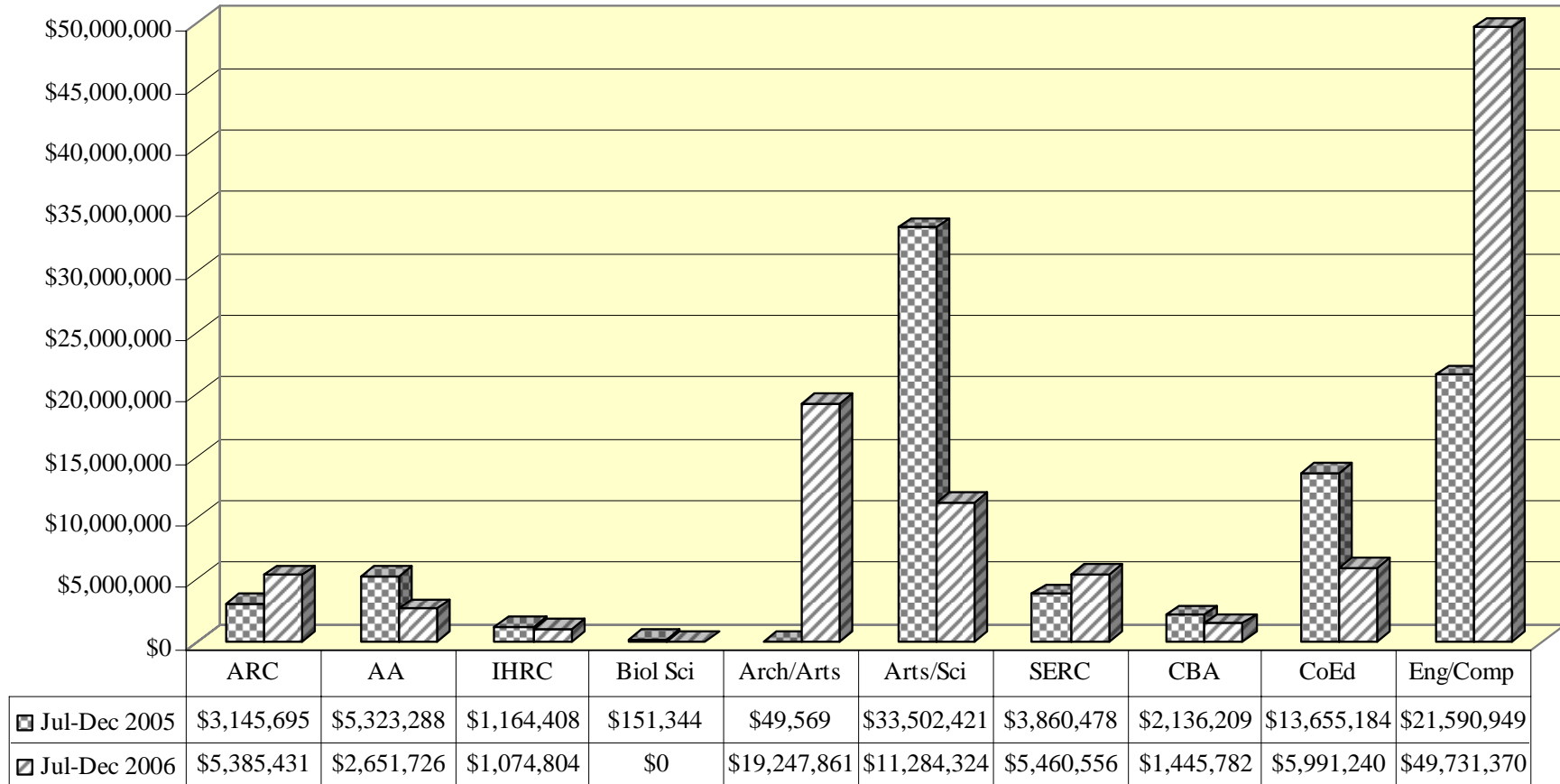


Figure 1 —Applications Comparison July-Dec 2005 vs. July-Dec 2006 by School/College/Center/Division

Applications Submitted 2005 vs 2006--continued

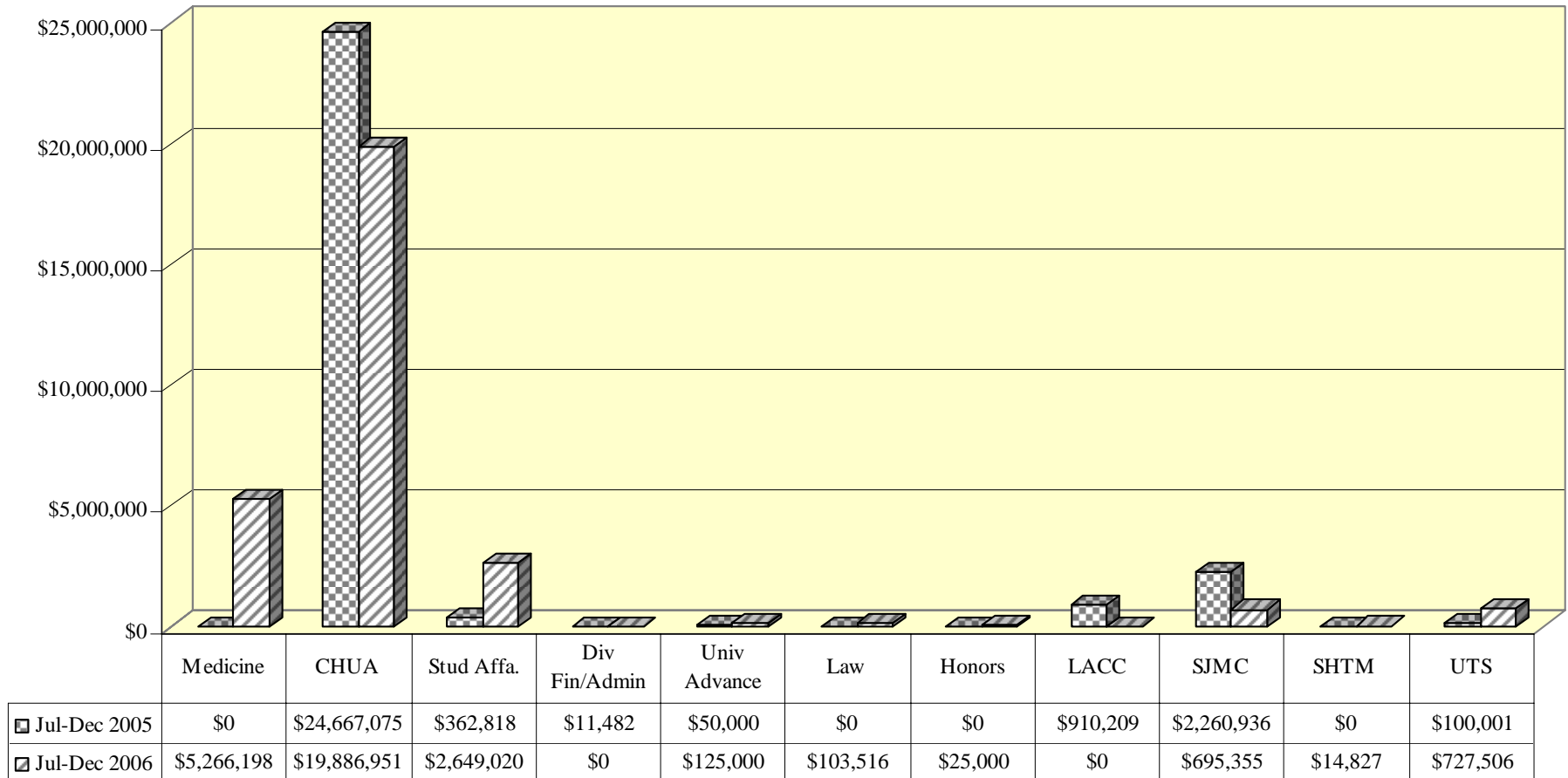


Table 2 — Awards Comparison July-Dec 2005 vs. July-Dec 2006 by School/College/Center/Division

School/College/Center/Division	July-December 2005			July-December 2006			Percent Change
	Direct	Indirect	Total	Direct	Indirect	Total	
ARC	\$5,648,107	\$1,661,217	\$7,309,324	\$3,890,539	\$1,443,277	\$5,333,816	-27.03%
Academic Affairs	\$1,146,258	\$75,125	\$1,221,383	\$1,432,675	\$149,574	\$1,582,249	29.55%
IHRC	\$3,229,990	\$368,510	\$3,598,500	\$1,760,294	\$99,920	\$1,860,214	-48.31%
College of Architecture & the Arts	\$126,463	\$0	\$126,463	\$272,071	\$909	\$272,980	115.86%
College of Arts & Sciences	\$6,380,002	\$1,329,826	\$7,709,828	\$6,793,678	\$1,426,703	\$8,220,381	6.62%
SERC	\$3,893,807	\$735,039	\$4,628,846	\$3,440,162	\$641,552	\$4,081,714	-11.82%
College of Business Admin.	\$644,904	\$99,819	\$744,723	\$318,610	\$23,890	\$342,500	-54.01%
College of Education	\$5,076,970	\$202,460	\$5,279,430	\$2,480,612	\$160,807	\$2,641,419	-49.97%
College of Eng & Computing	\$7,105,632	\$1,064,729	\$8,170,361	\$3,441,126	\$720,003	\$4,161,129	-49.07%
CHUA	\$11,720,607	\$1,778,876	\$13,499,483	\$9,956,128	\$1,966,907	\$11,923,035	-11.68%
Division of Student Affairs	\$711,085	\$20,321	\$731,406	\$1,654,514	\$76,614	\$1,731,128	136.68%
Division of Finance & Admin.	\$270,644	\$0	\$270,644	\$144,146	\$0	\$144,146	N/A
College of Law	\$0	\$0	\$0	\$126,669	\$0	\$126,669	N/A
LACC	\$1,117,974	\$32,347	\$1,150,321	\$114,912	\$9,193	\$124,105	-89.21%
SJMC	\$36,000	\$1,800	\$37,800	\$0	\$0	\$0	- 100.00%
UTS	\$2,020,584	\$167,580	\$2,188,164	\$3,820,913	\$920,764	\$4,741,677	116.70%
Totals	\$49,129,027	\$7,537,649	\$56,666,676	\$39,647,049	\$7,640,113	\$47,287,162	-16.55%

Figure 2 — Awards Comparison July-Dec 2005 vs. July-Dec 2006 by School/College/Center/Division

Award Totals 2005 vs 2006

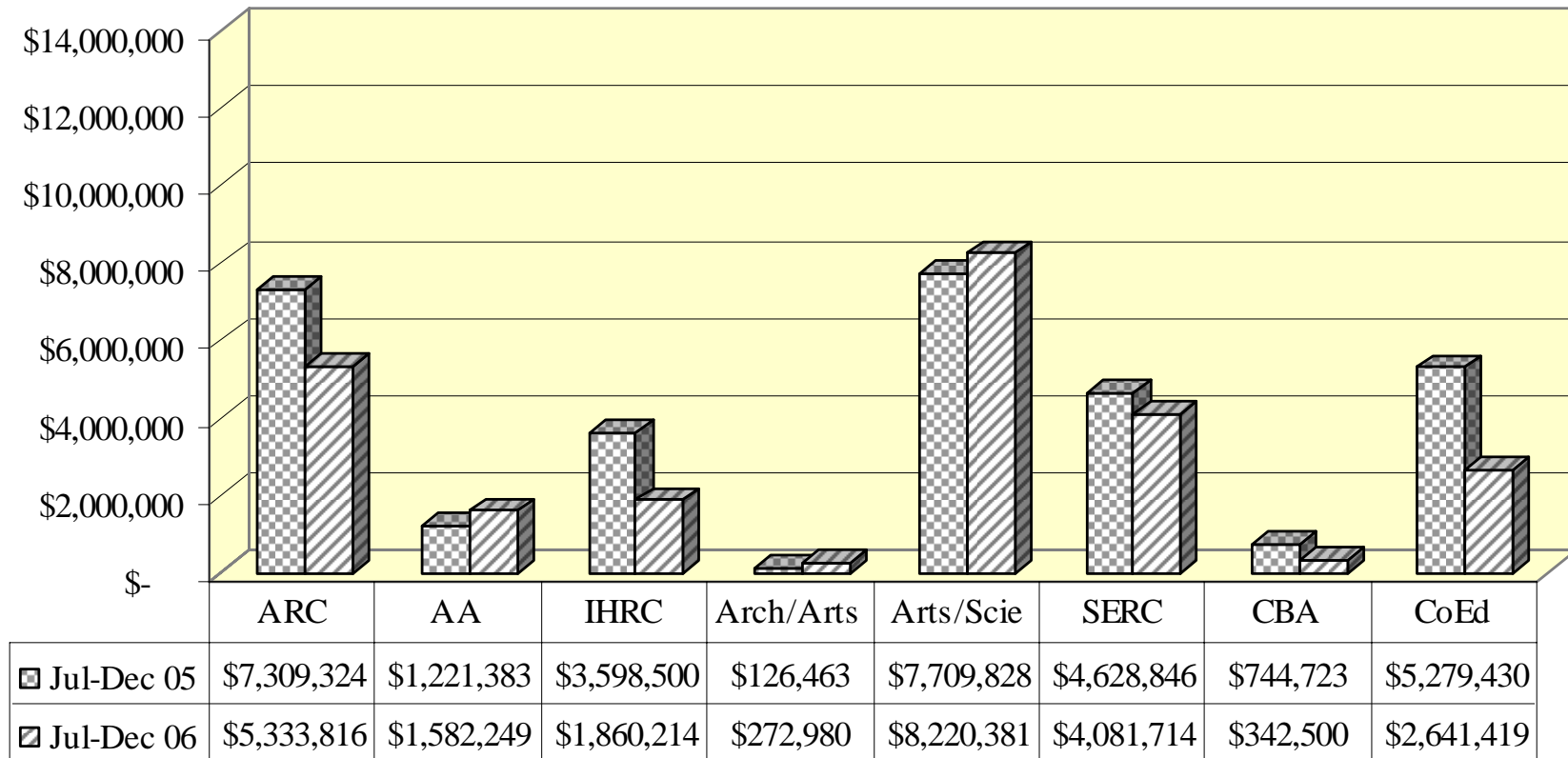


Figure 2 — Awards Comparison July-Dec 2005 vs. July-Dec 2006 by School/College/Center/Division

Award Totals 2005 vs 2006 (continued)

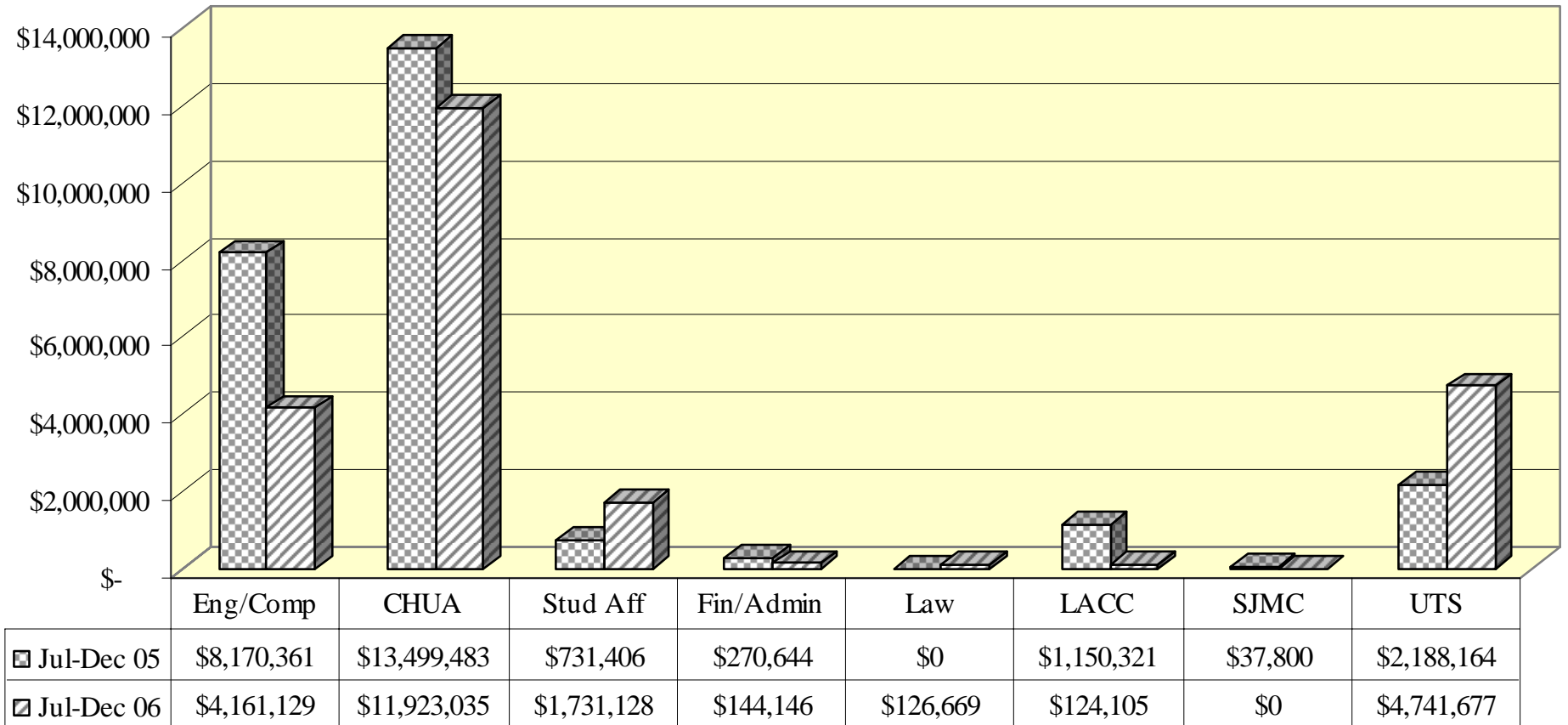


Table 3 — Awards July-December 2006—High and Average

Award Type	PI Full Name	Project Title	Sponsor/Scheme Name	Assoc. Dept Proposal Primary Parent	Assoc. Dept Proposal Primary	Award Increment Direct Costs	Award Increment F&A	Award Increment Total Sponsor Costs	F&A Rate
Increase	Luis Salas	Colombia Justice Reform and Modernization Program.	United States Agency for International Development (USAID)	College of Social Work, Justice & Public Affairs	Center for Administration of Justice	\$3,691,759.00	\$558,241.00	\$4,250,000.00	25.5%
Initial	David Roelant	ARC FY 06 Project 1.0.	Department of Energy	Academic Affairs	Applied Research Center (ARC)	\$1,091,747.00	\$426,870.00	\$1,518,617.00	40.5%
Initial	Heidi Alvarez	Global CyberBridges: A Model Global Collaboration Infrastructure for e-Science between US and International Partners.	National Science Foundation	University Technology Services	Telecommunications	\$586,905.00	\$764,900.00	\$1,351,805.00	40.0%
Initial	Reinaldo Garcia	WHIX Energy Operation and Management Project 2006.	Department of Defense	Academic Affairs	Applied Research Center (ARC)	\$902,287.00	\$291,509.00	\$1,193,796.00	40.0%
Initial	Kathleen S Rein	Environmental Health Science at Florida International University.	Department of Health & Human Services/National Institutes of Health	College of Arts and Sciences	Chemistry	\$767,919.00	\$234,925.00	\$1,002,844.00	40.0%
Continuation	Michael Sukop	Lattice Boltzmann Methods for Concentration and Temperature Induce Density Driven Flows	National Science Foundation	College of Arts and Sciences	Earth Sciences	\$45,485.00	\$15,941.00	\$61,426.00	40.5%
Initial	Jose Almirall	Validation of SPME-IMS Interface.	Department of Commerce/National Institute of Standards & Technology/Technology Administration	College of Arts and Sciences	International Forensic Research Institute (IFRI)	\$49,170.00	\$11,248.00	\$60,418.00	40.0%
Initial	Tiffany Troxler Gann	Calculating nutrient and hydrologic fluxes in a tree island.	South Florida Water Management District (SFWMD)	College of Arts and Sciences	Southeast Environmental Research Center (SERC)	\$48,000.00	\$12,000.00	\$60,000.00	25.0%
Continuation	Kenneth Furton	Evaluation of Odor Collection/Transfer, Preservation, Persistence/Dissipation, and Testing/Deployment for Human Scent.	Dutch National Police	College of Arts and Sciences	Chemistry	\$55,463.00	\$4,437.00	\$59,900.00	8.0%
Continuation	Luz Porter	Advanced Education Nursing Traineeship	Department of Health & Human Services/Health Resources and Services Administration	College of Nursing and Health Sciences	School of Nursing	\$58,849.00	\$0.00	\$58,849.00	0.0%

Table 4 — Major Funding Sources

Major Funding Sources for Research, Service, and Training Contracts and Grants Awarded During July-December 2005/2006				
SOURCE	Award Increment Direct Costs	Award Increment F&A	\$ AMOUNT	PERCENT
2005				
A. FEDERAL GOVERNMENT	\$31,783,530	\$6,330,354	\$38,113,884	67%
B. STATE & LOCAL GOVERNMENT	\$12,643,670	\$758,998	\$13,402,668	24%
C. PRIVATE/OTHER SOURCES	\$4,701,827	\$448,297	\$5,150,124	9%
D. SUMMARY (A+B+C)		\$	\$56,666,676	100%
2006				
A. FEDERAL GOVERNMENT	\$28,545,402	\$6,616,283	\$35,161,685	74%
B. STATE & LOCAL GOVERNMENT	\$6,420,605	\$532,090	\$6,952,695	15%
C. PRIVATE/OTHER SOURCES	\$4,681,042	\$491,740	\$5,172,782	11%
D. SUMMARY (A+B+C)		\$	\$47,287,162	100%

Table 5—July - October 2006 Expenses by School/College/Center/Division

Expenses July 2006 through October 2006			
School/College/Center/Division	YTD Total Direct Costs	YTD F&A	YTD Total Expenses
ARC	\$ 2,703,388	\$ 808,685	\$ 3,512,073
Academic Affairs	\$ 318,335	\$ 200,884	\$ 519,219
IHRC	\$ 1,262,125	\$ 109,360	\$ 1,371,486
College of Architecture & Arts	\$ 77,956	\$ 1,267	\$ 79,223
College of Arts & Sciences	\$ 3,894,942	\$ 817,977	\$ 4,712,920
SERC	\$ 1,999,788	\$ 661,665	\$ 2,661,453
College of Business Administration	\$ 296,897	\$ 48,085	\$ 344,982
College of Education	\$ 1,965,666	\$ 104,924	\$ 2,070,590
College of Engineering & Computing	\$ 3,347,281	\$ 655,441	\$ 4,002,722
CHUA	\$ 4,944,588	\$ 919,582	\$ 5,864,170
College of Law	\$ 41,080	\$ -	\$ 41,080
College of Medicine	\$ 8,252	\$ 3,301	\$ 11,553
Division of Finance & Administration	\$ 55,268	\$ -	\$ 55,268
Division of Student Affairs	\$ 536,032	\$ 24,725	\$ 560,757
Division of University Advancement	\$ 34,896	\$ -	\$ 34,896
DSRT Matching Account*	\$ 1,116,696	\$ 292,926	\$ 1,409,622
LACC	\$ 132,157	\$ -	\$ 132,157
School of Journalism & Mass Comm.	\$ 88,680	\$ 16,476	\$ 105,156
UTS	\$ 391,818	\$ 66,020	\$ 457,838
TOTAL	\$23,215,845	\$4,731,320	\$ 27,947,165
* includes MBRS and ABR			

Table 6—July – October 2006 F&A/Expenses by School/College/Center/Division

F&A Expenses/Returned July 2006 through October 2006		
School/College/Center/Division	Total F&A Expensed	Total F&A Returned to Schools
ABR	\$ 2,451.23	\$ 735.37
Academic Affairs	\$ 30,596.50	\$ 9,178.96
ARC	\$ 808,685.44	\$ 404,342.72
Architecture	\$ 1,267.13	\$ 380.14
College of Arts & Sciences	\$ 817,977.30	\$ 245,393.19
College of Business Administration	\$ 48,084.53	\$ 14,425.36
Children's Creative Learning Center	\$ 3,176.47	\$ 952.95
CHUA	\$ 677,108.92	\$ 201,360.00
CIARA	\$ 66,020.46	\$ 19,806.14
Dr. Marianna Baum	\$ 27,802.35	\$ 10,295.21
College of Education	\$ 104,924.42	\$ 31,477.33
College of Engineering & Computing	\$ 655,441.28	\$ 196,632.39
IHRC	\$ 109,360.39	\$ 32,808.12
International Studies	\$ 131,333.50	\$ 39,400.05
School Journalism & Mass Comm.	\$ 16,475.94	\$ 4,942.79
Library	\$ 19,672.28	\$ 5,901.68
MBRS	\$ 290,474.96	\$ 87,142.50
College of Medicine	\$ 3,300.79	\$ 990.24
School Nursing and Health Sciences	\$ 5,677.46	\$ 1,703.24
Stempel School of Public Health	\$ 140,063.13	\$ 42,018.94
SERC	\$ 661,664.96	\$ 198,499.49
School of Social Work, Justice & Public Affairs	\$ 68,931.18	\$ 19,464.61
Student Affairs	\$ 21,548.70	\$ 6,464.62
Wolfsonian	\$ 19,281.16	\$ 5,784.35
Grand Total	\$ 4,731,320.48	\$ 1,580,100.39

**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
FINANCE AND AUDIT COMMITTEE**

15 FEBRUARY 2007

SUBJECT: CFO UPDATE

PROPOSED COMMITTEE ACTION:

None. Discussion item.

EXHIBITS/SUPPORTING DOCUMENTS:

- CFO UPDATE

FACILITATOR/PRESENTER:

- VIVIAN SANCHEZ

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CFO Update

UN-AUDITED FINANCIAL STATEMENTS – INTERIM REPORT & EXTERNAL AUDIT UPDATE

Financial Statements provided for this meeting are for the quarters ending December 2006 and 2005. Based on the timing of this Board of Trustees session, the Financial Statements will be presented at the meeting.

EXTERNAL AUDIT UPDATE

The State financial audit for fiscal year 05-06 is underway with no significant findings to report at this time. We have proposed one adjustment to the auditors which they are in the process of reviewing with regards to the building componentization project underway in OSRA. The study resulted in a change in estimate for our buildings depreciable lives, increasing depreciation expense in the fiscal year ended June 30, 2006 financial statements by \$18.4 million and \$4.6 million in subsequent years. This is the only adjustment that we are aware of to the fiscal year end financial statements previously provided to the Board.

In addition to the Financial Statement audit, the Auditor General's Office is concluding the Federal Awards and the Bright Futures audits. They have provided us with nine preliminary and tentative findings for the Schedule of Expenditures of Federal Awards, the Student Financial Assistance components and the Research and Development program clusters. We anticipate that this audit would be concluded by the next Board meeting.

Finally, the Auditor General's Office has begun the Operational Audit. They are currently following up on prior findings and will hold an entrance conference to discuss the scope of the audit in the near future.

BUDGET VARIANCE ANALYSIS – Q2 FY06-07

As part of the Administration's plan to provide the FIU Board of Trustees with greater financial transparency, at the previous Finance & Audit Committee meeting we provided the first budget versus actual management report for the quarter ending September 30, 2006. This packet contains financial results regarding quarter ending December 31, 2006. A full report analyzing FIU's performance will be presented at the meeting.

Florida International University
 Budget vs. Actual
 All Funds
 For the period ended 2006-12-31

Year To Date - Dec 31, 2006

	Budget	Actual	Variance fav / (unfav)	
			\$	%
Revenues				
E&G (net revenues)	182.5	182.1 ¹	(0.4)	0%
Auxiliary Enterprises	68.7	73.9 ²	5.2	8%
Sponsored Research	42.0	44.3	2.3	5%
Student Scholarships	47.7	47.6	(0.1)	0%
Concessions	0.2	0.2	0.0	10%
Intercollegiate Athletics	10.7	11.0	0.3	2%
Activities and Service	8.0	8.1	0.1	1%
FIU Foundation	10.6	19.1	8.5	80%
FIU Research Foundation	1.0	1.1	0.0	1%
Interfund adjustments	(4.2)	(4.2)	0.0	0%
Total Revenues	367.4	383.2	15.8	4%
Expenses				
E&G	142.5	126.5	16.0	11%
Auxiliary Enterprises	43.2	39.8	3.5	8%
Sponsored Research	42.0	42.0	(0.0)	0%
Student Scholarships	50.8	29.3	21.3	42%
Concessions	0.2	0.1	0.1	34%
Intercollegiate Athletics	9.2	8.6	0.6	6%
Activities and Service	7.0	6.9	0.1	1%
FIU Foundation	8.0	8.0	0.0	0%
FIU Research Foundation	1.0	1.1	(0.0)	-1%
Interfund adjustments	(4.2)	(4.2)	0.0	0%
Total Expenses	299.5	258.0	41.5	14%
Change in Net assets	67.9	125.2	57.3	84%

General Notes

The financials presented above reflects the state budgeting methodology which differs from full accrual Financial Statements. The following have the most significant impact:

- **Depreciation of Assets:** For budgeting purposes equipment purchases are fully expensed in their acquisition year, therefore depreciation is not included in the budget.
- **Salaries:** The budget assumes no partial pay periods which are accrued at the end of the year in Financial
- **Payables:** The E&G budget expenses include year end commitments (encumbrances) even though they have not yet been invoiced (payables).
- **Unrealized gains and losses:** The investment results are recognized as revenues in the budget however GASB accounting principles require that it be recorded as an expense.
- **Auxiliary interfund eliminations:** Auxiliary revenues and expenses are higher in the budget than in Financial Statements because interfund transactions have not been eliminated.

Notes to FY2006-07 YTD

¹ E&G revenues are net of waivers and uncollectible amounts.

² Interfund transfers have been included in each fund resulting in higher revenue and expenses by fund. This reporting allows for an individual fund performance analysis. For consolidation purposes, A&S interfund transfers are eliminated in one line item.

COLLEGE OF MEDICINE

In January of 2007, a College of Medicine (COM) support team was formed to provide all necessary functions required for implementation. Liane Martinez, Associate Vice President for Strategic Development, is leading the team which consists of members from Accounting, Purchasing, Finance Planning, Human Resources, Office of Legal Counsel, Facilities, Marketing, Governmental Relations and Information Technology. This team will work closely with Dean Rock and his staff, as well as specialized consultants in obtaining provisional Liaison Committee for Medical Education (LCME) accreditation and achieving full implementation of the COM.

INFORMATION TECHNOLOGY

Vice President

We are pleased to report that a new Vice President & Chief Information Officer joined the University on January 16th. Dr. Min Yao comes to FIU from California State University Dominguez Hills most recently serving as the Chief Information Technology Officer and Associate Vice President of Information Technology. With a doctorate degree in Educational Psychology and a doctor of education degree in Educational Administration, he has over 15 years of experience in the Information Technology industry and has spent the majority of his career in higher education institutions. His combined skill set of technical expertise and leadership abilities is a great benefit for FIU and we are very excited that he has joined our management team.

Grants Implementation

Information Technology has been working closely with the Office of Sponsored Research to develop a strategy and implementation timeline for this project. The estimated budget and resources required to deliver a successful implementation have been established and potential sources of funds identified. To leverage existing resources, University Technology Services and the Office of Sponsored Research are analyzing the internal capabilities necessary to support the project during the development stages and post-implementation. The Request for Proposal (RFP) to select the consulting vendors that will assist in project implementation has been finalized and responses are expected in February 2007. Our target start date is April 2007.

Information Security

To enhance security on desktop computers, Cisco Secure Agent is being tested in the final phase for the Student Enrollment areas. Among other things, the Cisco Secure Agent will detect malicious behavior on desktop computer and prevent its execution. When the final testing phase is completed, Cisco Secure Agent will be formally deployed to workstations in selected administrative areas. In addition to testing Cisco Secure Agent, we are in the process of the request for proposal (RFP) for an intrusion protection system and we are in the vendor selection process. The intrusion protection system will assist us in detecting and mitigating unauthorized access attempts to our University information systems. To protect the contents of data on desktop computers, we are searching for an enterprise encryption

tool. The pre-bid meeting with vendors of these encryption tools is scheduled on January 26th. In an effort to help raise the awareness of information security, our Information Security Office will host an information security awareness conference on February 1st. The conference will be attended by faculty, students, and staff of FIU, and information security officers and staff from Miami area government and public agencies and from other Florida universities.

UNIVERSITY TREASURER

We are also pleased to report that the position of University Treasurer was accepted by Mr. Russell Denton with a start date of January 22nd. Mr. Denton's fifteen plus years experience in Treasury Operations in the public and private sector includes the following:

- Established the financial, accounting, treasury and cash management foundations for companies with triple digit growth.
- Designed capital structures supporting the organization's strategic plans.
- Raised capital in all domestic and international markets.
- Negotiated financing in the investment grade markets.
- Managed banking, investment banking, and rating agency relationships and presentations.
- Established investment guidelines, policies and directed the managers for a \$190 M investment portfolio.
- Directed the credit, insurance and tax activities.

We wish Mr. Denton a successful transition as he and his wife relocate from New York and look forward to the extensive knowledge and experience he brings to FIU.

MERCEDES MURCIANO

At the last Finance & Audit Committee Meeting held December 4th, 2006, we had the pleasure of recognizing Mercedes Murciano, University Bursar and Assistant Controller of Student Financials, for her achievements, excellence and exceptional service to our students and the university community. It is with great sadness that we inform this committee of Mercedes' passing on January 8, 2007, due to complications from pneumonia.

Mercedes, who grew up in South Florida, joined the FIU family in 2003. Mercedes cared deeply about enhancing our students' university experience, and we are forever grateful for her utmost dedication and commitment. The profound impact she made in improving the student quality of life at FIU is a fitting legacy.

A beloved daughter, sister and mother, she is survived by her parents; her sister, Rosy; her three children Raul, Elisa and Jessica; and a lifetime of loyal friends. A multi-talented individual, Mercedes spread much joy throughout South Florida with her music. We hold Mercedes' family in our thoughts and prayers during their time of sorrow.

**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
FINANCE AND AUDIT COMMITTEE**

15 FEBRUARY 2007

SUBJECT: OFFICE OF INTERNAL AUDIT REPORT

PROPOSED COMMITTEE ACTION:

None. Discussion item.

EXHIBITS/SUPPORTING DOCUMENTS:

- INTERNAL AUDIT REPORT

FACILITATOR/PRESENTER:

- TED GUBA

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Meeting of the Finance and Audit Committee

BOARD OF TRUSTEES

Office of Internal Audit

February 15, 2007

Audit Committee Meeting

February 15, 2007

TABLE OF CONTENTS

Executive Summary

Standing Agenda

Mission Statement & Values

Office of Internal Audit Policy and Charter

Special Projects/Investigations

University Internal Work Plan, 2006-2007 – (See Action Item for Proposed Revised Plan)

Training and Seminars Update.....

Follow-up Status Report

Management Responses to Outstanding Audit Issues



FIU

FLORIDA INTERNATIONAL UNIVERSITY
Miami's public research university

Executive Summary – Office of Internal Audit Status Report **Board of Trustees** **Finance and Audit Committee** **January 12, 2007**

This report details the current status of the Office of Internal Audit. During this reporting period, we issued **Report No. 06/07-02**, Review of Security Over Conference Calls; **Report No. 06/07-03**, Audit of the Student Administration Oracle Databases; and **Report No. 06/07-I-03**, Investigation Into Allegations Against the Executive Dean of the College of Engineering & Computing. All reports were previously provided to Finance and Audit Committee members.

The Contracts & Grants-Allowable Expenditures audit and the University Health Services-Patient Information Systems audit are in progress. In terms of investigations, we completed the College of Arts and Sciences, the College of Engineering, and Additional Financial Aid complaints, and substantially completed the College of Education EMBERS Grant and Aramark Meal Card complaints.

As you know, this year's audit plan was based on five of the authorized audit positions being filled throughout the year and two new hires coming on board, a Senior Manager by September 1, 2006, and another auditor by January 1, 2007. Since a staff auditor was dismissed during October 2006, there are currently three unfilled positions. However, we will hire staff during the remainder of the fiscal year, have assistance from three part-time student interns for a seven week period; and will minimize staff leave and training time to increase productivity.

We have also revisited the 2006-2007 work plan, and made recommendations for changes based on a Finance and Audit Committee request, updated assessments of risks, and increased internal controls that were put in place. These changes are submitted for approval at this meeting.

Finally, attached is a summary on the current status of management's implementation of prior recommendations from internal audits.

I am looking forward to see you on February 15, and if you have any questions prior to the meeting, please feel to contact me at (305) 348-2465.

STANDING AGENDA

The Standing Agenda is included for reference by the Committee to matters that should be addressed at various times during the year. Those items that are dated and italicized were either previously discussed during a prior committee meeting or will be discussed during this meeting.

I. INDEPENDENT AUDITOR (STATE AUDITOR) MATTERS

- (a) Review of qualifications, performance and independence of the State Auditors.
- (b) Review of State Auditors' activities and findings since last update – *Every Meeting*
- (c) Meeting with representative from the Auditor General (State Auditors).

II. INTERNAL AUDIT MATTERS

- (a) Review of Internal Audit Department activities and findings since last update – *Every Meeting*
- (b) Review of organization, plan, scope and results of Internal Audit Function – *2006-2007 University Internal Audit Plan – 09/28/06; Office of Internal Audit Annual Report 2005-2006– 09/28/06, Revision to 2006–2007 Work Plan-2/15/07.*
- (c) Periodic review of the performance of the Director of Internal Audit.

III. ACCOUNTING AND REPORTING PROCESS

- (a) Review key critical accounting policies and judgments made by management in connection with these accounting policies – *Accounts Receivable write offs – 09/28/06*
- (b) Review adequacy of the University's internal controls over financial reporting and address issues that have or may develop into significant deficiencies or material weaknesses.
- (c) Audited Financial Statements
- (d) Foundation Financial Statements – *Every Meeting*
- (e) Budgets
- (f) Information Technology – *Every Meeting*

IV. LEGAL, REGULATORY AND COMPLIANCE OVERSIGHT

- (a) Review risk assessment and risk management policies and procedures – *2006-2007 Risk Assessment and Work Plan – 09/28/06*
- (b) Review environmental related matters, both in terms of regulatory and compliance issues and in terms of forward-looking policy. – *Environmental-Regulatory & Compliance – Every Meeting*
- (c) Review of legal and other regulatory and compliance issues – *University Compliance Program Report 2005-2006 – Every Meeting*
- (d) Review of associate or other comments relating to accounting, internal control or audit matters- *CFO Update – Every Meeting*
- (e) Review of Audit Committee Charter.
- (f) Sponsored Research Report – *Every Meeting*
- (g) Treasury Update – *Every Meeting*

V. EXECUTIVE SESSION OF THE AUDIT COMMITTEE

**FLORIDA INTERNATIONAL UNIVERSITY
OFFICE OF INTERNAL AUDIT**

MISSION STATEMENT

The mission of the Office of Internal Audit (OIA) at Florida International University is to provide audits, audit related services and non-criminal investigative services to the University departments and academic units in order to promote accountability, integrity and efficiency in the use of resources. To effectively accomplish this mission, the OIA strives to deliver its services in a competent and professional manner while maintaining the organizational independence necessary to provide objectivity in fact and appearance. The activities of the OIA shall be conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

VALUES

The staff of the OIA shall comply with the **State of Florida's Code of Ethics**, as well as the **Code of Ethics established by the Institute of Internal Auditors** for its members. In addition, the following values will be upheld by all OIA staff at all times.

- **Integrity** – Be honest, objective, diligent and credible in all relationships, both as individuals and as a representative of the OIA.
- **Excellence** – Uphold a high standard of service and commitment to quality in performing all projects.
- **Service** – Maintain a commitment to carry out all responsibilities with an attitude of service toward University management.
- **Leadership** – Provide noteworthy examples which emphasize high ethical and moral standards.
- **Sensitivity** – Maintain a sincere, dignified and caring attitude, and treat all University personnel in a professional manner.

FLORIDA INTERNATIONAL UNIVERSITY OFFICIAL UNIVERSITY POLICY

University Community (faculty, staff and students)

SUBJECT (R*)	EFFECTIVE DATE (R)	POLICY NUMBER
OFFICE OF INTERNAL AUDIT POLICY & CHARTER	March, 2006	
RESPONSIBLE UNIVERSITY DIVISION/DEPARTMENT (R)	RESPONSIBLE UNIVERSITY OFFICER (R)	
Office of the General Counsel Florida International University	Cristina L. Mendoza Vice President and University General Counsel	

POLICY STATEMENT (R)
<p><u>Reporting, Independence and Authority</u></p> <p>The Director of Internal Audit has direct reporting responsibilities to the Board of Trustee’s Finance and Audit Committee. The OIA has unrestricted access to all records, data, information and personnel of the University deemed necessary to carry out its duties and responsibilities; however, the OIA has no direct responsibility or authority over the activities it reviews.</p> <p><u>Professional Standards</u></p> <p>The activities of the OIA shall be conducted in accordance with the standards for the Professional Practice of Internal Auditing. Staff members should demonstrate qualities of integrity, honesty, loyalty, morality, dignity and confidentiality, consistent with the Institute of Internal Auditors Code of Ethics.</p> <p><u>Duties and Responsibilities</u></p> <ul style="list-style-type: none"> • Provide independent and objective appraisals regarding risk management and controls on financial matters. The yearly work plan that is derived from a comprehensive risk assessment is recommended by the Audit Director and approved by the Finance and Audit Committee. • Periodically follow-up and report on the status of managements’ implementation of recommendations resulting from these activities. Significant observations that are not implemented will be highlighted and closely monitored. • Investigate allegations of financial fraud, waste, abuse, wrongdoing, and any whistleblower complaints. • Ensure effective coordination and cooperation with external auditors.

REASON FOR POLICY (O*)
The purpose of Florida International University’s Office of Internal Audit (OIA) is to provide independent and objective appraisals regarding risk management and controls on financial matters within the University.

CONTACTS (R)		
Administrative Office’s Address	Telephone Number	Fax Number
Ted Guba Audit Director Office of Internal Audit Florida International University 11200 S.W. Eighth Street Miami, Florida 33199	305-348-2465	305-348-6421

*R = Required *O = Optional

**FLORIDA INTERNATIONAL UNIVERSITY
OFFICE OF INTERNAL AUDIT
Special Projects/Investigations
January 12, 2007**

<u>INVESTIGATION/RESPONSIBLE EXECUTIVE</u>	<u>Target Date to Complete</u>	<u>Assigned Auditor</u>
1. <i>UTS-referred by State Attorney-former CIO, John McGowan</i>	<i>Complete</i>	<i>Cho</i>
2. <i>College of Education EMBERS Grant -Interim Dean Judy Blucker</i>	<i>February</i>	<i>Sanchez</i>
3. <i>College of Arts & Sciences-Dean Mark Szuchman</i>	<i>Complete</i>	<i>Sanchez</i>
4. <i>College of Engineering-Dean Viswanath Prasad</i>	<i>Complete</i>	<i>Cho</i>
5. <i>School of Hospitality & Tourism Management- Dean Joseph West</i>	<i>Complete</i>	<i>Sanchez</i>
6. <i>Additional Financial Aid Complaints-VP Corinne Webb</i>	<i>Complete</i>	<i>Cho</i>
7. <i>UTS – Audio/Video Equipment Purchases Complaint- CFO & Senior VP Vivian Sanchez</i>	<i>February</i>	<i>Cho</i>
Additional Investigations Since Plan Approved		
8. <i>Aramark Meal Card Complaint – CFO & Senior VP Vivian Sanchez</i>	<i>February</i>	<i>Sanchez</i>
9. <i>Facilities Christmas Party- CFO & Senior VP Vivian Sanchez</i>	<i>February</i>	<i>Cho</i>

**FLORIDA INTERNATIONAL UNIVERSITY
OFFICE OF INTERNAL AUDIT
2006 - 2007 WORK PLAN**

Audit Activities

1. Payroll Certification for the Department of Financial Services
2. Contracts & Grants – Compensation for Personal Services/Time & Effort Reporting
3. Contracts & Grants – Allowable Expenditures
4. Construction – Processes & Controls
5. Housing
6. Foundation – Travel & Expense Reports
7. Purchasing Card Controls
8. Follow-up Audit on Implemented Recommendations
9. University Health Services – Patient Information Systems
10. Oracle Database Security – Student Administration
11. Oracle Database Security – Tidal Enterprise Scheduler
12. Oracle Database Security – TouchNet
13. Oracle Database Security – AllFusion Harvest

Other

14. Quality Assurance Review of the Office of Internal Audit

Other Potential Audits

1. Departmental Ledger Reconciliations
2. Utilities
3. Food Operations
4. Public Safety
5. Purchasing
6. Construction – Change Orders
7. Foundation – Other Expenditures
8. Information System Developers & Administrators End Point Security

**FLORIDA INTERNATIONAL UNIVERSITY
OFFICE OF INTERNAL AUDIT
2006 - 2007 WORK PLAN**

Investigation Activities

1. UTS – referred by State Attorney – former CIO, John McGowan
2. College of Education Grant – Interim Dean Judy Blucker
3. College of Arts & Sciences – Dean Mark Szuchman
4. College of Engineering – Dean Viswanath Prasad
5. School of Hospitality & Tourism Management – Dean Joseph West
6. Additional Financial Aid Complaints – Vice President Corinne Webb
7. UTS – Audio/Video Equipment Purchases Complaint – CFO & Senior Vice President Vivian Sanchez

Follow Up Activities

Note: We will follow up on the current status of the implementation of recommendations prior to each Finance and Audit Committee Meeting.

Audit Related Services

1. Minimum of Two Surprise Cash Counts
2. Risk Assessment and Work Plan
3. Quarterly Audit Committee Reports
4. Annual Report

Other Activities

1. Coordination with State Auditor General
2. Revision of Audit/Investigation Operations Manual
3. The Office's Web Site Update
4. Get Lean Hotline Monitoring
5. New Employee Mentoring
6. Training and Seminars for Staff

**FLORIDA INTERNATIONAL UNIVERSITY
OFFICE OF INTERNAL AUDIT**

Training and Seminars Update

The following is an update on both attended and planned seminars through the middle of August 2006. All seminar topics are directly related to critical functions of the department.

Below is a recap of training hours for the current and prior fiscal years by auditor.

	<u>2006-2007</u>	<u>2005-2006</u>
Ted Guba	14 hours	42 hours
Pyong Cho	49 hours	47 hours
Manny Sanchez	22 hours	22 hours
Phillip Maddux	43 hours	37 hours

DATE	ATTENDED SEMINARS	HOURS	AUDITOR
7/24-28/06	Institute of Internal Auditors	35	Pyong Cho
9/9-15/06	ACUA 50 th Annual Conference	22	Manny Sanchez
9/25-10/1/06	MIS Training Institute	43	Phillip Maddux
12/7-8/06	Construction Activity Audit Seminar	14	Ted Guba
12/7-8/06	Construction Activity Audit Seminar	14	Pyong Cho

FOLLOW-UP STATUS REPORT – OFFICE OF INTERNAL AUDIT

The following summarizes the current status of audit issues from prior internal audit reports as of December, 2006.

(Please see explanatory notes on next page)

Report	Audit Issue(s)	Responsible Executive/Director	Status	Revised Due Date	Original Due Date
Computer Network Security Report Issued: May 4, 2001	1. Security Risk Analysis 2. Firewall Protection 3. Security Training 4. Information Technology Resources	Sanchez/Foster/Granto Sanchez/Grillo/Foster Sanchez/Foster/Granto Sanchez/Grillo	No No No No	01/07 05/07 02/07 12/07	Indeterminable Pending Funding Pending Policy Pending Funding
Data Center Operations & IT Contingency Plan Report Issued: June 29, 2001	Disaster Recovery Plan	Sanchez/Foster/Granto	No	01/07	08/01
Frost Art Museum Report Issued: Jan. 28, 2005	1. Art Collection Records 1.1 Inventory 1.2 Fair Market Value 1.3 Insurance 1.4 Assignment of Accession Numbers 2. Capitalization of Art Work	Berkman/Bueno/ De la Grana	No No No No No	12/07 11/08 11/08 12/07 12/08	04/06 04/06 04/06 04/06 07/05
Wolfsonian-FIU Report Issued: June 17, 2005	1. Repairs and Upgrades to Annex Building	Berkman/Wartzok/Leff	No	Update at 2/15/07 Board Meeting	Pending Funding
Wolfsonian-FIU Physical Security of Museum & Annex Report Issued: June 17, 2005	Confidential and exempt from public records by Florida Statutes For 5 recommendations , 4 implemented and 1 outstanding	Berkman/Wartzok/Leff	No	Update at 2/15/07 Board Meeting	Various
Access Controls Over PS Student Records Module Report Issued: Feb. 23, 2006	Confidential and exempt from public records by Florida Statutes For 29 recommendations, 28 implemented and 1 outstanding (Not Due)	Sanchez/Grillo	No	03/07	12/06
Access Controls Over PS Financial Aid Module Report Issued: May 5, 2006	Confidential and exempt from public records by Florida Statutes For 19 recommendations, 18 implemented and 1 outstanding (Not Due)	Sanchez/Foster/Grillo	Yes No	03/07	Various
OSRA Close Out Controls Report Issued: May 19, 2006	1. System providing accountability of files 2. Excess of Expenses over Revenues 3. Excess of Revenues over Expenses	Walker/Barabino	No No Yes	04/07 01/07	09/06 08/06 07/06
Access Controls Over PS Admissions Module * Report Issued: June 20, 2006	Confidential and exempt from public records by Florida Statutes For 24 recommendations, 23 implemented, 1 outstanding	Sanchez/Foster/Grillo	Yes No	Various 01/07	Various
OSRA Billings & Collections Report Issued: June 29, 2006	1. Policies & Procedures	Walker/Barabino	No	01/07	10/06
Access Controls Over PS Student Financials Module Report Issued : June 30, 2006	Confidential and exempt from public records by Florida Statutes For 22 recommendations, 9 implemented, 13 outstanding. (Not Due)	Sanchez/Grillo/Bond	Various	Various	Various

Report	Audit Issue(s)	Responsible Executive/Director	Status	Revised Due Date	Original Due Date
Allegations Against the Director of Enterprise Technology Support Services Report Issued: July 7, 2006	1. Conflict of Interest – Gift	Sanchez/Foster	No	01/07	09/06
	2. Purchasing Rule – Gift	Sanchez/Millspaugh	No	04/07	09/06
	3. Overpayment	Sanchez/Foster	Yes		09/06
	4. Timely Payment Process		No	02/07	09/06
	5. Review of Equipment List		No	02/07	09/06
University’s Time & Effort Certification Systems Report Issued: Nov. 3, 2006	1. Certification of Time & Effort	Walker/Barabino	Yes		11/06
	2. Principal Investigator Certifications		Yes		11/06
	3. Part-Time Employees		Yes		11/06
	4. Payroll Clearing Accounts		Yes		11/06
	5. Payroll Adjustments		Yes		11/06
	6. Time-&-Effort Certification Signatures		Yes		11/06
	7. ARC’s Time-&-Effort System		Yes		11/06
	8. Time Card Certifications		No		04/07
University’s Time & Effort Certification Systems (System Security)* Report Issued: Nov. 15, 2006	Confidential and exempt from public records by Florida Statutes	Walker/Barabino	Yes		11/06
	For 2 recommendations, 1 implemented, 1 outstanding.		No	03/07	11/06

Explanatory Notes

1. Explanation of Status. Yes = implemented; No = not implemented; bolded items were due for implementation this period.
2. *Management’s responses on outstanding audit issues due by December 2006 were reported separately to the Finance and Audit Committee, since they were confidential and exempt from public records by Florida statutes.
3. For those recommendation noted as **No** (not implemented) in this schedule the “Management Responses to Outstanding Audits Issues” section indicated which recommendations have been partially implemented by management.

Follow-up Status Report Summary

Total number of audit issues due for implementation as of December 2006: 20

Total number of audit issues completed as of December 2006: 12 (60% implementation rate)

Total number of audit issues outstanding as of December 2006: 24

Florida International University
Management Responses to Outstanding Audit Issues
January 12, 2007

Computer Network Security

1. Audit Issue: **Security Training**

Status: Partially Implemented

Action Plan to Complete:

The policy is being revised based on recent feedback from the FIU Information Technology Administrators. The policy portion of this item will be deemed "complete" upon development of a final draft to be submitted to executives for approval, but not upon "approval" as this process could be lengthy. Policy development is targeted for completion 02/28/07. IT Administrator Security Training began December 12, 2006, will continue throughout FY 06/07 and will be ongoing. A training program document has been drafted and is targeted for completion by 02/28/07.

Wolfsonian-FIU

1. Audit Issue: **Repairs and Upgrades to Annex Building and Security System**

Status: Partially Implemented

Action Plan to Complete:

We have reviewed the audit findings and in working with facilities and financial planning determined what items are potential health/life safety issues, potential accreditation issues or other. There is also another report related to the Wolfsonian main complex which details other issues that have a financial impact to the institution as well. We have combined these two reports in our review to understand the full situation/impact. We expect to complete the prioritization of the items and the associated costs within the next two weeks. Currently, the total expected cost is over 3 million so this is not a small endeavor. We are working on potential revenue sources and are developing options based on the prioritization categories above for university leadership to review by mid February. We can provide the Board an update on the progress at the committee meeting in February 15, 2007.

OSRA Close Out Controls

1. Audit Issue: **Excess of Expenses over Revenues (Recommendation #2)**

Status: Partially Implemented

Action Plan to Complete:

Projects with expenses in excess of revenues and a project end date prior to April 2005 were reviewed and the deficit balance was transferred to a central account for write off. Each project will be closed during the month of January in accordance with close out procedures. Several projects were identified as potentially collectible and the billing staff continues to pursue the outstanding receivable. Complete close out of the projects will occur by January 31, 2007.

Allegation Against the Director of Enterprise Technology Support Services

1. Audit Issue: **Conflict of Interest – Gift** (Recommendation #3.2)
Status: Not Implemented

Action Plan to Complete:

Subsequent to the November 1st response below, discussions ensued regarding Florida Statutes and the existence (or non-existence) of a policy within FIU. As a result, the memorandum to the Division of Information Technology employees was not disseminated. This item will be reviewed again upon the arrival of the new Vice President and CIO in January 2007. New target date for dissemination of the memo is January 31, 2007.

2. Audit Issue: **Purchasing Rule – Gift** (Recommendation #3.3)
Status: Not Implemented

Action Plan to Complete:

- a) Review current Policy Procedure with CFO/Legal/Compliance
- b) Develop Policy/Procedure that will be pertinent to University Population
- c) Receive Approval from respective governing bodies
- d) Distribute Policy/Procedure to University Population

Anticipated time period 60 days starting Feb 1, 2007 with a completion date of April 1, 2007

3. Audit Issue: **Timely Payment Process** (Recommendation #4.4)
Status: Partially Implemented

Action Plan to Complete:

The IT Business Services Office is making progress on the standard operating procedures manual, but has not completed it to date. New target date is February 28, 2007.

4. Audit Issue: **Review of Equipment List** (Recommendation #4.5)
Status: Partially Implemented

Action Plan to Complete:

The IT Business Services Office is making progress on the standard operating procedures manual, but has not completed it to date. New target date is February 28, 2007.

**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
FINANCE AND AUDIT COMMITTEE**

15 FEBRUARY 2007

SUBJECT: FIU FOUNDATION REPORT

PROPOSED COMMITTEE ACTION:

None. Discussion Item.

EXHIBITS/SUPPORTING DOCUMENTS:

- FIU FOUNDATION, INC. - PRELIMINARY FINANCIAL STATEMENTS RECAP & INVESTMENT SUMMARY, DECEMBER 31, 2006

FACILITATOR/PRESENTER:

- ALEXANDER ZYNE

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FIU FOUNDATION, INC.

**PRELIMINARY
FINANCIAL STATEMENTS RECAP
& INVESTMENT SUMMARY**

December 31, 2006

Florida International University Foundation, Inc.

Preliminary Financial Statements Recap Through Period Ended December 31, 2006

(In Thousands of Dollars)

	2006-07 6-month <u>Actuals</u>	2006-07 6-month <u>Budget</u>	<u>Variance</u>		2006-07 Annual <u>Budget</u>	2005-06 6-month <u>Actuals</u>	2005-06 Total Year <u>Actuals</u>
RECEIPTS:							
<u>Contributions:</u>							
University-Wide Scholarships/Programs	\$383	\$143	\$240	[1]	\$200	\$396	\$331
Endowments	\$4,148	\$2,803	\$1,345	[2]	\$18,440	\$2,517	\$4,417
Building Funds	\$1,094	\$538	\$556	[3]	\$11,350	\$2,668	\$3,817
Colleges, Schools, Centers	\$2,043	\$1,900	\$143		\$3,700	\$1,951	\$4,026
Athletics Operations	\$187	\$299	(\$112)	[4]	\$670	\$282	\$632
Alumni Membership	\$72	\$58	\$14		\$140	\$57	\$158
Annual Fund	\$505	\$216	\$289	[5]	\$445	\$157	\$319
TOTAL CONTRIBUTIONS	\$8,432	\$5,957	\$2,475		\$34,945	\$8,028	\$13,700
<u>Other Revenues:</u>							
MARC Building - Rental Income	\$788	\$788	\$0		\$1,575	\$943	\$1,584
Estimated Investment Returns	\$9,871	\$3,880	\$5,991	[6]	\$8,050	\$5,153	\$8,825
Administrative Fee	\$0	\$0	\$0		\$0	\$0	\$1,815
TOTAL RECEIPTS	\$19,091	\$10,625	\$8,466		\$44,570	\$14,124	\$25,924
EXPENSES:							
<u>Operational</u>							
Annual Fund	\$174	\$206	\$32		\$320	\$153	\$351
Administrative Operating Fund	\$668	\$705	\$37		\$1,565	\$470	\$1,038
Total Operational Expenses	\$842	\$911	\$69		\$1,885	\$623	\$1,389
<u>University Programs</u>							
University-Wide Scholarships/Programs	\$729	\$222	(\$507)	[7]	\$350	\$218	\$380
Building Funds	\$3,545	\$3,545	\$0		\$3,545	\$50	\$3,373
Colleges, Schools, Centers	\$2,481	\$2,700	\$219		\$5,700	\$2,559	\$5,369
MARC Building	\$226	\$390	\$164	[8]	\$840	\$200	\$872
Athletics	\$117	\$135	\$18		\$315	\$98	\$934
Alumni Programs	\$35	\$75	\$40	[9]	\$140	\$72	\$183
General Reserve	\$9	\$10	\$1		\$40	\$9	\$19
Administrative Fee	\$0	\$0	\$0		\$0	\$0	\$1,815
Total University Program Expenses	\$7,142	\$7,077	(\$65)		\$10,930	\$3,206	\$12,945
TOTAL EXPENSES	\$7,984	\$7,988	\$4		\$12,815	\$3,829	\$14,334
Excess of Receipts over Expenses	\$11,107	\$2,637	\$8,470		\$31,755	\$10,295	\$11,590

NOTES:

- [1] New fund raising efforts for the First Generation Scholarships have brought in approximately \$237,000.
- [2] In October, a \$400,000 pledge payment expected last fiscal year was received in support of the Pino Global Entrepreneurship Center. In addition, several new endowed gifts totaling almost \$1 million have been received for various new programs.
- [3] Three unbudgeted cash gifts totaling \$200,000 were received for the Business Building. In addition, a new gift for \$270,000 was received in support of the Hurricane Center, and additional unexpected gifts have been received in support of the Frost Art Museum.
- [4] Several new gift agreements in support of Athletics have recently been signed. Athletics has just hired one of two new development officers.
- [5] Unrestricted funds from the university were received in support of administrative operations. This was an unbudgeted receipt. In addition, annual giving revenues are under budget by \$62,000, and there is an additional \$14,000 of uncollected board and council dues.
- [6] Upon the recommendation of Consulting Services Group, a 7% investment gain was budgeted for fiscal year 2006-07.
- [7] An unbudgeted payment in excess of \$529,000 was made to the university in December for the First Generation Scholarships.
- [8] The university has not yet billed the Foundation for maintenance, utility and custodial expenses related to the MARC building.
- [9] Expenses associated with membership direct mail solicitations, special events and chapter funding have not yet been incurred.

Florida International University Foundation, Inc.
Preliminary Performance Summary as of
December 31, 2006

<i><u>Fund/Manager/Inception Date</u></i>	Market Value	% Allocation	Target Allocation	Current Month (11/06-12/06)	Calendar YTD 2006 (12/05-12/06)	Fiscal YTD (06/06-12/06)	Trailing 1 Year (12/05-12/06)	Trailing 3 Year (12/03-12/06)	Trailing 5 Year (12/01-12/06)	Since Investment Inception
Total Fund (6/30/00)	\$122,407,701	100.0%	100.0%	1.6%	12.2%	8.9%	12.2%	10.3%	8.0%	4.2%
Total Fund Composite				0.8%	13.0%	9.1%	13.0%	9.5%	7.6%	2.9%
+/- Benchmark				0.8%	-0.8%	-0.1%	-0.8%	0.8%	0.4%	1.3%
Total Equity Accounts (6/30/00)	\$62,554,616	51.1%	50.0%	2.2%	17.4%	12.9%	17.4%	15.0%	10.1%	3.7%
Total Equity Composite				1.6%	20.0%	12.5%	20.0%	14.2%	9.6%	1.1%
+/- Benchmark				0.7%	-2.7%	0.4%	-2.7%	0.7%	0.5%	2.6%
Total Fixed Income Accounts (6/30/00)	\$30,937,483	25.3%	25.0%	-0.1%	4.3%	4.0%	4.3%	3.9%	5.5%	6.0%
Total Fixed Income Composite				-0.1%	4.6%	3.8%	4.6%	3.6%	4.7%	5.7%
+/- Benchmark				0.0%	-0.4%	0.1%	-0.4%	0.4%	0.8%	0.3%
Total Alternative Investments (3/1/02)	\$28,915,601	23.6%	25.0%	1.9%	10.3%	5.9%	10.3%	8.4%	N/A	8.4%
Total Alternative Composite				0.0%	7.5%	7.2%	7.5%	5.7%	N/A	5.5%
+/- Benchmark				1.9%	2.7%	-1.3%	2.7%	2.8%	n/a	2.9%

Florida International University Foundation, Inc.
Preliminary Performance Summary as of
December 31, 2006

<i>Fund/Manager/Inception Date</i>	Market Value	% Alloc.	Target Alloc.	Current Month (11/06-12/06)	Trailing 3 Months 9/06 - 12/06	Calendar YTD 2006 (12/05-12/06)	Fiscal YTD (06/06-12/06)	Trailing 1 Year (12/05-12/06)	Trailing 3 Year (12/03-12/06)	Trailing 5 Year (12/01-12/06)	Since Inception
<u>Domestic Equity Managed Accounts</u>											
Atalanta Sosnoff Large Cap Growth (3/1/06) Russell 1000 Growth Index	\$11,856,982	9.7%	12.5%	1.0% 0.3%	9.4% 5.9%	N/A 9.1%	13.3% 10.1%	N/A 9.1%	N/A 6.9%	N/A 2.7%	10.9% 7.4%
Armstrong Shaw Large Cap Value (6/1/01)*	\$1,336	0.0%		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Wedge Capital Large Cap Value QVM (12/29/06)* Russell 1000 Value Index	\$14,808,309	12.1%	12.5%	N/A 2.2%	N/A 8.0%	N/A 22.3%	N/A 8.0%	N/A 22.3%	N/A 15.1%	N/A 10.9%	N/A N/A
Advisory Research Small Cap Value (6/1/01) Russell 2000 Value	\$12,249,789	10.0%	7.5%	2.2% 0.9%	9.5% 9.0%	18.4% 23.5%	9.7% 11.8%	18.4% 23.5%	20.9% 16.5%	18.1% 15.4%	17.5% 14.7%
IronBridge Small Cap Core Equity (12/2/03) Russell 2000 Small Cap Index	\$8,351,582	6.8%	7.5%	0.5% 0.3%	8.6% 8.9%	15.0% 18.4%	8.8% 9.4%	15.0% 18.4%	12.2% 13.6%	N/A 11.4%	12.3% 13.5%
<u>International Equity Managed Accounts</u>											
Julius Baer International Equity Fund (12/2/03) MSCI EAFE Index	\$8,116,745	6.6%	5.0%	3.6% 3.2%	13.5% 10.4%	32.1% 26.9%	18.2% 14.8%	32.1% 26.9%	24.2% 20.4%	N/A 15.4%	25.8% 22.0%
ING International Value A (6/1/01) MSCI EAFE Index	\$7,169,873	5.9%	5.0%	2.7% 3.2%	9.9% 10.4%	28.3% 26.9%	15.9% 14.8%	28.3% 26.9%	20.5% 20.4%	16.1% 15.4%	12.5% 11.2%
<u>Core Fixed Income Managed Accounts</u>											
Seneca Enhanced Core Fixed (6/1/01) Lehman Brothers Aggregate Index	\$9,288,511	7.6%	10.0%	-0.2% -0.6%	1.7% 1.2%	4.6% 4.3%	5.0% 5.1%	4.6% 4.3%	3.8% 3.7%	5.5% 5.1%	5.6% 5.5%
Hillswick Asset Management (6/1/01) Lehman Brothers Aggregate Index	\$4,967,921	4.1%	10.0%	-1.4% -0.6%	0.7% 1.2%	2.5% 4.3%	6.0% 5.1%	2.5% 4.3%	3.8% 3.7%	5.9% 5.1%	6.0% 5.5%
<u>Alternative Investments</u>											
Austin Capital All Seasons Fund (3/1/02) S&P 500 Index	\$8,247,111	6.7%	7.5%	1.6% 1.4%	6.3% 6.7%	9.6% 15.8%	6.3% 12.7%	9.6% 15.8%	7.2% 10.4%	N/A 6.2%	6.3% 7.2%
Crystal Associates Topaz Fund (3/1/02) Lehman Brothers Aggregate Index	\$10,760,103	8.8%	10.0%	2.2% -0.6%	5.9% 1.2%	10.4% 4.3%	7.3% 5.1%	10.4% 4.3%	9.0% 3.7%	N/A 5.1%	10.1% 4.9%
Ironwood Partners (03/01/04) Lehman Brothers Aggregate Index	\$8,176,264	6.7%	7.5%	1.8% -0.6%	4.7% 1.2%	10.9% 4.3%	4.1% 5.1%	10.9% 4.3%	N/A 3.7%	N/A 5.1%	8.3% 0.8%
Ironwood Partners (NDM Gift) (08/01/05) Lehman Brothers Aggregate Index	\$1,432,123	1.2%	N/A	1.8% -0.6%	4.7% 1.2%	10.9% 4.3%	4.1% 5.1%	10.9% 4.3%	N/A 3.7%	N/A 5.1%	10.1% 3.5%
DTC Private Equity (\$5 Million Commitment)	\$300,000	0.2%	N/A								
<u>Common Fund & Gift Annuity Accounts</u>											
Common Fund Short Term Bond (6/1/85) 90 Day T-Bills	\$2,481,281	2.0%	N/A	0.4% 0.4%	1.4% 1.3%	5.6% 4.8%	2.7% 2.5%	5.6% 4.8%	3.5% 3.0%	2.8% 2.4%	5.4% 4.8%
SunTrust Balanced Annuity Account (10/22/03) 70% Lehman Aggregate / 30% S&P 500	\$639,928	0.5%	N/A	-1.5% 0.0%	1.6% 2.9%	6.2% 7.7%	5.2% 7.4%	6.2% 7.7%	6.3% 5.7%	N/A N/A	6.6% 6.5%
State of Florida Treasurer Fund (4/1/03) 90 day T-bill	\$13,559,843	11.1%	5.0%	0.5% 0.4%	1.4% 1.3%	4.4% 4.8%	2.6% 2.5%	4.4% 4.8%	3.7% 3.0%	N/A 2.4%	3.7% 2.6%
Total Common Fund & Annuity	\$16,681,051										

*The Armstrong Shaw portfolio went into liquidation on 12/22/06. The estimated return for the Armstrong portfolio up to 12/22 was 2.9%, but since that is not a full month's return, it is not shown on the report. All transactions and performance related to the Armstrong and Wedge portfolios during the transfer of assets are, however, included in the "Total Fund" return figures for December.

**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
FINANCE AND AUDIT COMMITTEE**

15 FEBRUARY 2007

SUBJECT: TREASURY REPORT

PROPOSED COMMITTEE ACTION:

None. Discussion Item.

EXHIBITS/SUPPORTING DOCUMENTS:

- TREASURY REPORT
 - UNIVERSITY INVESTMENT COMMITTEE

FACILITATOR/PRESENTER:

- ALEXANDER ZYNE

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BOARD OF TRUSTEES
TREASURY REPORT
 FEBRUARY 15 & 16, 2007

University Investment Committee Meeting

The University Investment Committee meeting was held on November 14, 2006 to evaluate the quarterly performance for the university operating fund as of September 30, 2006. The meeting topics included manager performance results for the first quarter, State Treasury and SBA – LGIP investment yields, rebalancing and future meetings. During the meeting, the committee approved an increase in the amount of funds invested with external managers. This investment amount was calculated based on a forecasted cash flow model that determined the average total cash and investments balances would meet or exceed \$130.0M over the next nine months. Based on working capital needs, the committee approved additional funding of \$16.0M to the external investment managers which would keep the pool in compliance with the University Investment Policy. Exhibit A outlines the investment breakdown in detail. At time of this document's creation, a future meeting had been scheduled for February 8th that will encompass the performance through the second quarter of the fiscal year (Dec. 31).

Exhibit A depicts the estimated pool of investments after rebalancing which have been segregated by investment class as detailed and approved in the Investment Policy Statement on June 29, 2005. Rebalancing will be reviewed every quarter and will be executed to meet policy allocation asset guidelines as shown on *Exhibit B*.

(Exhibit A)

Management Group	Asset Class	Percent	Funding (Mil.)
Florida State Treasury	Fixed Income	25.00%	\$34.00
Florida SBS - LGIP	Fixed Income	15.00%	\$20.00
Weiss, Peck & Greer	Fixed Income	24.00%	\$30.25
Northern Trust (Custodian) (P)	Large Cap Equities	7.00%	\$8.80
Northern Trust (Custodian) (P)	TIPS	6.00%	\$7.60
BlackRock	High Yield	6.00%	\$7.60
Aetos Capital	Hedge Funds	6.00%	\$7.80
Urdang Securities Mgmt	REIT's	6.00%	\$7.30
Lotsoff Capital Mgmt	Small Cap Equities	2.00%	\$2.90
Boston Company	International Equities	3.00%	\$3.75
Total.....		100.00%	\$130.00

Asset Allocation Target Policy by Pool

Exhibit B

<u>% of Total</u>	Working Capital Pool	Strategic Capital Pool	Reserve Pool	Total Combined Pool
	40%	50%	10%	100%
Cash Equivalents	40%	0%	0%	16%
Short - Int. Fixed Income	60%	0%	0%	24%
Fixed Income (Inv. Grade)	0%	40%	40%	24%
TIPS	0%	10%	10%	6%
High Yield	0%	10%	10%	6%
<u>Total Fixed Income</u>	100%	60%	60%	76%
<u>Absolute Return</u>	0%	10%	10%	6%
<u>REITS</u>	0%	10%	10%	6%
U.S. Equity	0%	15%	15%	9%
International Equity	0%	5%	5%	3%
<u>Total Equity</u>	0%	20%	20%	12%
<u>Total Allocation.....</u>	100%	100%	100%	100%

Investment Return Performance December 31, 2006

The following table (*Exhibit C*) depicts the second quarter performance as of December 31, 2006.

Exhibit C (see below)

Florida International University Performance Summary as of December 31, 2006

<i>Fund/Manager</i>	Market Value	% Allocation	Target Allocation	Current Month (11/06-12/06)	Trailing 3 Months (09/06-12/06)	Calendar YTD 2006 (12/05-12/06)	Fiscal YTD (06/06-12/06)	Since Investment Inception
Total Combined Pool	\$163,196,505	100.0%	100.0%	0.3%	2.4%	--	4.7%	5.7%
Benchmark Index				0.1%	2.5%	--	5.6%	6.5%
+/- Benchmark				0.2%	-0.1%	--	-0.9%	-0.8%
Cash Equivalents	\$82,526,336	50.6%	40.0%	0.6%	1.7%	--	2.9%	3.8%
91-Day Treasury Bill				0.4%	1.2%	--	2.6%	3.7%
+/- Benchmark				0.2%	0.5%	--	0.3%	0.1%
Total Combined Pool less Cash Equivalents	\$80,670,169	49.4%	60.0%	0.0%	3.8%	--	7.9%	7.6%
Benchmark Index				-0.1%	3.3%	--	7.6%	7.5%
+/- Benchmark				0.1%	0.4%	--	0.3%	0.1%

Florida International University
Performance Summary as of
December 31, 2006

<u>Fund/Manager/Inception Date</u>	<u>Market Value</u>	<u>% Allocation</u>	<u>Target Allocation</u>	<u>Current Month (11/06-12/06)</u>	<u>Trailing 3 Months (09/06-12/06)</u>	<u>Calendar YTD 2006 (12/05-12/06)</u>	<u>Fiscal YTD (06/06-12/06)</u>	<u>Since Investment Inception</u>
Domestic Equity Composite (3/31/06)	\$12,561,986	7.7%	9.0%	1.1%	6.9%	--	11.0%	3.0%
DJ Wilshire 5000				1.2%	7.2%	--	12.0%	9.8%
+/- Benchmark				-0.1%	-0.3%	--	-1.0%	-6.8%
Northern Trust S&P 500 (6/30/06)	\$9,770,866	6.0%	--	1.5%	6.7%	--	12.8%	12.8%
S&P 500				1.4%	6.7%	--	12.8%	12.8%
+/- Benchmark				0.1%	0.0%	--	0.0%	0.0%
Lotsoff Small Cap (3/31/06)	\$2,791,120	1.7%	--	-0.3%	7.8%	--	4.3%	-5.3%
Russell 2000				0.3%	8.9%	--	9.4%	3.9%
+/- Benchmark				-0.6%	-1.1%	--	-5.1%	-9.2%
International Equity Composite (3/31/06)	\$4,332,585	2.7%	3.0%	4.4%	12.1%	--	16.5%	17.2%
MSCI EAFE Index (N)				3.1%	10.4%	--	14.7%	15.5%
+/- Benchmark				1.3%	1.7%	--	1.9%	1.8%
The Boston Company Intl Core (3/31/06)	\$4,332,585	2.7%	--	4.4%	12.1%	--	16.5%	17.2%
MSCI EAFE Index (N)				3.1%	10.4%	--	14.7%	15.5%
+/- Benchmark				1.3%	1.7%	--	1.9%	1.8%
Total Fixed Income	\$129,662,480	79.5%	--					
Diversified Fixed Income Composite (3/31/06)	\$47,136,144	28.9%	--	-0.6%	1.2%	--	4.9%	4.8%
Benchmark Index				-0.6%	1.3%	--	5.2%	5.2%
+/- Benchmark				0.0%	-0.1%	--	-0.3%	-0.4%
Weiss, Peck & Greer (3/31/06)	\$31,261,268	19.2%	24.0%	-0.8%	1.0%	--	4.6%	4.4%
Lehman Brothers Aggregate Index				-0.6%	1.2%	--	5.1%	5.0%
+/- Benchmark				-0.2%	-0.3%	--	-0.5%	-0.6%
BlackRock HY Bond (3/31/06)	\$8,168,123	5.0%	6.0%	1.9%	4.7%	--	8.5%	8.9%
ML High Yield Master II				1.1%	4.2%	--	8.4%	8.6%
+/- Benchmark				0.8%	0.5%	--	0.1%	0.3%
Northern Trust TIPS (6/30/06)	\$7,706,753	4.7%	6.0%	-2.3%	-1.2%	--	2.3%	2.3%
Lehman U.S. TIPS Index				-2.3%	-1.3%	--	2.2%	2.2%
+/- Benchmark				0.1%	0.1%	--	0.0%	0.0%
Cash Equivalents (3/31/06)	\$82,526,336	50.6%	40.0%	0.6%	1.7%	--	2.8%	3.8%
91-Day Treasury Bill				0.4%	1.2%	--	2.6%	3.7%
+/- Benchmark				0.2%	0.5%	--	0.3%	0.1%
SPIA Account	\$62,235,620	38.1%	--	0.7%	1.8%	--	2.9%	3.9%
91-Day Treasury Bill				0.4%	1.2%	--	2.6%	3.7%
+/- Benchmark				0.3%	0.6%	--	0.4%	0.2%
SBA-LGIP Account	\$20,290,716	12.4%	--	0.5%	1.4%	--	--	1.9%
91-Day Treasury Bill				0.4%	1.2%	--	--	1.7%
+/- Benchmark				0.1%	0.1%	--	--	0.2%
Absolute Return Composite (3/31/06)	\$8,084,433	5.0%	6.0%	1.2%	3.6%	--	5.0%	4.4%
CPI + 3.25%				0.4%	0.3%	--	1.1%	2.3%
+/- Benchmark				0.8%	3.4%	--	3.9%	2.0%
Aetos Alternatives Mgmt. (3/31/06)	\$8,084,433	5.0%	--	1.2%	3.6%	--	5.0%	4.4%
CPI + 3.25%				0.4%	0.3%	--	1.1%	2.3%
+/- Benchmark				0.8%	3.4%	--	3.9%	2.0%
Real Estate Composite (6/30/06)	\$8,555,021	5.2%	6.0%	-1.7%	9.8%	--	19.7%	19.7%
NAREIT Equity				-1.6%	9.5%	--	19.6%	19.6%
+/- Benchmark				-0.2%	0.3%	--	0.1%	0.1%
Urdang REIT (6/30/06)	\$8,555,021	5.2%	--	-1.7%	9.8%	--	19.7%	19.7%
NAREIT Equity				-1.6%	9.5%	--	19.6%	19.6%
+/- Benchmark				-0.2%	0.3%	--	0.1%	0.1%

The next meeting of the University Investment Committee will be held on February 8, 2007 to review investment performance for the second quarter (ending Dec 31) of the fiscal year.

MEMBERSHIP

ALEXANDER G. ZYNE, UNIVERSITY TREASURER, UIC CHAIR
KIRK LANDON, CHAIR FOR THE BOT FINANCE & AUDIT COMMITTEE.
VIVIAN A. SANCHEZ, CFO AND VICE PRESIDENT FOR HUMAN RESOURCES
DR. WILLIAM WELCH, DEPARTMENT CHAIR AND PROFESSOR FOR FINANCE,
COLLEGE OF BUSINESS ADMINISTRATION

CONSULTANT

MARC FRIEDBERG, VICE PRESIDENT FOR WILSHIRE CONSULTING GROUP

OTHER STAFF

BRIAN WSZOLEK, TREASURY MANAGER

Alex Zyne
University Treasurer

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**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
FINANCE AND AUDIT COMMITTEE**

15 FEBRUARY 2007

SUBJECT: ENVIRONMENTAL – REGULATORY AND COMPLIANCE

PROPOSED COMMITTEE ACTION:

None. Discussion Item.

EXHIBITS/SUPPORTING DOCUMENTS:

- ENVIRONMENTAL COMPLIANCE STATUS REPORT: JANUARY 15, 2007
- INSURANCE & LOSS CONTROL PROGRAM JULY 1, 2006 – DECEMBER 31, 2006
- *FIU STORM WATER EDUCATION*, JANUARY 2007, VOLUME 1, ISSUE 1

FACILITATOR/PRESENTER:

- JENNIFER MWAISELA

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RISK MANAGEMENT & ENVIRONMENTAL HEALTH & SAFETY

Environmental Compliance Status Report: January 15, 2007

The University *remains* in compliance with environmental permit conditions; as such apply to water and air pollution; petroleum products management and storage and waste management and disposal.

Update:

- *An inspection firm, with specific expertise in industrial type operations, has been retained to support the efforts of EH&S personnel. Inspection services will target safety in grounds-keeping, motor pool, visual arts and similar type operations throughout the university. Inspections are scheduled to begin January 19, 2007.*
- *Storm-water Management Newsletter has been updated and is ready for distribution.*
- *Annual Report for Alternate Fuels Vehicles will be submitted by January 31, 2007. No vehicles affected by this regulation were purchased in 2006.*

Approximately 40% of generators of hazardous wastes have not met the requirement to complete an annual training on the proper handling and disposal of hazardous waste.

Update:

- *While 14 more generators have completed training the percentage of those who have not yet completed training remains the same as the efforts to identify all the points of generation increased the total universe of those who require training.*

Corrective Action Plan

GOAL: 1

Eighty percent of all hazardous waste generators successfully completed required hazardous material and waste management training

OBJECTIVE: 1.1

Identify all potential generators and categorize based on type operations

OBJECTIVE: 1.2

Customize existing web-based training to accommodate:

- Experienced researcher Due Date: 01-31-07
- Graduate students - researcher Due Date: 02-15-07
- Non-research academic generators Due Date: 02-15-07
- Support personnel – non-academic (English) Due Date: 03-01-07
- Support personnel – non-academic (Spanish) Due Date: 03-31-07

Training is also expected to reduce the number generators who do not comply with labeling requirements.

Update:

- *All potential generators have been identified and “typed”. There are 270 potential points of generation for hazardous waste and 16 potential points of generation for bio-hazardous waste.*

STRATEGY:

Conduct University-wide baseline survey to validate total population to be served

Provide “safety learning Kiosk” for use by support personnel

Market programs

Deliver classroom training for select groups unable to access online programs

METRIC:

Percentage of all hazardous waste generators who have successfully completed required training.

COMPLETION DATE:

June 30, 2007

Update:

- *EH&S is on schedule with for all target dates*
 - *Potential risk to staying on schedule:*
 - *Failure to advise EH&S of operational and personnel changes in affected units*
 - *Failure to advise EH&S of laboratory and industrial operations use changes*
 - *Failure to hold employees accountable to complete required training*

**Risk Management and Environmental Health & Safety Department
Insurance and Loss Control Program
July 1, 2006 to December 31, 2006**

The information below provides an overall picture of the University's claims. The pie chart shows Workers' Compensation (WC) claims broken out by cause, the charts shows top dollar open WC claims and the percentage of the top 6 open top dollar WC claims as they relate to the total of all WC claims. The charts also highlight the top dollar General and Auto Liability claims and those in litigation. The reports highlights opportunities in loss control as they relate to motor vehicle WC claims. A fleet safety program is being developed for board approval in order to assist in the frequency reduction of motor vehicle claims. Another item of interest is the frequency of slip and fall WC claims. We will monitor this number in the upcoming months in order to determine if this trend continues requiring loss control measure to be put in place.

Workers' Comp Total Cause of Losses YTD '06					Program Running Totals				Dec'06	YTD '06
<p># of Claims Per Cause</p> <p>27 Claims Total</p> <ul style="list-style-type: none"> ■ Burns/Cuts/Exposure □ Slip/Fall ■ Motor Vehicle ■ Strain/ Struck By/ Struck Against □ Miscellaneous 					Total Workers' Compensation Claims				4	27
					Total General Liability Claims				0	4
					Total Auto Liability Claims				0	2
					Total Property Claims				0	0
					Total # of Employees completed Safety Training				101	2305
					Special Events				2	63
Top Value Open Workers' Comp Claims					Top Value and Litigated General Liability Claims					
Incurred	Paid	Outstanding	Accident Type	Department	Status	Incurred	Paid	Outstanding	Accident Type	Litigation
\$990,563	\$520,952	\$469,610	Slip/Fall	Facilities	Student	\$88,042	\$38,489	\$49,552	Struck by object	Yes
\$889,348	\$403,871	\$485,476	Altercation	Public Safety	Vendor	\$116,091	\$5,801	\$110,289	Golf Cart Accident	Yes
\$873,899	\$582,961	\$290,937	Slip/Fall	Facilities	Student	\$75,000	\$55,000 settlement offer made to claimant	\$20,000	Slip/Fall	No
\$754,440	\$540,884	\$213,555	Respiratory	Visual Arts	Student	\$50,000	\$13,185	\$36,814	Assaulted on Campus	Yes
\$573,050	\$392,550	\$180,500	Strain	Arts & Science	Vendor	\$31,500	\$0	\$31,500	Fell off Roof of Campus Building	Yes
\$471,578	\$211,957	\$259,620	Cut/ Puncture	Facilities	Student	\$25,000	\$3,056	\$21,944	Electrical Malfunction	Yes
Top 6 \$ Value Open Workers' Comp Claims as a % of All Open WC claims					Student	\$13,000	\$2,724	\$10,276	Injured Elbow setting up presentation	Yes
					Off Premises	\$50,000	\$0	\$50,000	Auto Accident	No
Incurred		Paid		Outstanding						
52%		50%		55%						

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STORMWATER EDUCATION



Florida International University

January 2007 Volume 1, Issue 1

What is Stormwater?

Water from rainfall that runs overland, seeps into the ground or drains into storm sewers is known as Stormwater. Collectively the draining water is called Stormwater runoff.

Why is Stormwater Runoff Important?

Storm water becomes a problem when it picks up debris, chemicals, dirt, and other pollutants as it flows or when it causes flooding and erosion of stream banks. Storm water eventually flows directly to a lake, river, stream, wetland, or coastal water. All of the pollutants storm water carries along the way empty into our waters.



Where does the pollution come from?

- ◆ Stormwater is not treated before it empties into our rivers and lakes, therefore, contribute harmful bacteria, parasites and viruses to our water.
- ◆ Vehicles drip fluids (oil, grease, gasoline, antifreeze, brake fluids, etc.) onto paved areas only to be carried away by storm water runoff carries them into our storm drains and into our water.
- ◆ Chemicals used to grow and maintain beautiful lawns and gardens, if not used properly, runs off into the storm drains when it rains or when we water our lawns and gardens.
- ◆ Waste from chemicals and materials used in construction can wash into the storm sewer system when it rains.
- ◆ Soil that erodes from construction site causes environmental degradation, including harm to fish and shellfish populations.

Rain's Reputation:

Rain by nature is important for replenishing drinking water supplies, recreation, and healthy wildlife habitats. Rain gets a bad rap when pollutants from our activities like car maintenance, lawn care, and dog walking are left on the ground for rain to wash away.

What Happens When It Rains?

Rain is an important part of the water cycle, but there are times it causes damage and creates problems related to storm water runoff.

Flooding caused by too much storm water flowing over hardened surfaces such as roads and parking lots, instead of soaking into the ground.

The economic impact of polluted Stormwater extends to the fishing, tourism, and recreational industries.

Decreases in sport fish population because storm water carries sediment and pollutants that degrade important fish habitat.

More expensive treatment technologies to remove harmful pollutants carried by storm water into our drinking water supplies.

Closed beaches due to high levels of bacteria carried by storm water that make swimming unsafe.

What can you do?

Properly dispose of hazardous substances such as oil, cleaning supplies and paint-never pour them down any part of the storm sewer system and report anyone who does to authorities.

Follow label instructions. Use pesticides, fertilizers, and herbicides properly and efficiently to prevent excess runoff.

Look for signs of soil and other pollutants, such as debris and

chemicals, leaving construction sites in storm water runoff or tracked into roads by construction vehicles. Report poorly managed construction sites that could impact storm water runoff to your community.

Install innovative storm water devices technology on residential property. Use rain barrels or rain gardens, that capture storm water and keep it on site instead of letting it drain away into the storm sewer system.

Report any discharges from storm water outfalls during times of dry weather-a sign that there could be a problem with the storm water sewer system.

Pick up after pets and dispose of their waste properly. No matter



where pets make lay waste. This includes a backyard or at the park-storm water run off can carry pet waste from the land to the storm sewer system to a stream.

- Store materials that could pollute storm water indoors and use containers for outdoor storage that do not rust or leak to eliminate exposure of



Risk Management & Environmental Health & Safety
 Florida International University, 11200 S.W. 8 St, CSC 162
 Phone: (305) 348-2621 Email: ehs@fiu.edu Fax: (305) 348-3574

For additional information, please contact: Mr. Ramon Hevia.
 Preparation & distribution of this information flyer is a requirement of the Stormwater Management Permit issued to the University by the Florida Department of Environmental Protection.