



FLORIDA INTERNATIONAL UNIVERSITY

BOARD OF TRUSTEES

FULL BOARD MEETING

Thursday, December 9, 2010
9:00 a.m.

Florida International University
Modesto A. Maidique Campus
MARC International Pavilion

AGENDA

- | | |
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| 1. Call to Order and Chair's Remarks | Chairman Albert E. Dotson, Sr. |
| 2. Foundation Report | Noel J. Guillama-Alvarez |
| 3. Public Appearances | Albert E. Dotson, Sr. |
| 4. President's Report | Mark B. Rosenberg |
| 5. Action Items – Consent Agenda | Albert E. Dotson, Sr. |
- BT1. Minutes, September 24, 2010
 - FA1. Debt Management Guidelines
 - FA2. FIU Direct Support Organizations Financial Audits, FY 2009-2010
 - A. FIU Foundation, Inc.
 - B. FIU Research Foundation, Inc.
 - C. FIU Athletics Finance Corporation
 - D. FIU Herbert Wertheim College of Medicine Health Care Network
 - FA3. Signature Authority
 - Authorization to Sign Checks for the University
 - AP1. Tenure as a Condition of Employment Nominations
 - AP2. Bachelor of Science in Environmental and Urban Systems (CIP 15.0599) Program Termination
 - AP3. The Patricia & Phillip Frost Art Museum Collections Management Policy
 - AP6. Student Financial Aid Regulation FIU-1310
 - ER1. Priorities for the 2011 Legislative Session

6. Action Items

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| FA4. Ratification of the Wage Article of the 2007-2010 Collective Bargaining Agreement between the Florida International University Board of Trustees and the Dade County Police Benevolent Association <i>(Tab FA)</i> | Albert Maury |
| FA5. Test Preparation Fee <i>(Tab FA)</i> | Albert Maury |
| FA6. Market Rate Tuition for Master of Arts in Global Governance <i>(Tab FA)</i> | Albert Maury |
| AP4. Florida International University 2010 Annual Report to the Florida Board of Governors <i>(Tab AP)</i> | S. Lawrence Kahn, III |
| AP5. Florida International University 2010-2015 Worlds Ahead Strategic Plan <i>(Tab AP)</i> | S. Lawrence Kahn, III |

7. Status Reports, Board Committees *(For Information Only)*

- Finance and Audit Committee Report
- Academic Policy and Student Affairs Committee Report
- External Relations Committee Report
- Athletics Committee Report

8. New Business <i>(If any)</i>	Albert E. Dotson, Sr.
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9. Concluding Remarks and Adjournment	Albert E. Dotson, Sr.
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**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

December 9, 2010

Subject: Call to Order and Chair's Remarks

Proposed Board Action:

None. Information only.

Background Information:

Albert E. Dotson, Sr., FIU Board of Trustees Chair, will convene the meeting with opening remarks.

Supporting Documentation: N/A

Facilitator/Presenter: Albert E. Dotson, Sr., *Chairman, FIU Board of Trustees*

**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

December 9, 2010

Subject: Foundation Report

Proposed Board Action:

None. Information only.

Background Information:

Noel J. Guillama-Alvarez, FIU Foundation, Inc. Board of Directors Chair, will report on the activities of the Foundation Board since the last meeting of the Board of Trustees.

Supporting Documentation: N/A

Facilitator/Presenter: Noel J. Guillama-Alvarez, *Chairman, FIU Foundation, Inc.
Board of Directors*

**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

December 9, 2010

Subject: Public Appearances

Proposed Board Action:

None. Information only.

Background Information:

Public Comment Period (if timely requested and approved)

Supporting Documentation:

N/A

Facilitator/Presenter:

Albert E. Dotson, Sr.

**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

December 9, 2010

Subject: President's Report

Proposed Board Action:

None. Information only.

Background Information:

Mark B. Rosenberg, President, will provide the University report.

Supporting Documentation: N/A

Facilitator/Presenter: Mark B. Rosenberg, *President, Florida International University*

**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

December 9, 2010

Subject: Approval of Minutes of Meeting held September 24, 2010

Proposed Board Action:

Approval of Minutes of the Florida International University Board of Trustees, Full Board meeting held on Friday, September 24, 2010 at the FIU Biscayne Bay Campus, Wolfe University Center Ballrooms.

Background Information:

Board members will review and approve the Minutes of the Florida International University Board of Trustees, Full Board Meeting held on Friday, September 24, 2010 at the FIU Biscayne Bay Campus, Wolfe University Center Ballrooms.

Supporting Documentation:

Florida International University Board of Trustees Full Board Meeting Minutes: September 24, 2010

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**FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
FULL BOARD MEETING
SEPTEMBER 24, 2010
MINUTES**

1. Call to Order and Chair's Remarks

Vice Chair Albert Maury convened the meeting of the Florida International University Board of Trustees at 9:01 a.m., on Friday, September 24, 2010, at the FIU Biscayne Bay Campus, Wolfe University Center Ballrooms, Miami, Florida.

The following attendance was recorded:

Present:

Albert E. Dotson, Sr., *Chair*
 Albert Maury, *Vice Chair*
 Sukrit Agrawal
 Cesar L. Alvarez
 Jorge L. Arrizurieta
 Thomas A. Breslin
 Joseph L. Caruncho
 Marcelo Claire
 S. Lawrence Kahn, III
 Helena Ramirez
 Mark B. Rosenberg, *University President*
 Noel J. Guillama-Alvarez, *FIU Foundation, Inc. Board of Directors Chairman*

Excused:

Michael M. Adler
 Miriam López
 Claudia Puig

Vice Chair Maury noted that Chairman Albert E. Dotson, Sr. apologized for his tardiness, indicating that his arrival at the meeting would be delayed. Vice Chair Maury noted that it was an honor to Chair the meeting in Chairman Dotson's absence. Vice Chair Maury welcomed all Trustees, University faculty and staff. He recognized FIU Foundation Director Gerald C. Grant, Jr. and Vice President of the Alumni Association Board of Directors Gonzalo A. Acevedo. He thanked the Biscayne Bay Campus staff for its hard work in making the meeting possible.

Vice Chair Maury thanked the Trustees for their participation in the September 2, 2010 Board of Trustees' conference call meeting. He noted the importance of the conference call meeting as it ratified amendments to the 2008-11 Collective Bargaining Agreement between the FIU Board of Trustees and the United Faculty of Florida-FIU Chapter.

On behalf of the Board, Vice Chair Maury congratulated the University's student athletes on their remarkable performances during the start of the 2010-11 season and provided highlights of Women's and Men's sports.

Vice Chair Maury introduced a brief video depicting the University from its inception to a dramatization of the year 2020, which, he added, incorporated the anticipated and reasonable plan for future development and expansion required to meet the needs of the growing student population over the next ten years.

2. Remarks by Student Government Association President for the Biscayne Bay Campus

Student Government Association President for the Biscayne Bay Campus Christin "Cici" Battle welcomed Trustees, faculty, staff and students to the Campus and provided brief highlights on current student initiatives.

3. Foundation Report

FIU Foundation, Inc. Board of Directors Chairman Noel J. Guillama-Alvarez presented the Foundation Report and provided an overview of the Capital Campaign Workshop, which, he added, took place on August 14, 2010. He thanked Board of Trustees Chairman Albert E. Dotson, Sr. and the Board of Trustees for their support of the operational plan for FIU's Capital Campaign. He provided an update on recent hires in key positions deemed critical for the campaign infrastructure. He also presented a financial update as of June 30, 2010 and provided an update on investment returns as of September 21, 2010.

4. Public Appearances

There were no public appearances.

5. President's Report

President Mark B. Rosenberg introduced Interim Vice Provost for the Biscayne Bay Campus Steven Moll, noting that Vice Provost Moll had a distinguished record of teaching and service, adding that prior to his current administrative role he served as a faculty member in the University's School of Hospitality and Tourism Management for 33 years.

Interim Vice Provost Moll welcomed all in attendance and noted that the Biscayne Bay Campus was home to nationally and internationally recognized academic programs, adding that with over 7,500 students and 200 acres it is the largest branch campus in the state university system of Florida. He stated that the campus also offered a wide array of student activities and boasted state-of-the-art meeting facilities. Vice Provost Moll introduced a brief video of the Biscayne Bay Campus.

Chairman Albert E. Dotson, Sr. arrived and assumed chairmanship. He apologized for his delayed arrival to the meeting and thanked Vice Chair Maury for chairing the meeting in his absence.

President Rosenberg noted that the University community welcomed a record number of students to the 2010-11 academic year and introduced a brief video depicting the various welcome week activities, which, he added, began on August 20, 2010. President Rosenberg reported on the 2010 Campus Open Spaces Design Charrette and stated that more than 50 architecture, landscape architecture and art students collaborated to re-imagine four outside areas at the Modesto A. Maidique Campus in a two-day session held in early September. He noted that the goal of the session was to create emotionally satisfying and invigorating spaces, as well as establishing a coherent look to the campus that culminated in design presentations to the university community. He introduced a brief video highlighting the projects. President Rosenberg provided an update on the recent inaugural China Wine & Food Festival in Tianjin held earlier in September.

President Rosenberg announced that the University's Center for Substance Use and HIV/AIDS Research on Latinos in the United States (C-SALUD) was awarded supplemental funds to support projects developed to address some of the critical medical and mental needs confronting residents of Haiti and the Haitian community in Miami after the devastating earthquake of January 13, 2010. He noted that C-SALUD has four two-year projects as part of this supplement, adding that the total allocated for all four projects was \$600,000. He recognized Dr. Mario De La Rosa and noted that he was a tenured professor in the Robert Stempel College of Social Work and Public Health, adding that he was the Principal Investigator for all four projects. Dr. De La Rosa introduced Investigators N. Emel Ganapati and Marilys Randolph and provided a brief description and aim of their respective projects.

President Rosenberg provided a brief overview of the design of the University's Strategic Plan and invited Board members to provide comments and feedback. He noted that discussions with the University community would continue, adding that the final Plan would be presented for Board of Trustees' approval at the next regularly scheduled meeting. He introduced a brief video depicting the first football home game of the season. He introduced and welcomed the University's General Counsel Kristina Raattama, noting that she joined the University in July 2010.

6. Office of the General Counsel presentation

Deputy General Counsel Isis Carbajal de Garcia provided an overview of the University's conflict of interest policies and the State of Florida's Code of Ethics for Public Officers and Employees.

7. Action Items – Consent Agenda

Chairman Dotson noted that the items included in the Consent Agenda were thoroughly reviewed and discussed at the Committee level. He further noted that the Finance and Audit Committee and the Academic Policy and Student Affairs Committee each recommended approval by the Board of the respective action items contained in the Consent Agenda.

Chairman Dotson asked for comments on any items included in the Consent Agenda. Hearing none, a motion was made and passed to accept the Consent Agenda, and members of the Board concurred with the following actions:

- **BT1. Minutes, June 4, 2010** – Approval of the Minutes of the FIU Board of Trustees, Full Board Meeting held on Friday, June 4, 2010 at the FIU Modesto A. Maidique Campus, Graham Center Ballrooms.
- **BT2. Minutes, September 2, 2010** – Approval of the Minutes of the FIU Board of Trustees, Full Board meeting held on Thursday, September 2, 2010 via conference call.
- **FA1. 2005-2015 Campus Master Plan** – Approval of the Florida International University Campus Master Plan Update 2005-2015.
- **FA2. Revision to Investment Policy Asset Allocation: *Addition of Real Assets Class*** – Adoption of the revisions to the University’s Investment Policy Statement.
- **AP1. Tenure as a Condition of Employment** – Approval of two (2) candidates for Tenure as a Condition of Employment as specified in the Board materials.
- **AP2. Doctorate of Nursing Practice New Program Proposal** - Approval of the Doctorate of Nursing Practice (CIP 51.1601) new program proposal.
- **AP3. PhD in Biochemistry New Program Proposal – Follow-up** – Approval of the PhD in Biochemistry (CIP 26.0202) new program proposal.
- **AP5. Naming of the Library on the Biscayne Bay Campus as the “Glenn Hubert Library”** – Approval of the naming of the Library on the Biscayne Bay Campus as the “Glenn Hubert Library”.

8. Action Items

AP4./P1. University Smoke- and Tobacco-Free Regulation

Trustee S. Lawrence Kahn, III, Chair of the Academic Policy and Student Affairs Committee, provided brief highlights from the September 8, 2010 Committee meeting and requested that Vice President for Student Affairs Rosa Jones present the University Smoke- and Tobacco-Free Regulation for Board consideration and approval.

Trustee Cesar L. Alvarez noted that due to a conflict, he would abstain from all discussions and subsequent voting on the proposed Regulation.

VP Jones presented the University Smoke- and Tobacco-Free Campus Regulation for Board of Trustees review, noting that the proposed Regulation was part of an initiative that had been carefully reviewed by the Tobacco Free Campus Steering Committee and publicly presented to the University community for comments and feedback. She further noted that the initiative was driven by the University community’s desire to provide a healthy study and work environment for students and employees.

Trustee Helena Ramirez requested additional details regarding the implementation and enforcement mechanisms. VP Jones noted that the Regulation, if passed, would not become effective until January 1, 2011 and emphasized that the University would develop this initiative through extensive outreach efforts by educating the University community about the health dangers posed by tobacco products.

A motion was made by Trustee Helena Ramirez to table the proposed Regulation until the next regularly scheduled Board meeting in order to allow for further review and discussion of the initiative. The motion did not carry.

Chairman Dotson requested that the University administration engage the student body in order to further the efforts of obtaining their feedback and to address any questions or concerns they may have regarding the proposed Regulation.

A motion was made and passed by the FIU Board of Trustees approving the University Smoke- and Tobacco-Free Regulation.

P2. President's Management Review, 2009-10

Trustee Cesar L. Alvarez, Chair of the Personnel Committee reported that the Personnel Committee met on September 8, 2010 to undertake the assessment of President Rosenberg's accomplishments for the 2009-10 academic year relative to the Board-approved goals and his overall performance. President Rosenberg presented a self-appraisal report of the 2009-10 academic year's performance, delineating the achievements relative to each of the Board-approved goals.

Personnel Committee Chair Alvarez noted that based on the executive performance ratings and the President's overall performance and accomplishments for the 2009-2010 academic year, the Committee recommended a rating of "Superior" for President Rosenberg. Personnel Committee Chair Alvarez noted that the Committee determined that the President demonstrated exceptional leadership during his first year despite the challenging economic environment, adding that tremendous success was recognized on all objectives and critical initiatives.

Board members commended President Rosenberg for his outstanding leadership, performance and remarkable community outreach efforts.

A motion was made and passed by the FIU Board of Trustees granting a "Superior" performance rating to President Mark B. Rosenberg in his leadership of Florida International University during the 2009-10 academic year.

P3. University Goals, 2010-2011

Personnel Committee Chair Alvarez introduced the University Goals for the 2010-11 academic year for Board consideration and approval. President Rosenberg noted that consistent with the University's goals for 2009-10, the goals for 2010-11 continued with the themes developed in "*Hit the Ground Running*," which, he added, formed the basis of the new University Strategic Plan. President Rosenberg presented the proposed University Goals report for the 2010-11 academic year,

focusing on four overarching objectives for the University: Revitalize and expand financial base; Achieve results-oriented student-centered academic excellence; Enhance quality and impact of research and creative initiatives; Engage the community. He also provided an overview of the initiatives that would be focused in each of these areas.

Personnel Committee Chair Alvarez noted that the Committee amended the University Goals report to expand on the objectives of *Achieve results-oriented student centered academic excellence* and *Engage the Community* to include increasing alumni participation, enhancing the Arts, increasing student-athlete graduation rates and the hiring of additional staff to areas critical to the advancement of the University.

A motion was made and passed by the FIU Board of Trustees adopting the University Goals for the 2010-11 Academic Year.

9. Status Reports, Board Committees (for information only)

Chairman Dotson noted that these Committees met prior to the regular Board meeting: Finance and Audit; Academic Policy and Student Affairs; Personnel. He added that summaries of the Committee meetings were submitted as part of the agenda materials.

Chairman Dotson requested that the Finance and Audit Committee report, the Academic Policy and Student Affairs Committee report and the Personnel Committee report be accepted as written. There were no objections.

Chairman Dotson thanked the Committees for their work noting that their careful review of University issues was of invaluable service to the entire Board.

10. New Business

Chairman Dotson noted that following an individual's service as Chair or Trustee of the Board, the Board may designate such former Chair or Trustee as Chairperson Emeritus or Trustee Emeritus, adding that such categories are for honorary purposes to recognize past Chairpersons and Trustees who have provided extraordinary service and contributions to the University and are no longer serving in that capacity.

Chairman Dotson noted that Mr. Adolfo Henriques, Mrs. Patricia Frost and Mr. R. Kirk Landon served as Chair and Trustees, respectively, of the FIU Board of Trustees. He further noted that prior to their service as Trustees, they served as members of the Foundation Board of Directors. He added that their dedicated service, generosity and vision would impact the University community for years to come.

A motion was made and passed that the FIU Board of Trustees designate: Mr. Adolfo Henriques as Chairperson Emeritus; Mrs. Patricia Frost as Trustee Emeritus; and Mr. R. Kirk Landon as Trustee Emeritus.

The FIU Board of Trustees adopted the following Resolution:

WHEREAS, Mr. Adolfo Henriques served dutifully as a member of the Board of Directors of the Florida International University Foundation for over ten years in various capacities and as a founding member of the Board of Trustees of Florida International University (the BOT); and

WHEREAS, Mr. Henriques' dedication to higher education was made evident in his leadership and service as a regent in the former State University System governance structure and as the BOT's Chair for one term from 2003 – 2005; and

WHEREAS, the University community has benefited and will continue to benefit from Mr. Henriques' generosity for years to come through his involvement with, and support of, the United Way of Miami-Dade County, The Beacon Council, Miami Business Forum, Florida Chamber of Commerce and the Miami Children's Museum; and

WHEREAS, previously Mr. Henriques has been honored and recognized as one of the University's distinguished alumni;

NOW, THEREFORE, BE IT RESOLVED that the BOT hereby designates Mr. Adolfo Henriques as a Chairperson Emeritus of this Board with all the rights, honors and privileges thereunto appertaining; and

BE IT FURTHER RESOLVED that the University Administration take all actions necessary to give effect to this Resolution.

The FIU Board of Trustees adopted the following Resolution:

WHEREAS, Mrs. Patricia Frost served dutifully as a member of the Board of Directors of the Florida International University Foundation for over twenty years and as a founding member of the Board of Trustees of Florida International University (the BOT); and

WHEREAS, Mrs. Frost's dedication to higher education was made evident in her leadership and service as the BOT's Chairperson of the Academic Policy and Student Affairs Committee; and

WHEREAS, the University community will benefit from Mrs. Frost's generosity for years to come through the programs, research, and exhibitions that have been made possible because of her support to create the Patricia and Phillip Frost Art Museum; and

WHEREAS, Mrs. Frost's unrelenting commitment to higher education is demonstrated in her current service on the Board of Governors;

NOW, THEREFORE, BE IT RESOLVED that the BOT hereby designates Mrs. Patricia Frost as a Trustee Emeritus of this Board with all the rights, honors and privileges thereunto appertaining; and

BE IT FURTHER RESOLVED that the University Administration take all actions necessary to give effect to this Resolution.

The FIU Board of Trustees adopted the following Resolution:

WHEREAS, Mr. R. Kirk Landon has served dutifully as a member of the Board of Directors of the Florida International University Foundation, chair of The University's Investment Committee, and member of the Board of Trustees of Florida International University (the BOT); and

WHEREAS, during his tenure as the BOT's Treasurer and Chairman of the Finance and Audit Committee, Mr. Landon played a critical role in overseeing all policies relating to the financial affairs of the University; and

WHEREAS, the University named the new headquarters of its football program as the R. Kirk Landon Fieldhouse in recognition and appreciation of his \$1 million gift to the Golden Panthers; and

WHEREAS, Mr. Landon not only gave of his time and service to the BOT, he also made evident his support for the University in his generosity to the arts, the Undergraduate School of Business, the building of the new College of Business Complex and the College of Nursing and Health Sciences building;

NOW, THEREFORE, BE IT RESOLVED that the BOT hereby designates Mr. R. Kirk Landon as a Trustee Emeritus of this Board with all the rights, honors and privileges thereunto appertaining; and

BE IT FURTHER RESOLVED that the University Administration take all actions necessary to give effect to this Resolution.

11. Concluding Remarks and Adjournment

Since there was no other business, the meeting of the Florida International University Board of Trustees was adjourned on Friday, September 24, 2010 at 11:21 a.m.

<i>Trustee Request</i>	<i>Follow-up</i>	<i>Completion Date</i>
<i>Chairman Dotson requested that the University administration engage the student body in order to further the efforts of obtaining their feedback and to address any questions or concerns they may have regarding the University Smoke- and Tobacco-Free Regulation.</i>	<i>Rosa L. Jones, Vice President for Student Affairs</i>	<i>December 2010</i>

Albert E. Dotson, Sr.
Chairman
FIU Board of Trustees

Mark B. Rosenberg
Corporate Secretary
FIU Board of Trustees

MB
9.30.10

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**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

December 9, 2010

Subject: Debt Management Guidelines

Proposed Board Action:

Adopt the Florida Board of Governors Debt Management Guidelines as the Florida International University Guidelines for issuance of debt.

Background Information:

On April 27, 2006, the Florida Board of Governors (the BOG) developed debt management guidelines for State universities and direct support organizations (DSOs). These guidelines were developed in accordance with Section 1010.62 F.S., which delegated to the BOG certain bonding and borrowing authority which is articulated in the guidelines. The purpose of the guidelines is to confirm that the state universities and their DSOs engage in sound debt management practices. Florida International University adopted these guidelines on December 5, 2006.

On September 16, 2010, the BOG adopted revised Debt Management Guidelines to provide clarification and better written guidance to universities on matters concerning debt management and issuance. In furtherance of this objective, the provisions of these guidelines shall be followed in connection with the authorization, issuance and sale of university and DSO debt.

Each state university board of trustees is required to adopt a debt management policy consistent with the BOG guidelines and which shall be approved by the BOG.

Florida Board of Governors Regulation 1.001, University Board of Trustees Powers and Duties (6)(d) states:

Each board of trustees shall engage in sound debt management practices for the issuance of debt by the university and its direct support organizations, and shall comply with the guidelines established by the Board of Governors in connection with the authorization, issuance and sale of university and direct support organization debt.

Supporting Documentation:

Florida Board of Governors Debt Management Guidelines

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STATE
UNIVERSITY
SYSTEM
of FLORIDA
Board of Governors

DEBT MANAGEMENT GUIDELINES

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DEBT MANAGEMENT GUIDELINES FOR CAPITAL OUTLAY PROJECTS

I. INTRODUCTION

The Need for and Purpose of Debt Management Guidelines

The state universities of Florida and their direct support organizations (“DSOs”) have funded significant investments in infrastructure, such as buildings, equipment, land, and technology, to meet the needs of a growing student population and to upgrade and maintain existing capital assets. A significant amount of the funding for this investment in infrastructure has been provided through the issuance of debt by the State for the benefit of the state universities and by the state universities’ direct support organizations (“DSOs”).

The purpose of these guidelines is to confirm that the state universities and their DSOs must engage in sound debt management practices and, to that end, the Board of Governors (“Board”) has formalized guiding principles for the issuance of debt by the state universities and their DSOs. Each state university shall adopt a debt management policy which is consistent with these guidelines and which shall be approved by the Board.

The following guidelines set forth guiding principles regarding state university and DSO debt-related decisions related to:

- a) The amount of debt which may prudently be issued.
- b) The purposes for which debt may be issued.
- c) Structural features of debt being issued.
- d) The types of debt permissible.
- e) Compliance with securities laws and disclosure requirements.
- f) Compliance with federal tax laws and arbitrage compliance.

These principles will facilitate the management, control and oversight of debt issuances, for the purpose of facilitating ongoing access to the capital markets which is critical to the financing of needed infrastructure.

In furtherance of this objective, the provisions of these guidelines shall be followed in connection with the authorization, issuance and sale of university and DSO debt. However, exceptions to the general principles set forth herein may be appropriate under certain circumstances. Also, additional guidelines and policies may be necessary as new financial products and debt structures evolve over time.

For purposes of these guidelines:

- i) “debt” means bonds, loans, promissory notes, lease-purchase agreements, certificates of participation, installment sales, leases, or any other financing mechanism or financial arrangement, whether or not a debt for legal purposes, for financing or refinancing, for or on behalf of a state university or a direct support organization, the acquisition, construction, improvement or purchase of capital outlay projects;
- ii) “capital outlay project” means (i) any project to acquire, construct, improve or change the functional use of land, buildings, and other facilities, including furniture and equipment necessary to operate a new or improved building or facility, and (ii) any other acquisition of equipment or software; and
- iii) “financing documents” means those documents and other agreements entered into by the state university or the DSO establishing the terms, conditions and requirements of the debt issuance.
- iv) “auxiliary enterprise” means any activity defined in section 1011.47(1), Florida Statutes, and performed by a university or a direct-support organization.

II. DEBT AFFORDABILITY AND CAPITAL PLANNING

Concept of Affordability

One of the most important components of an effective debt management policy is an analysis of what level of debt is affordable given a particular set of circumstances and assumptions. More comprehensive than simply an analysis of the amount of debt that may be legally issued or supported by a security pledge, the level of debt should be analyzed in relation to the financial resources available to the university and its DSOs, on a consolidated basis, to meet debt service obligations and provide for operating the university.

An analysis of debt affordability should address the impact of existing and proposed debt levels on an issuer’s operating budget and offer guidelines or ranges to policymakers for their use in allocating limited resources within the guidelines.

Debts That May Be Issued Without Board of Governors' Approval

The following types of financings may be engaged in by the state universities and their DSOs, as applicable, without Board approval:

- o Universities may finance the acquisition of equipment and software provided such financings are accomplished in accordance with the deferred-purchase provisions in Chapter 287, Florida Statutes.
- o DSOs may finance the acquisition of equipment and software financings provided the overall term of the financing, including any extension, renewal or refinancings, hereof, does not exceed five years or the estimated useful life of the equipment or software, whichever is shorter.
- o DSOs may issue promissory notes and grant conventional mortgages for the acquisition of real property. However, no mortgage or note shall exceed 30 years.
- o University and DSO debt secured solely with gifts and donations and pledges of gifts so long as the maturity of the debt, including extensions, renewals and refundings, does not exceed five years and so long as the facilities being financed have been included in the university's five-year capital improvement plan that has been approved by the Board.
- o Refundings for debt service savings where final maturities are not extended.
- o Fully collateralized lines of credit intended to be used for temporary cash flow needs.
- o Energy Performance-Based Contracts, in accordance with the provisions of section 1013.23, Florida Statutes, not to exceed \$10,000,000.
- o Universities may borrow up to \$20,000,000 from a university DSO on a non-recourse basis to finance a capital project. The term of the borrowing may not exceed thirty (30) years, and the interest rate, if any, may not exceed current market interest rates. The university retains legal title to any capital project financed in whole or in part by such loan irrespective of whether the loan is repaid. The DSO is prohibited from transferring the note or any other instrument associated with the borrowing to any other entity.

III. GENERAL DEBT ISSUANCE GUIDELINES

Process for Submitting Debt for Approval

Timing. The submission of proposed debt for approval by the Board shall be governed by the following process¹:

- a) The university shall formally transmit to the Board Office a request for debt approval no later than 60 days prior to the next regularly scheduled meeting of the Board. The university shall also provide a copy to the State Division of Bond Finance ("DBF"). The formal transmittal to the Board Office shall be in duplicate, hard copy, and bound in a three-ring binder, and include all the information required by these guidelines. Electronic copies of supporting documentation should be provided to the Board Office and the DBF, to the extent available. The formal letter of transmission must be signed by the official point of contact for the university, and any exceptions to these Debt Guidelines shall be noted and explained. If the university board of trustees has not yet formally approved the debt being requested, the proposed board of trustees meeting date shall be provided.
- b) During the review period, the Board Office shall review the information submitted for compliance with these Guidelines and State law, analyze general credit issues associated with the proposed indebtedness, and review any analysis provided by DBF staff.
- c) Board and DBF staff shall jointly discuss with the university or DSO any issues, concerns or suggestions resulting from the review during the review period. As a result of these discussions, the university may amend the information submitted or explain why the suggestions were not incorporated. The Board Office will advise the university if it believes that any amended information is so significant that re-authorization by the board of trustees and/or DSO is required. During this period, if the debt being requested for approval is to be issued by DBF on behalf of a state university, DBF shall submit to the Board Office a form of a resolution for adoption requesting that DBF issue the debt.
- d) After the review period, the Board Office shall submit the agenda item with supporting documentation and all appropriate and required analyses to the Board for consideration at its next meeting. Supporting documentation for the agenda item shall also include the resolution to be adopted by the Board requesting issuance of the debt by DBF or a resolution approving issuance of the debt by the DSO.

¹ Although not required, universities are encouraged to consult with the Board Office and the State Division of Bond Finance 30 days prior to formal approval of debt by the university board of trustees or the DSO, particularly for any debt with unusual features.

Information Required for Submission. The following information shall be submitted to the Board Office in support of a request for approval of the issuance of debt. Additionally, the university or DSO shall complete the “Checklist of Information Required for Submission to the Board Pursuant to Debt Management Guidelines,” and provide any additional information requested by the Board Office or DBF staff in connection with review of any proposed debt issuance.

- a) A resolution of the DSO board of directors approving the debt issuances, if applicable, and a resolution of the university board of trustees approving the debt issuance and authorizing the university to request Board approval of the debt issuance. For debt to be issued by DBF, at the request of the university, DBF staff will work with the university to determine a not-to-exceed amount of debt to be included in the board of trustees requesting resolution to the Board and in preparing required debt service and source-and-use schedules.
- b) The project program, feasibility studies or consultant reports (if available), and an explanation of how the project being proposed is consistent with the mission of the university.
- c) Estimated project cost, with schedules drawn by month and including start and completion dates, estimated useful life, and the date bond proceeds are required.
- d) The sources-and-uses of funds, clearly depicting all costs, funding sources expected to be used to complete the project and the estimated amount of the debt to be issued.
- e) An estimated debt service schedule with the assumed interest rate on the debt clearly disclosed. If the proposed debt service is not structured on a level debt service basis, an explanation shall be provided which gives the reason why it is desirable to deviate from a level debt structure.
- f) One consolidated debt service schedule separately showing all outstanding debt related to or impacting the debt being proposed, the proposed debt and the new estimated total debt service.
- g) A description of the security supporting the repayment of the proposed debt and the lien position the debt will have on that security. If the lien is junior to any other debt, the senior debt must be described. Furthermore, a description of why the debt is proposed to be issued on a junior lien basis must be provided. A statement citing the legal authority for the source of revenues securing repayment must also be provided.
- h) If debt is to be incurred on a parity basis with outstanding debt, a schedule showing estimated compliance with any additional bonds requirement set

forth in the documents governing the outstanding debt. The applicable provisions of the documents for bonds of DSOs should be provided.

- i) Financial statements for five years, if available, for the auxiliary, if auxiliary revenues are pledged.
- j) A five-year history, if available, and five-year projection of the revenues securing payment and debt service coverage. To the extent applicable, the projections must be shown on the individual project as well as the entire system. All revenue items securing repayment must be clearly set forth as separate line items. An explanation must be provided with regard to growth assumptions, and to the amount and status of approval of any rate increases. The effect of the rate increases on the projections and expected revenues and expenses for the new facility should be clearly set forth as a separate line item. If rate increases are necessary, a commitment must be made to increase rates to the needed levels. Major categories of any operating expenses should be set forth as separate line items with an explanation of assumptions regarding increases or decreases.
- k) Evidence that the project is consistent with the university's master plan or a statement that the project is not required to be in the master plan.
- l) For variable rate debt proposals:
 - i) the expected reduction in total borrowing costs based on a comparison of fixed versus variable interest rates;
 - ii) a variable rate debt management plan that addresses liquidity and interest rate risks and provides, at a minimum: a description of budgetary controls, a description of liquidity arrangements, a discussion of why the amount of variable rate debt being proposed is appropriate, and a plan for hedging interest rate exposure. If interest rate risks are to be mitigated by the use of derivatives, then evidence that the counterparty has a long term rating of at least an A/A2 and a swap management plan as set forth in the Board's Debt Management Guidelines must be submitted;
 - iii) a pro forma showing the fiscal feasibility of the project using current market interest rates plus 200 basis points;
 - iv) the total amount of variable rate debt including the proposed debt as a percentage of the total amount of university and DSO debt outstanding; and
 - v) the individual or position that will be responsible for the reporting requirements for variable rate debt as set forth in these guidelines.

- m) If all or any portion of the financing is contemplated to be done on a taxable basis, then evidence demonstrating that the issuance of taxable debt is in the best interest of the university must be submitted.
- n) A statement explaining whether legislative approval is required, and if required, an explanation as to when legislative approval will be sought or evidence that legislative approval has already been obtained.
- o) A statement that the debt issuance is in accordance with the university's debt management policy or, if not, an explanation of the specific variances as well as the reasons supporting the variances.
- p) If a request is made to employ a negotiated method of sale, an analysis must be provided supporting the selection of this method that includes a discussion of the factors set forth in section IV of these Guidelines.
- q) A description of the process used to select each professional engaged in the transaction, showing compliance with the competitive selection process required by these Guidelines. Specific contact information for each selected professional, must be included, and at a minimum, should disclose the professional's name, firm name, address, email address, phone number and facsimile number.
- r) The most recent annual variable rate debt report.

Approval. The Board will consider the following factors in connection with its review and approval of university or DSO debt issuance.

- a) The debt is to provide funding for needed infrastructure of the university for purposes consistent with the mission of the university.
- b) The debt is being issued in compliance with the principles and guidelines set forth herein.
- c) The project information submitted is reasonable and supportable.
- d) The five-year projection of pledged revenues available to pay debt service should provide debt service coverage of at least 1.20x for both outstanding parity debt and for the proposed new debt for all years within the five-year projection period after giving credit for any capitalized interest and other revenues available for payment.
- e) Any requirements for the issuance of additional parity debt can be reasonably expected to be met.

Purposes For Which Debt May Be Issued

Debt may be issued only to finance or refinance capital outlay projects as defined in these guidelines, including equipment and software; debt may not be approved to finance or refinance operating expenses of a university or a DSO.

Refunding bonds may be issued to achieve debt service savings. Refunding bonds may also be issued to restructure outstanding debt service or to revise provisions of Financing Documents if it can be demonstrated that the refunding is in the best interest of the university.

Committing University Resources for Debt Issued by Direct Support Organizations

There may be occasions where the university considers committing its financial resources on a long-term basis in support of debt issued by a DSO or other component unit. While the nature of the commitment may not constitute a legal debt obligation of the university, it may affect the university's debt position and its available financial resources. Therefore, the university should evaluate the long-term fiscal impact upon the university's debt position and available resources before authorizing any such financial commitment. Additionally, the debt of any DSO may not be secured by an agreement or contract with the university unless the source of payments under such agreement or contract is limited to revenues that the university is authorized to use for the payment of debt service. Any such contract or agreement shall also be subject to the requirements set forth under "Security Features – Pledged Revenues" herein.

Credit Ratings

In order to access the credit markets at the lowest possible borrowing cost, it is recognized that credit ratings are critical. Therefore, for all publicly offered debt:

- a) For existing bond programs, universities and DSOs shall strive to maintain or improve current credit ratings without adversely impacting the amount of debt which may be issued for any particular program.
- b) For all new financings, the university or DSO shall seek to structure the transaction to achieve a minimum rating of "A" from at least two nationally recognized rating agencies. Credit enhancement may be used to achieve this goal.

Tax Status

The universities have traditionally issued tax exempt debt which results in significant interest cost savings compared with the interest cost on taxable debt. Accordingly, all university and DSO debt should be issued to take advantage of the

exemption from federal income taxes unless the university demonstrates that the issuance of taxable debt is in the university's best interest. With respect to debt which has a management contract with a private entity as part of the security feature, the management contract should comply, to the greatest extent practical, with tax law requirements to obtain tax exemption for the debt.

Security Features

Pledged Revenues. The debt issued by universities and their DSOs may only be secured by revenues (including fund balances and budget surpluses) authorized for such purpose. The revenues which may secure debt include the following:

- a) Activity and Service Fee, subject to the limitation that annual debt service payable from these fees does not exceed five percent of the revenues derived therefrom.
- b) Athletic Fee, subject to the limitation that annual debt service payable from these fees does not exceed five percent of the revenues derived therefrom.
- c) Health Fee.
- d) Transportation Access Fee.
- e) Hospital Revenue.
- f) Licenses and Royalties for facilities that are functionally related to the university operation or DSO reporting such royalties and licensing fees.
- g) Gifts and Donations for debt not longer than five years.
- h) Overhead and indirect costs and other monies not required for the payment of direct costs of grants.
- i) Assets of University Foundations and DSOs and earnings thereon.
- j) Auxiliary Enterprise Revenues, e.g., housing, parking, food service, athletic, retail sales, research activities.

Revenues which are not enumerated above may not be pledged to secure debt unless authorized by law for such purpose. In the case of university-issued debt, the pledge of revenues which secures debt should specifically identify the sources pledged and not use general or vague terms such as "lawfully available revenues." Specifically identifying revenues used to secure debt will provide certainty and transparency as to the revenues that are encumbered and avoid ambiguity or uncertainty as to the issuer's legal liability and universities and their DSOs should take this into consideration when determining the nature of the security it will provide in connection with a debt

issuance. The guidelines for pledging revenues and securing debt shall also apply to debt structures which involve an agreement, contract or lease with a university or its DSOs, i.e., the revenues being pledged to secure debt must be specifically identified and lawfully available for such purpose. It is preferable, whenever possible, to secure debt with system pledges comprised of multiple facilities within a system, e.g., housing and parking, rather than stand-alone project finances.

Functional Relationships. Revenues from one auxiliary enterprise (a “Supporting Auxiliary Enterprise”) may not be used to secure debt of another auxiliary enterprise unless the Board, after review and analysis, determines that the facility being financed (the “Facility”) is functionally related to the Supporting Auxiliary Enterprise’s revenues being used to secure such debt. The Board must determine whether a functional relationship exists whenever revenues from a Supporting Auxiliary Enterprise will be used to pay or secure the debt of a Facility or when proceeds of bonds issued by a Supporting Auxiliary Enterprise will be used, directly or indirectly, to pay costs relating to a Facility. When a functional relationship is established between a Facility and a Supporting Auxiliary Enterprise, only that portion of the Supporting Auxiliary Enterprise’s revenues that exceed its operating requirements and debt service, if any, may be pledged to secure such debt; provided that such pledge may be on parity with outstanding debt if permitted by the covenants and conditions of the outstanding debt.

A functional relationship exists when a nexus is established between the Facility and the Supporting Auxiliary Enterprise’s revenues. Whether a Facility is functionally related to the Supporting Auxiliary Enterprise’s revenues must be determined on a case by case basis, taking into consideration the unique facts and circumstances surrounding each individual situation.

Examples of functional relationships include, but are not limited to, a parking facility intended to provide parking to residents of a student housing facility and located within reasonably close proximity to a student housing facility; a food services facility intended to serve residents of a student housing facility and located within reasonably close proximity to a student housing facility; or shared infrastructure (e.g. water lines, sewer lines, utilities, plaza areas) located within reasonably close proximity to both the Facility and the Supporting Auxiliary Enterprise. While representations that a Facility will provide general benefits to or enhance the experience of the student body are desirable, this factor alone is not determinative in and of itself to establish a functional relationship between the Facility and the Supporting Auxiliary Enterprise’s revenues.

Lien Status. All bonds of a particular program should be secured by a first lien on specified revenues. Additionally, bonds should generally be equally and ratably secured by the revenues pledged to the payment of any outstanding bonds of a particular bond program. However, the creation of a subordinate lien is permissible if a first lien is not available or circumstances require.

Reserve Fund. Debt service reserve requirements may be satisfied by a deposit of bond proceeds, purchase of a reserve fund credit facility, or funding from available resources over a specified period of time. In the submission of a request for debt issuance, it is preferred, though not required, that the bond size for the proposed debt include provisions for funding a reserve from bond proceeds. This will ensure that in the event the university is unable to obtain a reserve fund credit facility it will still have an authorized bond amount sufficient to fund its needs. Debt service reserve requirements may also be satisfied with cash balances.

Credit Enhancement. Credit enhancement is used primarily to achieve interest cost savings. Accordingly, the state universities and their DSOs should consider the cost effectiveness of bond insurance or other credit enhancements when evaluating a debt issuance and the overall cost thereof. Any bond insurance or credit enhancement should be chosen through a competitive selection process analyzing the cost of the insurance or credit enhancement and the expected interest cost savings to result from their use. The primary determinant in selecting insurance or other credit enhancement should be price and expected interest cost savings; however, consideration may also be given to the terms of any arrangement with the provider of insurance or other credit enhancement.

Capitalized Interest. Capitalized interest from bond proceeds is used to pay debt service until a revenue producing project is completed or to manage cash flows for debt service in special circumstances. Because the use of capitalized interest increases the cost of the financing, it should only be used when necessary for the financial feasibility of the project.

Structural Features

Length of Maturity. In addition to any restriction on the final maturity imposed by the constitution or laws of the State, as a general guideline, the final maturity on bonds should not exceed thirty years.

Debt secured by gifts and donations shall not be considered long-term financing but may be used as a temporary or construction loan to accelerate construction of facilities. Accordingly, the maturity of debt secured by gifts and donations shall not exceed five years, including roll-overs or refinancings except refinancings to implement permanent financing. Debt issued to finance equipment and software may not be longer than five years or the useful life of the asset being financed, whichever is shorter. Lastly, the final maturity of the debt should not exceed the estimated useful life of the assets being financed.

Debt Service Structure. Generally, debt should be structured on a level debt basis, i.e., so that the annual debt service repayments will, as nearly as practicable, be the same in each year. A deviation from these preferences is permissible if it can be demonstrated to be in the university's best interest, such as restructuring debt to avoid a default and not to demonstrate feasibility of a particular project.

Redemption Prior to Maturity. A significant tool in structuring governmental bonds is the ability to make the bonds callable after a certain period of time has elapsed after issuance. This provides the advantage of enabling the issuer to achieve savings through the issuance of refunding bonds in the event interest rates decline. Although the ability to refund bonds for a savings is advantageous, there may be situations where a greater benefit of lower interest rates may be realized by issuing the bonds as non-callable. Accordingly, there is a strong preference that bonds issued by a university or DSO be structured with the least onerous call features as may be practical under then prevailing market conditions. Bonds of a particular issue may be sold as non-callable if it is shown to be in the best interest of the university or DSO.

Debt Issued With a Forward Delivery Date. Debt issued by a university or DSO may be issued with a delivery date significantly later than that which is usual and customary. This debt typically carries an interest rate penalty associated with the delay in delivery. There are also additional risks that delivery will not occur. Debt with a forward delivery date may be issued if the advantages outweigh the interest rate penalty which will be incurred and the university and DSO are protected from adverse consequences of a failure to deliver the debt.

Interest Accrual Features

Fixed Rate, Current Interest Debt. Fixed rate debt will continue to be the primary means of financing infrastructure and other capital needs. However, there may be circumstances where variable rate debt is more appropriate, in which case, the state university or DSO shall provide documentation as noted in these guidelines for such debt.

Derivatives. Alternative financing arrangements, generally referred to as derivatives, are available in the market as an alternative to traditional bonds. Under certain market conditions, the use of alternative financing arrangements may be more cost effective than the traditional fixed income markets. However, these alternative financing instruments, such as floating to fixed swap agreements, have characteristics and carry risks peculiar to the nature of the instrument which are different from those inherent in the typical fixed rate financing. Although the universities and their DSOs should normally continue issuing conventional fixed rate bonds, alternative financing instruments may be used when the inherent risks and additional costs are identified and proper provision is made to protect the Board, the university, and the DSO from such risks. In determining when to utilize alternative financing arrangements, the availability of the requisite technical expertise to properly execute the transaction and manage the associated risks should be evaluated along with any additional ongoing administrative costs of monitoring the transaction. Also, a comprehensive derivatives policy should be established by the university or their DSOs and approved by the Board prior to approving transactions using derivatives products.

Capital Appreciation Bonds. Normally capital appreciation bonds, which do not require current debt service payments, should not be used. However, when a

compelling university interest is demonstrated, capital appreciation bonds may be issued.

Variable Rate Bonds. Variable rate debt may be issued where, considering the totality of the circumstances, such bonds can reasonably be expected to reduce the total borrowing cost to the university or the DSO over the term of the financing. The availability of the requisite technical expertise to properly manage the risks and execution of the variable rate transaction should be evaluated along with any additional ongoing administrative costs of monitoring the transaction. There should be a solid understanding of the liquidity risk and interest rate risks associated with variable rate debt. Further, there should be a debt management plan that mitigates, to the extent possible, these risks over the life of the debt. The following guidelines should apply to the issuance of variable rate debt:

- a) *Expected reduction in total borrowing cost.* In determining reasonably expected savings, a comparison should be made between a fixed rate financing at then current interest rates and a variable rate transaction, based on an appropriate floating rate index. The cost of the variable rate transaction should take into account all fees associated with the borrowing which would not typically be incurred in connection with fixed rate bonds, such as tender agent, remarketing agent, or liquidity provider fees.
- b) *Limitation on variable rate debt.* The amount of variable rate debt and interest derivative exposure is dependent on several factors associated with these types of debts. Included in the factors associated with these instruments are the university's/DSO's operating flexibility and tightness of budget, access to short and long term capital, the likelihood of a collateral call or termination payment, and the university's/DSO's financial expertise. The level to which universities may utilize variable rate debt obligations ("VRDO") and interest derivatives (like swaps, collars, and caps) is subject to an understanding of the risks associated and a debt policy that adequately addresses the additional risks.
- c) *Budgetary controls.* To avoid a situation in which debt service on variable rate bonds exceeds the annual amount budgeted, the following guidelines should be followed in establishing a variable rate debt service budget:
 - i) A principal amortization schedule should be established, with provisions made for payment of amortization installments in each respective annual budget;
 - ii) Provide for payment of interest for each budget year using an assumed budgetary interest rate which allows for fluctuations in interest rates on the bonds without exceeding the amount budgeted. The budgetary interest rate may be established by: (1) using an artificially high interest rate given current market conditions; or (2) setting the rate based on the last 12 months actual rates of an appropriate index plus a 200 basis point cushion

or spread to anticipate interest rate fluctuations during the budget year. The spread should be determined by considering the historical volatility of short-term interest rates, the dollar impact on the budget and current economic conditions and forecasts; or, (3) any other reasonable method determined by the university or DSO and approved by the Board;

- iii) The amount of debt service actually incurred in each budget year should be monitored monthly by the university or DSO to detect any significant deviations from the annual budgeted debt service. Any deviations in interest rates which might lead to a budgetary problem should be addressed immediately; and
 - iv) As part of the effort to monitor actual variable rate debt service in relation to the budgeted amounts and external benchmarks, the university or DSO should establish a system to monitor the performance of any service provider whose role it is to periodically reset the interest rates on the debt, i.e., the remarketing agent or auction agent.
- d) *Establish a hedge with short-term investments.* In determining the appropriate amount of variable rate debt which may be issued by the universities or their DSOs, consideration should be given to mitigating the variable interest rate risk by creating a hedge with short-term investments. This “hedge” mitigates the financial impact of debt service increases due to higher interest rates because, as debt service increases, the university’s or DSO’s earnings on short-term investments also increases. Appropriate personnel should monitor the hedge monthly. Short-term investment as a hedge is one of several methods of mitigating interest rate risk. The ratio of such short-term investments to variable debt needs to be examined in conjunction with other interest rate risk hedging, striking an overall balance to minimize interest rate risk.
- e) *Variable interest rate ceiling.* The bond documents should include an interest rate ceiling of no greater than 12%.
- f) *Mitigating interest rate risks with derivatives.* Universities and DSOs are allowed to use various derivatives to mitigate the risk of rising interest rates on variable rate debt. However, the introduction of these derivatives also presents other risks for which the university must mitigate. These risks include rollover risk, basis risk, tax event risk, termination risk, counterparty credit risk and collateral posting risk. At a minimum, a university/DSO engaging in this type of interest rate risk mitigation must provide:
- i) Evidence that the counterparty has a long term rating of at least an A/A2; and
 - ii) A swap management plan that details the following:

- a) Why the university is engaging in the swap and what the objectives of the swap are.
 - b) The swap counterparty's rating.
 - c) An understanding by the issuer of the cash flow projections that detail costs and benefits for the swap.
 - d) The plan of action addressing the aforementioned risks associated with swaps.
 - e) The events that trigger an early termination (both voluntary and involuntary) under the swap documents, the cost of this event and how such would be paid.
 - f) The method for rehedging variable rate exposure should early termination be exercised.
 - g) A list of key personnel involved in monitoring the terms of the swap and counterparty credit worthiness.
- g) *Liquidity.* One of the features typical of variable rate debt instruments is the bondholder's right to require the issuer to repurchase the debt at various times and under certain conditions. This, in theory, could force the issuer to repurchase large amounts of its variable rate debt on short notice, requiring access to large amounts of liquid assets. There are generally two methods for addressing this issue. With the first method, issuers that do not have large amounts of liquid assets may establish a liquidity facility with a financial institution which will provide the money needed to satisfy the repurchase. The liquidity provider should have a rating of A1/P1 or higher. The liquidity agreement does not typically run for the life of long-term debt. Accordingly, there is a risk that the provider will not renew the agreement or that it could be renewed only at substantially higher cost. Similar issues may arise if the liquidity provider encounters credit problems or an event occurs which results in early termination of the liquidity arrangement; in either case the issuer must arrange for a replacement liquidity facility. With the second method, issuers with significant resources may choose to provide their own liquidity. This approach eliminates the costs that would be charged by a third party liquidity provider and could mitigate the renewal/replacement risk. If a university/DSO chose to provide its own liquidity, the institution must maintain liquid assets or facilities equal to 100% of the outstanding VRDOs.
- h) *Submission of periodic reports.* The university will prepare and submit to the board of trustees and the Board an annual variable rate debt report showing the position during the previous period of the university or DSO variable rate debt with respect to the following measures:

- i) the total principal amount of variable rate debt to principal amount of total debt;
- ii) the amount of debt service accrued during the reporting period in relation to the pro-rata amount of annual budgeted debt service for the reporting period. If the amount of debt service which accrued during the reporting period exceeded the pro-rata amount of annual budgeted debt service for the period, the university shall explain what actions were taken to assure that there would be sufficient revenues and budget authority to make timely payments of debt service during the subsequent years; and
- iii) the amount of variable rate debt in relation to the amount of the university's and/or DSO's short-term investments, and any other strategies used to hedge interest rate risk.

Other Types of Financings

Refunding Bonds. Generally, refunding bonds are issued to achieve debt service savings by redeeming high interest rate debt with lower interest rate debt. Refunding bonds may also be issued to restructure debt or modify covenants contained in the bond documents. Current tax law limits to one time the issuance of tax-exempt advance refunding bonds to refinance bonds issued after 1986. There is no similar limitation for tax-exempt current refunding bonds. The following guidelines should apply to the issuance of refunding bonds, unless circumstances warrant a deviation therefrom:

- a) Refunding bonds should be structured to achieve level annual debt service savings.
- b) The life of the refunding bonds should not exceed the remaining life of the bonds being refunded.
- c) Advance refunding bonds issued to achieve debt service savings should have a minimum target savings level measured on a present value basis equal to 5% of the par amount of the bonds being advance refunded. The 5% minimum target savings level for advance refundings should be used as a general guide to guard against prematurely using the one advance refunding opportunity for post-1986 bond issues. However, because of the numerous considerations involved in the sale of advance refunding bonds, the 5% target should not prohibit advance refundings when the circumstances justify a deviation from the guideline.
- d) Refunding bonds which do not achieve debt service savings may be issued to restructure debt or provisions of bond documents if such refunding serves a compelling university interest.

Certificates of Participation and Lease-Type Financing. The universities or their DSOs may utilize these financing structures for all purposes, but it shall be considered as debt for the purposes of these guidelines and the universities shall always budget and make available monies necessary to pay debt service, notwithstanding the right to cancel the lease. Additionally, for lease purchase financings of equipment, universities and DSOs should consider using the State's consolidated equipment financing program if it will reduce costs and ensure a market interest rate on the financing.

Conversions of existing variable rate debt. A conversion between interest rate modes pursuant to the provisions of variable rate financing documents does not require Board approval. However, ten days prior to the conversion, the universities or their DSOs must notify the Board Office of a conversion and provide a summary of the terms of (i.e. interest rate, debt service schedule, etc.) and reasons for the conversion. The universities and DSOs should answer all questions and provide any additional information that the Board deems necessary to fully understand the conversion.

IV. METHOD OF SALE AND USE OF PROFESSIONALS

Analysis of Method of Sale

It is in the best interests of the universities and their DSOs to use the method of sale for their debt that is expected to achieve the best sale results. Based upon the facts and circumstances with regard to each individual financing, it may be more appropriate to sell debt through either a competitive sale or through negotiation. Accordingly, the universities and their DSOs may utilize either a competitive or negotiated sale. If, however, a request is made for a DSO to sell debt using a negotiated sale, the university must provide the Board with an analysis showing that a negotiated sale is desirable. The analysis should include, but not necessarily be limited to, a consideration of the following factors:

a) Debt Structure

- i) pledged revenues – strong revenue stream vs. limited revenue base;
- ii) security structure – conventional resolution, cash flow, rate and coverage covenants vs. unusual or weak covenants;
- iii) debt instrument – traditional serial and term bonds vs. innovative, complex issues requiring special marketing; and
- iv) size – a smaller transaction of a size which can be comfortably managed by the market vs. a large size which the market cannot readily handle.

b) Credit Quality

- i) ratings – “A” or better vs. below single “A”; and
 - ii) outlook – stable vs. uncertain.
- c) Issuer
 - i) type of organization – well-known, general purpose vs. special purpose, independent authority;
 - ii) frequency of issuance – regular borrower vs. new or infrequent borrower; and
 - iii) market awareness – active secondary market vs. little or no institutional awareness.
- d) Market
 - i) interest rates – stable; predictable vs. volatile;
 - ii) supply and demand – strong investor demand, good liquidity vs. oversold, heavy supply; and
 - iii) changes in law – none vs. recent or anticipated

Bonds may also be sold through a private or limited placement, but only if it is determined that a public offering through either a competitive or negotiated sale is not in the best interests of the university or DSO.

Allocation of Bonds

In the event a negotiated sale by a DSO is determined by the university to be in the university’s best interest, syndicate rules shall be established which foster competition among the syndicate members and ensure that all members of the syndicate have an opportunity to receive a fair and proper allocation of bonds based upon their ability to sell the bonds.

Report on Sale of Bonds

The university or DSO shall prepare a report on the sale of bonds or anytime it incurs debt. The report shall be prepared and provided to the Board as soon as practicable but in no event later than one month after closing the transaction, in the format and manner provided by the Board, which at a minimum shall include the following:

- a) The amount of the debt.
- b) The interest rate on the debt.
- c) A final debt service schedule or estimated debt service schedule if a variable rate debt or the interest rate is subject to adjustment.
- d) Any aspect of the transaction that was different from the transaction submitted for approval.
- e) Itemized list of all fees and expenses incurred on the transaction, including legal fees.
- f) For negotiated sale of bonds:
 - i) the underwriters' spread detailing the management fee;
 - ii) takedown by maturity and aggregate takedown;
 - iii) any risk component and an itemized list of the expense component;
 - iv) orders placed by each underwriter and final bond allocation;
 - v) total compensation received by each underwriter; and
 - vi) any report or opinion of the financial advisor.
- g) Final official statement for publicly offered bonds.
- h) Bond insurance or any other form of credit enhancement and the terms thereof.
- i) Credit rating reports.

Selection of Financing Professionals

The use of underwriters for negotiated financings and the use of financial advisors for negotiated and competitive offerings is necessary to assist in the proper structuring and sale of debt. To assure fairness and objectivity in the selection of

professionals and to help select the most qualified professional, the selection of underwriters and financial advisors should be accomplished through a competitive selection process. A competitive selection process allows the universities and their DSOs to compare more professionals and obtain the best price and level of service.

V. DISCLOSURE

Primary Disclosure

Universities and DSOs shall use best practices in preparing disclosure documents in connection with the public offer and sale of debt so that accurate and complete financial and operating information needed by the markets to assess the credit quality and risks of each particular debt issue is provided.

The disclosure recommendations of the Government Finance Officers Association's "Disclosure for State and Local Governments Securities," and the National Federation of Municipal Analysts' "Recommended Best Practices in Disclosure for Private Colleges and Universities" should be followed to the extent practicable, specifically including the recommendation that financial statements be prepared and presented according to generally accepted accounting principles.

Continuing Disclosure

DSOs shall fulfill all continuing disclosure requirements set forth in the transaction documents and as required under Rule 15c2-12 of the Securities and Exchange Commission.

VI. POST-ISSUANCE CONSIDERATIONS

Investment of Proceeds of Debt Issued by DSOs

Construction Funds. Funds held for payment of debt service and all other funds held as required by the documents of any financing shall be invested consistent with the terms of the Financing Documents.

Arbitrage Compliance

The university will comply with federal arbitrage regulations. Any arbitrage rebate liabilities should be calculated and funded annually.

VII. EFFECT

The foregoing guidelines shall be effective immediately and may be modified from time to time by the Board as circumstances warrant. The guidelines are intended to apply prospectively to all university and DSO debt, and not to adversely affect any university or DSO debt currently outstanding or projects approved by the Board or board of trustees prior to, or existing, as of January 26, 2006.

Authority: Section 7(d), Art. IX, Fla. Const., History: New 4-27-06, Amended 9-16-10.

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**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

December 9, 2010

Subject: Florida International University Foundation, Inc. Financial Audit, 2009-2010

Proposed Board Action:

Approve the Florida International University Foundation, Inc. Financial Audit for the 2009-2010 Fiscal Year and authorize the Executive Director of the FIU Foundation, Inc. to take all actions necessary pertaining to this Financial Audit, including filing the report with the Auditor General.

Background Information

Pursuant to Regulation FIU-1502 (2)(f), the FIU Foundation, Inc. must submit an independently conducted financial audit of its accounts and records, which has been approved by its governing board and recommended by the University President to the Florida International University Board of Trustees for review and approval.

The FIU Foundation, Inc. Financial Audit for 2009-2010 has been submitted and approved by the FIU Foundation, Inc. Board of Directors on October 27, 2010, and the University President is recommending its approval.

Florida Board of Governors Regulation 9.011, University Direct Support Organizations and Health Services Support Organizations (4), states in relevant part:
Support organizations shall provide for an annual audit conducted pursuant to university regulations or policies. The annual audit report shall be submitted to the university board of trustees or designee, the Board of Governors, and the Auditor General for review.

Supporting Documentation: Florida International University Foundation, Inc.
Financial Audit 2009-2010

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**FLORIDA INTERNATIONAL UNIVERSITY
FOUNDATION, INC. AND SUBSIDIARY
(A Direct Support Organization)**

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

**FLORIDA INTERNATIONAL UNIVERSITY
FOUNDATION, INC. AND SUBSIDIARY
(A Direct Support Organization)**

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INDEPENDENT AUDITORS' REPORT

Members of the Board of Directors and the Finance and Audit Committee
Florida International University Foundation Inc. and Subsidiary
Miami, Florida

We have audited the accompanying consolidated statement of financial position of Florida International University Foundation, Inc. and Subsidiary (the Foundation), a direct support organization and a component unit of Florida International University, as of June 30, 2010 and the related consolidated statements of activities, functional expenses and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The prior year summarized comparative information has been derived from the Foundation's 2009 financial statements and, in our report dated January 20, 2010, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Foundation and its subsidiary as of June 30, 2010, and the changes in their net assets and their cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

1



In accordance with *Government Auditing Standards*, we have also issued a report dated November 3, 2010 on our consideration of the Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included in Schedules I through III is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The information identified in the table of contents as Schedules I and II have been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and, in our opinion, are fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole. The information identified in the table of contents as Schedule III has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion thereon.



a division of Marcum LLP

Miami, Florida

November 3, 2010

**FLORIDA INTERNATIONAL UNIVERSITY
FOUNDATION, INC. AND SUBSIDIARY**
(A Direct Support Organization)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

JUNE 30, 2010

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2009)

	Totals	
	2010	2009
Assets		
Cash and cash equivalents	\$ 4,710,830	\$ 5,075,811
Investments	115,827,131	101,018,413
Contributions receivable, net	55,456,316	54,103,832
Due from Florida International University	850,315	--
Fixed assets, net	10,773,692	11,100,703
Bond issuance costs, net	94,946	102,972
Other assets	709,876	533,835
Total Assets	<u>\$ 188,423,106</u>	<u>\$ 171,935,566</u>
Liabilities		
Accounts payable and other liabilities	\$ 341,471	\$ 205,868
Annuities payable	269,805	282,106
Deferred revenue	429,774	230,062
Derivative liability	645,890	614,928
Due to Florida International University	501,984	--
Note payable	9,260,000	9,260,000
Total Liabilities	<u>11,448,924</u>	<u>10,592,964</u>
Net Assets		
Unrestricted	15,160,471	14,642,835
Temporarily restricted	10,906,029	4,128,312
Permanently restricted	150,907,682	142,571,455
Total Net Assets	<u>176,974,182</u>	<u>161,342,602</u>
Total Liabilities and Net Assets	<u>\$ 188,423,106</u>	<u>\$ 171,935,566</u>

The accompanying notes are an integral part of these financial statements.

FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY
(A Direct Support Organization)

CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2010

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2009)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals	
				2010	2009
Revenue, Gains and Other Support					
Contributions	\$ 3,385,599	\$ 2,540,101	\$ 10,463,120	\$ 16,388,820	\$ 42,995,096
Royalty income	181,948	--	--	181,948	873,204
Rental income	1,178,248	--	--	1,178,248	1,082,914
Dues	514,710	33,225	67,591	615,526	785,849
Net investment income (loss)	1,078,974	4,278,989	--	5,357,963	(9,616,371)
Unrealized derivative loss	(30,962)	--	--	(30,962)	(148,385)
Net unrealized investment gains (losses)	1,069,571	4,578,991	--	5,648,562	(18,373,348)
Administrative fees	359,152	--	--	359,152	117,671
Other	741	27,151	--	27,892	385,100
Net assets released from restrictions	4,698,724	(4,540,740)	(157,984)	--	--
Total Revenue, Gains and Other Support	12,436,705	6,917,717	10,372,727	29,727,149	18,101,730
Expenses					
Program services	9,393,657	--	--	9,393,657	11,147,964
General and administrative	2,153,019	--	--	2,153,019	4,375,080
Fund raising	372,393	--	--	372,393	632,321
Total Expenses	11,919,069	--	--	11,919,069	16,155,366
Change in Net Assets Before Provision for Uncollectible Pledges	517,636	6,917,717	10,372,727	17,808,080	1,946,364
Provision for Uncollectible Pledges	--	(140,000)	(2,036,500)	(2,176,500)	(1,003,143)
Change in Net Assets	517,636	6,777,717	8,336,227	15,631,580	943,221
Net Assets - Beginning	14,642,835	4,128,312	142,571,455	161,342,602	160,399,381
Net Assets - Ending	\$ 15,160,471	\$ 10,906,029	\$ 150,907,682	\$ 176,974,182	\$ 161,342,602

The accompanying notes are an integral part of these financial statements.

FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY
(A Direct Support Organization)

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2010

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2009)

	Program Services	General and Administrative	Fund Raising	Totals	
				2010	2009
Contribution to University Building Program	\$ 1,826,064	\$ --	\$ --	\$ 1,826,064	\$ 1,448,599
College of Engineering and Computing	1,006,429	--	--	1,006,429	912,162
College of Business Administration	1,003,416	--	--	1,003,416	1,606,237
Athletics Fund - Golden Panthers	739,019	--	--	739,019	914,251
Wolfsonian Museum	715,505	--	--	715,505	649,542
Medical School	565,468	--	--	565,468	430,379
University Wide Scholarships and Programs	563,430	--	--	563,430	739,992
College of Arts and Sciences	472,064	--	--	472,064	1,069,843
College of Nursing and Health Sciences	458,701	--	--	458,701	434,853
School of Hospitality Management	451,709	--	--	451,709	429,745
President's compensation	--	429,225	--	429,225	346,256
Interest	--	405,964	--	405,964	339,263
College of Education	346,025	--	--	346,025	382,448
Depreciation and amortization	--	335,037	--	335,037	342,183
Utilities and Maintenance	--	292,505	--	292,505	316,164
FIU Alumni Association	282,035	--	--	282,035	266,309
Lobbying	--	254,900	--	254,900	261,071
Advancement operations	--	--	228,221	228,221	259,945
FIU Art Museum	222,118	--	--	222,118	438,854
Academic Affairs	204,413	--	--	204,413	300,588
Capital campaign	--	--	144,172	144,172	148,415
Business office operations	--	130,556	--	130,556	130,488
College of Law	122,559	--	--	122,559	145,600
College of Architecture & the Arts	112,268	--	--	112,268	261,134
School of Journalism	81,736	--	--	81,736	152,983
President's allowance	--	80,441	--	80,441	49,243
President's Office	60,072	--	--	60,072	40,211
Professional fees	--	53,589	--	53,589	131,187
Bank and investment fees	--	53,575	--	53,575	32,717
Stemple School of Public Health	45,267	--	--	45,267	90,747
Florida Board of Governor's Assessment	--	39,747	--	39,747	46,291
Honors College	37,531	--	--	37,531	25,770
Insurance	--	36,760	--	36,760	50,787
College of Social Work, Justice & Public Affairs	20,684	--	--	20,684	9,638
Student Affairs	19,265	--	--	19,265	32,941
Remarketing fees	--	17,332	--	17,332	10,478
FIU Libraries	15,049	--	--	15,049	36,242
License plates	13,402	--	--	13,402	197,500
FIU Vice President's allowance	--	11,788	--	11,788	24,367
Human Resources	7,604	--	--	7,604	8,932
Wolfsonian expenses	--	7,184	--	7,184	789,168
Other miscellaneous expense	--	4,416	--	4,416	2,924
Office of Sponsored Research	1,824	--	--	1,824	150
University Support	--	--	--	--	1,524,807
Marketing fees	--	--	--	--	223,961
Faculty Research Awards	--	--	--	--	100,000
Total Expenses	\$ 9,393,657	\$ 2,153,019	\$ 372,393	\$ 11,919,069	\$ 16,155,366

The accompanying notes are an integral part of these financial statements.

**FLORIDA INTERNATIONAL UNIVERSITY
FOUNDATION, INC. AND SUBSIDIARY
(A Direct Support Organization)**

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2010

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2009)

	2010	2009
Cash Flows from Operating Activities		
Change in net assets	\$ 15,631,580	\$ 943,221
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	335,037	350,209
Loss on disposal of assets	--	758,828
Provision for uncollectible pledges	2,176,500	1,003,143
Net unrealized investment (gains) losses	(5,648,562)	18,373,348
Unrealized loss on derivative liability	30,962	148,385
Changes in assets and liabilities:		
(Increase) decrease in:		
Contributions receivable	(3,528,984)	(28,027,926)
Other assets	(176,041)	(14,685)
Due from FIU	(850,315)	262,206
Increase (decrease) in:		
Accounts payable and other liabilities	135,603	37,071
Annuities payable	(12,301)	(35,031)
Due to FIU	501,984	--
Deferred revenue	199,712	(445,445)
Contributions restricted for long-term investment	(9,020,243)	(6,230,603)
Net investment (income) loss restricted for reinvestment	(4,278,989)	7,356,867
Net Cash Provided by Operating Activities	<u>(4,504,057)</u>	<u>(5,520,412)</u>
Cash Flows from Investing Activities		
Purchases of investments	(104,367,930)	(155,994,833)
Sales of investments	95,207,774	157,321,351
Purchases of fixed assets	--	(245,104)
Net Cash Provided by (Used in) Investing Activities	<u>(9,160,156)</u>	<u>1,081,414</u>
Cash Flows from Financing Activities		
Proceeds from contributions restricted for long-term investment	9,020,243	6,230,603
Principal repayments	--	(520,000)
Net investment (income) loss restricted for reinvestment	4,278,989	(7,356,867)
Net Cash Provided by (Used in) for Financing Activities	<u>13,299,232</u>	<u>(1,646,264)</u>
Net Decrease in Cash and Cash Equivalents	(364,981)	(6,085,262)
Cash and Cash Equivalents - Beginning	<u>5,075,811</u>	<u>11,161,073</u>
Cash and Cash Equivalents - Ending	<u>\$ 4,710,830</u>	<u>\$ 5,075,811</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	<u>\$ 367,142</u>	<u>\$ 321,428</u>

The accompanying notes are an integral part of these financial statements.

**FLORIDA INTERNATIONAL UNIVERSITY
FOUNDATION, INC. AND SUBSIDIARY
(A Direct Support Organization)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND PURPOSE

Florida International University Foundation, Inc. (the "Foundation" or the "Organization"), is a direct support organization and a component unit of Florida International University, is organized to encourage, solicit, receive and administer gifts and bequests of property and funds for the advancement of Florida International University (the "University") and its objectives. The Foundation is a tax-exempt organization as defined by Section 501(c)(3) of the Internal Revenue Code.

The Wolfsonian, Inc. was established in 1986 to create and operate a museum and research center in Miami Beach, Florida, and to support a comprehensive program focused on the collection, exhibition, interpretation, preservation, research and publication of the decorative, design and architectural arts. The Wolfsonian, Inc. has been loaned The Mitchell Wolfson, Jr. Collection of nearly 27,000 objects of art and rare books dating from the late nineteenth to the mid-twentieth century. It encompasses furniture, sculptures, paintings, books, graphics and other works of art on paper, as well as archives relating to the period. Through a series of academic study and fellowship programs, national and international traveling exhibitions, and scholarly initiatives, the Wolfsonian, Inc. promotes public education and awareness of the social, historical, technological, political, economic, and artistic material culture of Europe and America in the 1885-1945 period.

As more fully explained in Note 2, the Foundation was party to the gift agreement (the "Agreement") on July 1, 1997 with the Wolfsonian, Inc., whereby the Wolfsonian, Inc. agreed to amend its articles of incorporation and bylaws with the intent of transferring control of the Wolfsonian, Inc., all of its assets, interest, and obligations, to the Foundation.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements of the Foundation and its subsidiary for the year ended June 30, 2010, include the accounts of the Foundation and the Wolfsonian, Inc. based on the Foundation's controlling economic interest in the Wolfsonian, Inc. The Foundation's controlling economic interest in the Wolfsonian, Inc. was the result of the gift agreement between the two entities, which became effective on March 26, 1998 (see Note 2).

All significant intercompany accounts and transactions have been eliminated in consolidation.

**FLORIDA INTERNATIONAL UNIVERSITY
FOUNDATION, INC. AND SUBSIDIARY
(A Direct Support Organization)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION

Financial statement presentation follows the recommendations of the Accounting Standards Codification ("ASC") 958, *Not-for-Profit Entities*, (formerly Financial Accounting Standards Board Statement ("SFAS") No. 117). Under ASC 958, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Assets are presented according to their nearness of conversion to cash. Liabilities are presented according to the nearness of their maturity and resulting use of cash.

BASIS OF ACCOUNTING

The consolidated financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Revenue, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets and changes therein are classified and reported as follows:

Unrestricted

Net assets which are free of donor-imposed restrictions; all revenue, expenses, gains, and losses that are not changes in permanently or temporarily restricted net assets are classified as unrestricted.

Temporarily Restricted

Net assets whose use is limited by donor-imposed stipulations that either expire by passage of time or that can be fulfilled or removed by actions of the Foundation pursuant to those stipulations.

Permanently Restricted

Net assets whose use is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Foundation.

**FLORIDA INTERNATIONAL UNIVERSITY
FOUNDATION, INC. AND SUBSIDIARY
(A Direct Support Organization)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

COMPARATIVE INFORMATION

The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class. In addition, select comparative financial information is included in the notes to the financial statements. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's consolidated financial statements for the year ended June 30, 2009 from which the summarized information was derived.

USE OF ESTIMATES

The consolidated financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and revenue and expenses during the period reported. These estimates include assessing the collectability of contributions receivable. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the consolidated financial statements in the period they are determined to be necessary. Actual results could differ from those estimates.

CASH EQUIVALENTS

The Foundation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

INVESTMENTS

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated statement of financial position. Investment gains and losses (including realized and unrealized gains and losses on investments as well as interest income and dividends) are included in the consolidated statement of activities as an increase or decrease in unrestricted net assets unless the gains or losses are restricted by donor or law. Restricted gains and losses and investment income where the restrictions are met in the same reporting period as the income is earned are recorded as unrestricted support.

**FLORIDA INTERNATIONAL UNIVERSITY
FOUNDATION, INC. AND SUBSIDIARY
(A Direct Support Organization)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FAIR VALUE OF FINANCIAL INSTRUMENTS

ASC 820, *Fair Value Measurements and Disclosures*, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and establishes a framework for measuring fair value, and requires financial statements preparers to disclose information about their fair value determinations in their financial statements.

CONTRIBUTIONS

Contributed goods and services are recorded as contributions at their estimated fair value at date of receipt.

PROMISES TO GIVE

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are transferred to unrestricted net assets.

The Organization records unconditional promises to give at its estimated fair value which is based on prior years' experience and management's analysis of specific promises made. The receivables are further discounted to reflect their present value. Decreases in fair value are recognized as bad debt loss in the period the decrease occurs. Increases in estimated fair value are not recognized unless they represent recoveries of previous bad debt losses incurred; increases are recognized as additional contribution revenue when the promise to give is collected.

DEFERRED REVENUE

Deferred revenue is comprised of advanced licensing and royalty fees. Bank of America has agreed to the fees in exchange for the right to use FIU's logo on credit cards and also to advertise on FIU's home page and athletic home page. In either case, that right extends to print or electronic media. In addition, Bank of America has the right to solicit for business, FIU students and alumni population, faculty, staff, ticket holders, athletic teams and athletic departments.

**FLORIDA INTERNATIONAL UNIVERSITY
FOUNDATION, INC. AND SUBSIDIARY
(A Direct Support Organization)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FOUNDATION LAND, BUILDING AND PROPERTY

Property and equipment are defined assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of 5 years and are recorded at historical cost. If contributed, the asset, with the exception of the collection of decorative and propaganda arts, is recorded at the fair market value at the time of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions are recorded as unrestricted support. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, ranging from five to forty years.

The Foundation has elected to exercise the option of not capitalizing the items that meet the definition of "collections" as prescribed by accounting principles generally accepted in the United States. Therefore, the fair value of the donated collection of decorative and propaganda arts are not reflected in the accompanying consolidated financial statements. Purchases of collection items are recorded as decreases in unrestricted net assets in the year in which the items are acquired or as temporarily or permanently restricted net assets if the assets used to purchase the items are restricted by donors. Contributed collection items are not reflected in the consolidated financial statements. Proceeds from deaccessions or insurance recoveries are reflected as increases in the appropriate net asset classes.

DERIVATIVE FINANCIAL INSTRUMENTS

The Foundation entered into an interest rate swap agreement to reduce its exposure to market risks from changing interest rates. For interest rate swaps, the differential to be paid or received is accrued and recognized in interest expense and may change as market interest rates change. The fair value of the swap agreement is presented in the consolidated statement of financial position. The change in fair value is presented as an unrealized gain or loss in the consolidated statement of activities.

The Foundation's fair value estimate is based on its banking institution's valuation models and assumptions and available market data, some of which may be internally developed. The estimate is provided without adjustments for transactions and hedging costs, liquidity, or credit considerations or other significant factors external to the valuation models.

**FLORIDA INTERNATIONAL UNIVERSITY
FOUNDATION, INC. AND SUBSIDIARY
(A Direct Support Organization)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INCOME TAXES

The Foundation and its subsidiary are not-for-profit corporations, as described in Section 501(c)(3) of the Internal Revenue Code and are exempt from federal income taxes. There were no income taxes resulting from unrelated business income during the year ended June 30, 2010.

CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash in banks.

The Foundation places substantially all of its cash with high quality financial institutions which the Foundation believes limits this risk. At June 30, 2010, approximately \$60,400 was in excess of the Federal Depository Insurance Company (FDIC) limits.

In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits, with the exception noted in the preceding paragraph, are insured or collateralized with securities held by the entity or its agent in the entity's name.

RECLASSIFICATIONS

Certain reclassifications were made to the 2009 consolidated financial statements to conform to the 2010 presentation with no affect on previously reported change in net assets.

SUBSEQUENT EVENTS

Management has evaluated subsequent events to determine if events or transactions occurring through November 3, 2010, the date the consolidated financial statements were available to be issued, require potential adjustment to or disclosure in the consolidated financial statements.

**FLORIDA INTERNATIONAL UNIVERSITY
FOUNDATION, INC. AND SUBSIDIARY
(A Direct Support Organization)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

NOTE 2 - GIFT AGREEMENT

On July 1, 1997, the Foundation entered into a gift agreement (the Agreement) with Mitchell Wolfson, Jr., the Wolfsonian, Inc. and the University, whereby Mitchell Wolfson, Jr. agreed to donate all rights, title and interest in and to all objects constituting The Mitchell Wolfson, Jr. Collection of Decorative and Propaganda Arts (the Collection) to the FIU Foundation, subject to a loan agreement made and entered into by the Wolfsonian, Inc. and Mr. Wolfson, Jr., dated July 29, 1991. The Loan Agreement was extended in July 2001 for ten years through July 2011.

As a result of the Agreement, the Wolfsonian, Inc. has amended its articles of incorporation and bylaws to provide that all of its directors be appointed and removed at any time with or without cause by the Foundation, with the intention to effect a transfer of complete control of all of the assets, interests and obligations of the Wolfsonian, Inc. to the Foundation. On May 26, 1999, the Foundation passed a revision to the bylaws of the Wolfsonian, Inc. to make the Foundation the sole voting member of the Wolfsonian, Inc.

The gifts are conditional upon the provisions outlined in the Agreement, including but not limited to the Foundation continuing the museum and educational activities and operations that were conducted by the Wolfsonian, Inc. As a result of the Agreement, the University and the Foundation have assumed all administrative functions and operating costs of the Wolfsonian activities within the University (Wolfsonian-FIU).

In order for the Foundation to be able to maintain the rights to the Collection, the University is to provide the Wolfsonian-FIU with the same financial support from its general budget, as provided to other departments, in order to continue the museum and educational activities and operations of the Wolfsonian-FIU. The University provides support for the Wolfsonian-FIU expenses which included the insurance premium for the art collection, salaries, equipment, administrative expenses, and building security. In addition, the University provides support for utilities, repairs and maintenance expenses for buildings used by the Wolfsonian-FIU.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

NOTE 3 - INVESTMENTS

	As of June 30,	
	2010	2009
Equities	\$ 70,624,710	\$ 61,215,058
Limited partnerships	23,671,390	25,206,483
U.S. Government and municipal securities	7,668,529	3,433,986
Corporate bonds	13,564,097	10,924,057
	115,528,726	100,779,584
Plus accrued income	298,505	238,829
Total investments	\$ 115,827,231	\$ 101,018,413

Total net realized and unrealized investment gains and investment income for the year ended June 30, 2010 totaled \$11,006,525, of which \$8,803,544 was applied to individual endowments. The total net realized and unrealized investment losses and investment losses for the year ended June 30, 2009 amounted to (\$27,989,719) of which (\$20,727,905) was applied to individual endowments.

NOTE 4 - FAIR VALUE MEASUREMENTS

ASC 820 requires that an entity establish a fair value hierarchy based on the nature of data inputs for fair value determinations, under which a financial statement preparer is required to value each asset and liability using assumptions that market participants would employ to value that asset or liability. When a financial statement preparer uses significant, non-market observable assumptions to value an asset or liability, ASC 820 requires the preparer to disclose additional information about the assumptions used and the effects of the measurements on earnings or changes in net assets for the period.

The methods and assumptions used to estimate fair value of cash and cash equivalents, accounts receivable, other assets, accounts payable and other liabilities, provides for a carrying amount that is a reasonable estimate of the fair value because of the short maturity of these instruments.

To increase consistency and comparability in fair value measurements and related disclosures, the standards establish a three-level fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value. The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The levels in the fair value hierarchy are defined as follows:

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NOTE 4 - FAIR VALUE MEASUREMENTS (CONTINUED)

Level 1

Investments with quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date are categorized as Level 1 investments. These include equities (including domestic and foreign common stocks, ADR, convertible preferred stock, mutual funds, real estate investment trusts, and other exchange traded funds); U.S. government and municipal securities (including U.S. treasuries, government strips, and zero coupon bonds); and corporate bonds (including Euro and international fixed income bonds).

Level 2

Investments with inputs that are observable for the asset or liability, either directly or indirectly, are categorized as Level 2 investments. Level 2 investments include domestic bonds, government agencies and private placement bonds that are valued using the IDSI Institutional bond quotes. This is the Interactive Data Pricing Services primarily for debt issues, government and corporate bonds. The GNMA, FNMA, FHLMC pools are valued using the IDSI MBS Pricing methods, specific for mortgage backed pools. Government CMO's and REMICS use the IDSI COMO pricing method which is the Interactive Data Pricing Services – collateralized mortgage obligation evaluations. Evaluations for all of the level 2 investments are based on market driven observations and securities characteristics including ratings, coupons and redemptions.

Level 3

Investments with unobservable inputs for evaluating the asset or liability are categorized as Level 3 investments. ASC 820 states that unobservable inputs shall be used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity. Level 3 includes alternative investments related to fund of funds and private equity limited partnerships investments. They are valued using quarterly valuation cycles, internal balance capitalization as well as current day net asset value.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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NOTE 4 - FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth by levels within the fair value hierarchy the Foundation's assets at fair value as of June 30, 2010.

Investments at Fair Value as of June 30, 2010

	Level 1	Level 2	Level 3	Total
Equities	\$ 70,171,479	\$ 453,231	\$ --	\$ 70,624,710
Limited partnerships	--	--	23,671,390	23,671,390
U.S. Government and municipal securities	4,325,263	3,343,266	--	7,668,529
Corporate bonds	1,501,778	12,062,319	--	13,564,097
Total Investments at Fair Value	\$ 75,998,520	\$ 15,858,816	\$ 23,671,390	\$ 115,528,726
Swap agreement (derivative liability) (see Note 10)	\$ --	\$ 645,890	\$ --	\$ 645,890

The table below sets forth the summary of changes in the fair value of the Foundation's Level 3 investments for the fiscal year ended June 30, 2010.

Level 3 Investments
Fiscal Year Ended June 30, 2010
Limited Partnerships

Balance, beginning of the year	\$ 25,206,483
Realized gains/ (losses)	(194,469)
Unrealized gains/ (losses)	3,004,952
Purchases, sales, issuances and settlements, net	(4,210,048)
Less cash equivalents	(135,527)
Balance, end of year	<u>\$ 23,671,390</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

NOTE 5 - CONTRIBUTIONS RECEIVABLE

Unconditional promises to give, recorded at its estimated fair value and discounted to present value, are expected to be realized in the following periods:

	June 30,	
	2010	2009
Receivable in less than one year	\$ 24,654,559	\$ 6,026,633
Receivable in one to five years	33,333,296	49,197,994
Receivable in more than five years	4,035,000	4,124,500
	62,022,855	59,349,127
Less allowance for doubtful accounts	(2,912,103)	(993,492)
Less discount to present value at 1.79% and 2.40%, respectively	(3,654,435)	(4,251,803)
Promises to Give, net	<u><u>\$ 55,456,317</u></u>	<u><u>\$ 54,103,832</u></u>

STATE MATCH RECEIVABLE

In accordance with Florida Statute Chapter 1011.94, Trust Fund for Major Gifts, endowment contributions of \$100,000 or more, made after July 1, 1985, with income to be used to "support libraries and instruction and research programs", are eligible for state match. As of June 30, 2010, the Foundation has approved state matching requests that have not yet been received totaling \$18,898,915. The State of Florida did not appropriate funds to pay for this program during fiscal year 2010-11; therefore the receivable has been recorded in the accompanying consolidated financial statements discounted back over four years through 2016 since the exact year of receipt is not known. This receivable is included in the table above.

NOTE 6 - FOUNDATION FIXED ASSETS

	June 30,	
	2010	2009
MARC Building	\$ 13,080,435	\$ 13,080,435
Construction in progress	245,104	245,104
Land	2,500	2,500
Time share	3,200	3,200
	13,331,239	13,331,239
Less accumulated depreciation	(2,557,547)	(2,230,536)
Fixed Assets, net	<u><u>\$ 10,773,692</u></u>	<u><u>\$ 11,100,703</u></u>

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FOR THE YEAR ENDED JUNE 30, 2010

NOTE 6 - FOUNDATION FIXED ASSETS (CONTINUED)

Depreciation expense was \$327,011 for the years ended June 30, 2010 and 2009, respectively.

NOTE 7 - BOND ISSUANCE COSTS

As of June 30, 2010, issuance costs related to the tax-exempt bonds (Florida International University Foundation Project – Series 1999) issued by the Miami-Dade County Educational Facilities Authority, as described in Note 9. The issuance costs will be amortized over the term of the bonds which mature in 2022.

	2010	2009
Bond issuance costs	\$ 178,772	\$ 178,772
Less accumulated amortization	<u>(83,826)</u>	<u>(75,800)</u>
Bond issuance costs, net	<u>\$ 94,946</u>	<u>\$ 102,972</u>

NOTE 8 - ANNUITIES PAYABLE

The Foundation has received, as of June 30, 2010, \$700,000 in gifts under charitable remainder annuity trust agreements. The Foundation recognized the contributions received as revenue during the period that the trust was established. The amount of the contribution was the fair value of the trust assets less the fair value of the estimated annuity payments to be paid annually over the expected life of the annuities. The Foundation recorded the present value of the annuities, plus an additional 10 percent of that amount, as required by Florida Statute Section 627.481, as the liability of annuities payable totaling \$269,805.

NOTE 9 - NOTE PAYABLE

On January 20, 2000, the Miami-Dade County Educational Facilities Authority (the Authority) issued \$13,000,000 tax-exempt revenue bonds (Florida International University Foundation Project – Series 1999). These bonds are payable from and secured by a pledge of payments to be made to the Authority under a loan agreement dated December 1, 1999, between the Foundation, Inc. and the Authority.

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NOTE 9 - NOTE PAYABLE (CONTINUED)

The Bonds are secured by an irrevocable letter of credit issued by a commercial bank as described below. The Foundation will finance the payments to the Authority under the loan agreement with lease payments received from the University under an operating lease (see Note 14). The \$13,000,000 original principal amount was issued under a variable rate structure with a final maturity date of May 1, 2022. The variable rate on fifty percent of the original issue, \$6,500,000, has been synthetically fixed at 4.63 percent through February 1, 2015, by way of an interest rate swap agreement with a commercial bank (see Note 10). For the year ended June 30, 2010, total interest paid was \$405,964. The bond proceeds were used to acquire, construct and equip the multi-function support complex located on the University campus in Miami-Dade County and to pay issuance costs. As of June 30, 2010, the outstanding principal balance due under this note payable amounted to \$9,260,000. As of June 30, 2010, the fair value of the FIU Foundation's liability under the swap agreement was \$645,890.

On December 1, 1999, the Foundation entered into a letter of credit agreement with a commercial bank that permitted the Foundation to borrow up to \$13,000,000 through December 15, 2004, bearing interest at the prime rate plus 2 percent. On November 29, 2004, this agreement was extended, with the same terms and conditions, through December 15, 2009. There were two additional extensions subsequent to that date through July 30, 2010. The Foundation must pay an annual commitment fee of 0.45 percent on the unused portion of the commitment. Borrowings under the financing agreement mature 90 days after the date of the borrowing.

Under the letter of credit agreement and loan agreement noted above, the Foundation is obligated under certain debt covenants to which they are in compliance with.

SUBSEQUENT EVENT

Due to significant stress in the bank market the bonds were repurchased by the Trustee under the SunTrust Bank letter of credit due to the diminishing ability to remarket the variable rate demand bonds in the public marketplace. Subsequent to year end, on July 30, 2010, the commercial bank converted the variable rate demand bonds into a five year tax exempt qualified loan. After the initial 5 year period, the bank would have the right to require the Foundation to refinance the bank qualified loan or could agree to extend the maturity date for an additional five year period. The Foundation agrees to pay interest at a rate of 67% of one month LIBOR plus 1.68%. The bond maturity date of May 1, 2022 remains unchanged as does the swap agreement. As of June 30, 2010, the principal portion that was due was included in the refinanced amount.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 9 - NOTE PAYABLE (CONTINUED)

The aggregate maturities of the new note payable issued subsequent to June 30, 2010 are as follows:

Year Ending June 30	
2011	\$ 475,000
2012	605,000
2013	640,000
2014	670,000
2015	705,000
Thereafter	6,165,000
	<u>\$ 9,260,000</u>

NOTE 10 - DERIVATIVE FINANCIAL INSTRUMENTS

On February 1, 2000, the Foundation entered into an interest rate swap agreement (the Swap Agreement) with a commercial bank on a notional amount of \$6,500,000 which represents 50 percent of the principal amount of the bond issue, as described in Note 9. Under the original swap agreement, the Foundation agreed to pay a fixed rate of 5.03 percent per annum and receive variable rates based on 67 percent of the one-month US Dollar LIBOR rate. Effective October 1, 2005, the Foundation renegotiated the swap agreement reducing the fixed payor rate under the swap to 4.63 percent per annum. The renegotiated swap agreement expires on February 1, 2015. The derivative liability at June 30, 2010 was \$645,890.

NOTE 11 - TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Temporarily restricted net assets of \$10,906,029 at June 30, 2010 were available for scholarships and other program specific expenses. Permanently restricted net assets of \$150,907,682 at June 30, 2010 consisted of endowment funds. Investment income earned by endowment funds are available for spending based on the Foundation's spending policy. The spending rate is determined by the Foundation's Board at its annual board meeting. The spending rate for year ending June 30, 2010 was 4.0%. The spendable earnings are recorded as either temporarily restricted or unrestricted assets, as stipulated by the donor.

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NOTE 12 - CONTRIBUTIONS TO UNIVERSITY BUILDING PROGRAM

Contributions are received by the Foundation to support construction projects of the University. These projects are handled by the University, are on University property and become assets of the University upon completion. These funds may be further matched by a State of Florida matching program for construction. Prior to the request of matching funds and the commencement of the construction project, the Foundation transfers these contributions to the University.

During the year ended June 30, 2010, the Foundation transferred \$1,826,064 to support numerous construction projects, as follows:

R. Kirk Landon Fieldhouse	\$ 1,000,000
Hospitality Management Carnival Student Center Building	500,000
Nursing and Health Sciences Building	27,064
Kovens Conference Center	40,000
Classroom renovations	259,000
	<u>\$ 1,826,064</u>

NOTE 13 - COMMITMENTS AND CONTINGENCIES

LOAN GUARANTEES

The Foundation guarantees amounts on construction projects on FIU's Maidique Campus, specifically the Pi Kappa Alpha Kappa Gamma Greek Housing facility. This guarantee is expected to retire without being funded, and are not expected to significantly impact operations or future cash flows. The outstanding loan amount is less than one million dollars.

NOTE 14 - RELATED PARTY TRANSACTIONS

On December 1, 1999, the Foundation entered into a ground lease agreement with the Board of Regents of the State University System of the State of Florida for and on behalf of the University. Under this agreement, the Foundation, the lessee, has leased the grounds on which the multi-functional support complex was built, as described in Note 9. The consideration required to be paid by the Foundation is \$10 annually. The lease will expire on December 31, 2024 or the final payment date under the letter of credit agreement, as described in Note 9. Total amounts paid to the Foundation under this agreement were \$1,178,248 and \$1,082,914 for the years ended June 30, 2010 and 2009, respectively.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

NOTE 14 - RELATED PARTY TRANSACTIONS (CONTINUED)

On December 1, 1999, the Foundation also entered into an operating lease with the Board of Regents on behalf of the University to lease the 75,000 square foot multi-function support complex to the University. The financing of the payments under the letter of credit agreement and the loan agreement, as described in Note 9, will be secured by the pledged leased payments from the University. The University has agreed to pay the Foundation, as lessor, rent in the amount equal to all amounts due and payable by the Foundation under the letter of credit agreement, if any, and the loan agreement. The payments also include any costs of operating and maintaining the multi-functional support complex, in addition to amounts necessary to pay any unanticipated and extraordinary costs. The lease commenced during August 2002 when the multi-function support complex became operational. The lease expires on May 1, 2022 which is the date of maturity of the loan agreement. The cost of the leased asset is \$13,080,435 and the net book value is approximately \$ 10,522,888 at June 30, 2010. Minimum future rentals as of June 30, 2010 are approximately as follows:

Year Ending June 30

2011	\$ 1,260,000
2012	1,260,000
2013	1,260,000
2014	1,260,000
2015	1,260,000
Thereafter	8,820,000
Total Minimum Payments Required	<u>\$ 15,120,000</u>

NOTE 15 – ENDOWMENTS

The Foundation's endowment consists of funds established for a variety of purposes. Its endowment includes donor-restricted endowment funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

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NOTE 15 – ENDOWMENTS (CONTINUED)

Interpretation of Relevant Law

The Board of Directors of the endowment has interpreted the Florida Uniform Management of Institutional Funds Act as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment and (b) the original value of subsequent gifts to the permanent endowment.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor intended. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature that are reported in temporary restricted net assets were \$(5,954,733) as of June 30, 2010. These deficiencies resulted from unfavorable market fluctuations that occurred due to an unforeseen nationwide economic crisis.

As of June 30, 2010 endowment net assets consisted of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted endowment funds	\$ 4,939,774	\$ (2,737,173)	\$ 150,907,682	\$ 153,110,283
Board designated quasi-endowment funds	--	--	--	--
	<u>\$ 4,939,774</u>	<u>\$ (2,737,173)</u>	<u>\$ 150,907,682</u>	<u>\$ 153,110,283</u>
Endowment net assets, June 1, 2009	<u>\$ 4,752,441</u>	<u>\$ (10,409,606)</u>	<u>\$ 142,571,455</u>	<u>\$ 136,914,290</u>
Endowment Investment Return				
Interest, dividends and realized gains	\$ --	\$ 4,284,087	\$ --	\$ 4,284,087
Unrealized gains	--	4,519,457	--	4,519,457
Total Endowment Investment	--	8,803,544	--	8,803,544
Contributions	298,248	387,896	10,530,711	11,216,855
Release of restrictions and transfers	2,335,496	(777,905)	(157,984)	1,399,607
Endowment expenses	(3,187,513)	--	(2,036,500)	(5,224,013)
Appropriation for spending 4%	382,208	(382,208)	--	--
Appropriation for administrative fee 2%	358,894	(358,894)	--	--
Endowment Net Assets, June 30, 2010	<u>\$ 4,939,774</u>	<u>\$ (2,737,173)</u>	<u>\$ 150,907,682</u>	<u>\$ 153,110,283</u>

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NOTE 15 – ENDOWMENTS (CONTINUED)

Return Objectives and Risk Parameters

The Foundation has adopted investment policies and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for donor-specified periods. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce a long-term rate of return on assets while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time to achieve, at a minimum, a real (inflation adjusted) total return, net of investment management fees, that is consistent with spending requirements.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation's spending policy states that the Finance and Audit Committee will recommend, subject to approval by the Board of Directors, the annual spending distribution to be made to endowed accounts. The spending distribution is determined as a percentage of the endowment's average yearly market value (gift corpus plus undistributed investment earnings since inception) and is distributed at the close of the Foundation's fiscal year. Spending distributions are dependent on the Foundation's investment returns and are therefore not guaranteed. If in any given year investment losses reduce the endowment's market value below original corpus, future spending distributions are contingent on first restoring the endowment to its original corpus, before any distribution is made for spending. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

SUPPLEMENTARY INFORMATION

FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY

**EMINENT SCHOLARS CHAIR PROGRAM
SCHEDULE OF RECEIPTS, EXPENDITURES AND ENDOWMENT BALANCES-SCHEDULE I
YEAR ENDED JUNE 30, 2010**

	Beginning Balance July 1, 2009	Contributions	Interest and Investment Gains	Expenditures	Transfers	Ending Balance June 30, 2010
1117030						
Davidson Chair in Humanities						
Permanently Restricted	\$ 1,000,000	\$ --	\$ --	\$ --	\$ --	\$ 1,000,000
Unrestricted/Temporarily Restricted	307,996	--	113,849	89,747	(5,000)	327,099
1139070						
G Barley E-Chair Everglade Res						
Permanently Restricted	1,080,000	--	--	--	--	1,080,000
Unrestricted/Temporarily Restricted	145,235	--	93,701	50,000	--	188,936
1200220						
James L Knight MIS Chair E						
Permanently Restricted	1,031,794	--	--	--	--	1,031,794
Unrestricted/Temporarily Restricted	289,380	--	109,386	64,005	--	334,761
1270040						
Knight Ridder Global-Mrk Chr E						
Permanently Restricted	1,020,000	--	--	--	--	1,020,000
Unrestricted/Temporarily Restricted	(150,008)	--	87,111	--	--	(62,897)
1270050						
Knight Ridder Int'l Mgt E Chr						
Permanently Restricted	1,020,000	--	--	--	--	1,020,000
Unrestricted/Temporarily Restricted	(124,043)	--	87,111	6,889	--	(43,821)
1270060						
Byron Harless Mgmt E Chr						
Permanently Restricted	1,020,000	--	--	--	--	1,020,000
Unrestricted/Temporarily Restricted	(160,364)	--	87,111	--	--	(73,253)
1270070						
J K Batten Strategic Dev E Chr						
Permanently Restricted	1,020,000	--	--	--	--	1,020,000
Unrestricted/Temporarily Restricted	(154,383)	--	87,111	10,273	--	(77,546)
1270080						
Alvah Chapman Eminent Scholar						
Permanently Restricted	1,020,000	--	--	--	--	1,020,000
Unrestricted/Temporarily Restricted	(173,333)	--	85,797	--	--	(87,536)
1280060						
Ryder MIS Chair E						
Permanently Restricted	1,020,000	--	--	--	--	1,020,000
Unrestricted/Temporarily Restricted	(6,193)	--	84,669	--	--	78,476
1280070						
Ryder Business Leader E Chair						
Permanently Restricted	1,020,000	--	--	--	--	1,020,000
Unrestricted/Temporarily Restricted	(167,769)	--	86,360	--	--	(81,408)
1280080						
Ryder Dec Sciences E Chair						
Permanently Restricted	1,020,000	--	--	--	--	1,020,000
Unrestricted/Temporarily Restricted	(124,288)	--	86,360	--	--	(37,927)
1280090						
Ryder Global Log Mgmt E Chair						
Permanently Restricted	1,020,000	--	--	--	--	1,020,000
Unrestricted/Temporarily Restricted	(152,727)	--	86,360	730	--	(67,096)

FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY

EMINENT SCHOLARS CHAIR PROGRAM
SCHEDULE OF RECEIPTS, EXPENDITURES AND ENDOWMENT BALANCES-SCHEDULE I
(Continued)
YEAR ENDED JUNE 30, 2010

	Beginning Balance July 1, 2009	Contributions	Interest and Investment Gains	Expenditures	Transfers	Ending Balance June 30, 2010
1410020						
JLK Chair-Ed Refrm and Innov E						
Permanently Restricted	1,022,171	--	--	--	(1,022,171)	--
Unrestricted/Temporarily Restricted	(137,717)	--	--	--	137,717	--
1410030						
JLK Chair-Educ and Tech E						
Permanently Restricted	1,022,171	--	--	--	(1,022,171)	--
Unrestricted/Temporarily Restricted	(137,717)	--	--	--	137,717	--
1410040						
JLK Chair-UrbanEd NCB Stdnts E						
Permanently Restricted	1,022,171	--	--	--	(1,022,171)	--
Unrestricted/Temporarily Restricted	(137,717)	--	--	--	137,717	--
1410050						
JLK Chair-UrbanEd Public Ed E						
Permanently Restricted	1,022,171	--	--	--	(1,022,171)	--
Unrestricted/Temporarily Restricted	(137,717)	--	--	--	137,717	--
1200630						
JLK - Ctr for Leadership E						
Permanently Restricted	--	--	--	--	4,088,685	4,088,685
Unrestricted/Temporarily Restricted	--	--	358,503	35,172	(179,160)	144,171
1500300						
H R Chaplin Bev Mgmt Chair End						
Permanently Restricted	1,020,000	--	--	--	--	1,020,000
Unrestricted/Temporarily Restricted	60,748	--	88,108	67,215	--	81,641
1600170						
WH Coulter BME Eminent Chair E						
Permanently Restricted	2,000,000	--	--	--	--	2,000,000
Unrestricted/Temporarily Restricted	(207,170)	--	177,155	132,021	183,680	21,643
1700090						
Paul L Cejas End ScholarsChair						
Permanently Restricted	1,020,000	--	--	--	--	1,020,000
Unrestricted/Temporarily Restricted	(207,490)	--	81,406	--	--	(126,084)
2400050						
MCH Pediatrics Chair Endowment						
Permanently Restricted	1,000,001	500,000	--	--	--	1,500,001
Unrestricted/Temporarily Restricted	(147,328)	--	94,850	--	--	(52,478)
2400060						
Leon Med Ctr Geriatrics Chair						
Permanently Restricted	2,006,675	2,000,000	--	--	--	4,006,675
Unrestricted/Temporarily Restricted	(448,849)	--	326,752	--	--	(122,097)
4100190						
We Will Rebuild Chair						
Permanently Restricted	1,050,000	--	--	--	--	1,050,000
Unrestricted/Temporarily Restricted	226,528	--	105,782	32,910	--	299,400
	<u>\$ 22,732,228</u>	<u>\$ 2,500,000</u>	<u>\$ 2,327,482</u>	<u>\$ 488,962</u>	<u>\$ 550,389</u>	<u>\$ 27,621,139</u>

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	Beginning Balance July 1, 2009	Contributions	Interest and Investment Gains	Expenditures	Transfers	Ending Balance June 30, 2010
1000030						
Madeline Kitts Scholarship End						
Permanently Restricted	\$ 457,093	\$ --	\$ --	\$ --	\$ --	\$ 457,093
Unrestricted/Temporarily Restricted	89,319	--	47,683	10,365	--	126,637
1000060						
Frost Professorship End						
Permanently Restricted	150,000	--	--	--	--	150,000
Unrestricted/Temporarily Restricted	78,989	--	17,251	3,750	--	92,490
1000140						
Perlman Family Faculty Grant E						
Permanently Restricted	153,176	--	--	--	--	153,176
Unrestricted/Temporarily Restricted	(22,783)	--	12,639	--	--	(10,144)
1000420						
Perry Graduate Scholarship End						
Permanently Restricted	254,552	--	--	--	--	254,552
Unrestricted/Temporarily Restricted	(26,990)	--	21,799	12,448	--	(17,639)
1000460						
Aventura Marking Council Sch E						
Permanently Restricted	207,517	--	--	--	--	207,517
Unrestricted/Temporarily Restricted	(24,119)	--	17,221	8,000	--	(14,898)
1000510						
Garcia-Zamor Haitian-Am Sch E						
Permanently Restricted	300,000	--	--	--	--	300,000
Unrestricted/Temporarily Restricted	(35,264)	--	24,556	--	--	(10,709)
1000540						
Council 100 Faculty Award End						
Permanently Restricted	103,250	13,000	--	--	--	116,250
Unrestricted/Temporarily Restricted	333	12,625	9,070	17,762	--	-4,265
1000570						
Bank of America Scholarship E						
Permanently Restricted	175,000	--	--	--	--	175,000
Unrestricted/Temporarily Restricted	(12,997)	--	15,349	8,000	--	(5,649)
1000590						
Adolfo Henriques Scholarship E						
Permanently Restricted	100,000	--	--	--	--	100,000
Unrestricted/Temporarily Restricted	(7,630)	--	8,456	6,000	--	(5,173)
1000610						
Lucille E Snaith Memorial SchE						
Permanently Restricted	152,500	--	--	--	--	152,500
Unrestricted/Temporarily Restricted	(20,517)	--	12,550	7,000	--	(14,967)
1000650						
Manuel-Mercedes Mosteiro Sch E						
Permanently Restricted	255,352	--	--	--	--	255,352
Unrestricted/Temporarily Restricted	(42,014)	--	20,482	8,000	--	(29,532)
1000710						
Sedano's Fam 1st Gen Schol End						
Permanently Restricted	150,000	--	--	--	--	150,000
Unrestricted/Temporarily Restricted	(31,843)	--	11,923	493	--	(20,412)

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1100090						
J Evans Parker Envr-Biol Sch E						
Permanently Restricted	104,915	--	--	--	--	104,915
Unrestricted/Temporarily Restricted	(15,915)	--	9,014	--	--	(6,901)
1111110						
Barnes - Noble Creative Wr End						
Permanently Restricted	450,000	--	--	--	--	450,000
Unrestricted/Temporarily Restricted	(46,569)	500	37,044	7,463	--	(16,489)
1119050						
Helen J Dunnick E Natv Ame Prg						
Permanently Restricted	224,521	--	--	--	--	224,521
Unrestricted/Temporarily Restricted	(42,316)	--	18,450	--	--	(23,866)
1119070						
Sephardic-Orien Jewish Study E						
Permanently Restricted	1,020,000	--	--	--	--	1,020,000
Unrestricted/Temporarily Restricted	(122,792)	--	83,489	52,384	--	(91,687)
1131050						
Glaser Biology Professorship E						
Permanently Restricted	150,000	--	--	--	--	150,000
Unrestricted/Temporarily Restricted	33,305	--	17,077	10,995	--	39,387
1131100						
Kelly Tropical Botany Schol E						
Permanently Restricted	150,000	--	--	--	--	150,000
Unrestricted/Temporarily Restricted	(20,272)	--	12,863	--	--	(7,408)
1139040						
SE Environmental Research En						
Permanently Restricted	602,000	--	--	--	--	602,000
Unrestricted/Temporarily Restricted	(169,930)	--	42,570	4,349	--	(131,709)
1139080						
Miccosukee Everglades-SERC End						
Permanently Restricted	1,620,000	--	--	--	--	1,620,000
Unrestricted/Temporarily Restricted	(32,517)	--	134,733	500	--	101,716
1139100						
Enrironmental Preserve Endow						
Permanently Restricted	100,000	--	--	--	--	100,000
Unrestricted/Temporarily Restricted	(16,649)	--	7,965	1,560	--	(10,245)
1139110						
JM Hibbard Memorial Lectures E						
Permanently Restricted	150,000	--	--	--	--	150,000
Unrestricted/Temporarily Restricted	(30,593)	--	11,993	897	--	(19,497)
1200040						
BMI Marketing Professorship E						
Permanently Restricted	134,600	--	--	--	--	134,600
Unrestricted/Temporarily Restricted	27,123	--	15,907	5,172	--	37,858
1200070						
Macy's Retailing Prof End						
Permanently Restricted	225,000	--	--	--	--	225,000
Unrestricted/Temporarily Restricted	(22,963)	--	18,417	642	--	(5,188)

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1200100						
Deloitte - Touche Acct Schol E						
Permanently Restricted	137,556	--	--	--	--	137,556
Unrestricted/Temporarily Restricted	(3,556)	--	11,772	10,000	--	(1,784)
1200110						
Drexel Burham Lambert Schol E						
Permanently Restricted	142,500	520	--	--	--	143,020
Unrestricted/Temporarily Restricted	36,425	--	16,451	9,576	--	43,300
1200140						
FIBA Professorship E						
Permanently Restricted	150,000	--	--	--	--	150,000
Unrestricted/Temporarily Restricted	(15,965)	--	12,813	94	--	(3,245)
1200150						
Wachovia Bus Ethics Schol E						
Permanently Restricted	300,000	--	--	--	--	300,000
Unrestricted/Temporarily Restricted	4,022	--	25,625	5,000	--	24,648
1200180						
Herbert Wertheim Lect Prof E						
Permanently Restricted	150,000	--	--	--	--	150,000
Unrestricted/Temporarily Restricted	15,076	--	14,981	11,278	--	18,778
1200190						
Ingersoll-Rand IB Prof E						
Permanently Restricted	150,002	--	--	--	--	150,002
Unrestricted/Temporarily Restricted	(20,971)	--	12,378	6,881	--	(15,475)
1200250						
Bank America Bus Ethics Schl E						
Permanently Restricted	300,000	--	--	--	--	300,000
Unrestricted/Temporarily Restricted	9,129	--	25,871	15,000	--	20,000
1200260						
Regions Bank Bus EthicsSch E						
Permanently Restricted	487,500	--	--	--	--	487,500
Unrestricted/Temporarily Restricted	16,659	--	41,296	30,000	--	27,955
1200280						
Suntrust Bank Professorship E						
Permanently Restricted	225,000	--	--	--	--	225,000
Unrestricted/Temporarily Restricted	(22,120)	--	18,827	17,084	--	(20,377)
1200290						
AXA Bus Ethics Scholarship E						
Permanently Restricted	210,275	--	--	--	--	210,275
Unrestricted/Temporarily Restricted	3,679	--	17,681	5,000	--	16,360
1200330						
D R Parker Business Schol End						
Permanently Restricted	100,000	--	--	--	--	100,000
Unrestricted/Temporarily Restricted	(14,900)	--	8,624	--	--	(6,277)
1200500						
R Kirk Landon General Endowmt						
Permanently Restricted	500,000	--	--	--	--	500,000
Unrestricted/Temporarily Restricted	(112,112)	--	39,306	--	--	(72,805)

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1200530						
Student Managed Investment End						
Permanently Restricted	200,000	--	--	--	--	200,000
Unrestricted/Temporarily Restricted	(32,401)	--	16,984	--	--	(15,418)
1200560						
Global Entrepreneurship Ctr E						
Permanently Restricted	2,500,000	15,000	--	--	--	2,515,000
Unrestricted/Temporarily Restricted	(407,096)	42,250	199,355	72,587	--	(238,078)
1250040						
Barry-Roger Hersker Marke SchE						
Permanently Restricted	249,878	--	--	--	(600)	249,278
Unrestricted/Temporarily Restricted	(53,516)	--	19,837	--	(400)	(34,079)
1260020						
Jerome Bain Scholar End						
Permanently Restricted	150,000	--	--	--	--	150,000
Unrestricted/Temporarily Restricted	69,308	--	15,566	3,384	--	81,491
1260030						
Jerome Bain Real Estate Inst E						
Permanently Restricted	1,020,000	--	--	--	--	1,020,000
Unrestricted/Temporarily Restricted	(111,957)	--	86,532	14,715	--	(40,139)
1270030						
Knight Ridder Center Endowment						
Permanently Restricted	548,707	--	--	--	--	548,707
Unrestricted/Temporarily Restricted	(79,917)	--	44,413	30,512	--	(66,017)
1280040						
Ryder Supply Chain SystemsCtrE						
Permanently Restricted	150,000	--	--	--	--	150,000
Unrestricted/Temporarily Restricted	138,072	62,675	15,831	60,352	--	156,225
1280050						
Ryder Professorship E						
Permanently Restricted	150,000	--	--	--	--	150,000
Unrestricted/Temporarily Restricted	33,292	--	15,849	4,297	--	44,844
1300030						
Henry Milander Publ Svc Schl E						
Permanently Restricted	524,400	--	--	--	--	524,400
Unrestricted/Temporarily Restricted	219,719	--	52,075	11,319	--	260,475
1400040						
Frost Professorship						
Permanently Restricted	150,000	--	--	--	--	150,000
Unrestricted/Temporarily Restricted	36,599	--	16,520	13,848	--	39,272
1400140						
BellSouth Scholarship Endow.						
Permanently Restricted	150,000	--	--	--	--	150,000
Unrestricted/Temporarily Restricted	(10,146)	--	13,158	6,000	--	(2,988)
1400150						
Pat Tornillo Scholarship Endow						
Permanently Restricted	370,000	--	--	206,761	--	163,239
Unrestricted/Temporarily Restricted	17,272	--	23,887	49,578	--	(8,420)

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1400180						
Mark Blum Mem. Scholar Endow						
Permanently Restricted	228,636	--	--	--	--	228,636
Unrestricted/Temporarily Restricted	(37,505)	--	18,397	2,000	--	(21,108)
1400200						
Robert R Bellamy Schol Endow						
Permanently Restricted	682,500	--	--	--	--	682,500
Unrestricted/Temporarily Restricted	(46,111)	--	56,575	9,000	--	1,464
1400250						
Lennar Corp Scholarship End						
Permanently Restricted	100,000	--	--	--	--	100,000
Unrestricted/Temporarily Restricted	(20,237)	--	7,988	--	--	(12,249)
1500020						
Hospitality Scholarships E						
Permanently Restricted	100,000	--	--	--	--	100,000
Unrestricted/Temporarily Restricted	19,848	38,062	8,485	68,066	--	(1,671)
1500030						
Hospitality Minority Schol E						
Permanently Restricted	441,496	--	--	--	--	441,496
Unrestricted/Temporarily Restricted	(67,052)	--	36,027	17,097	--	(48,122)
1500040						
NAC Professorship Endowment						
Permanently Restricted	155,000	--	--	--	--	155,000
Unrestricted/Temporarily Restricted	89,315	--	17,679	3,843	--	103,150
1500100						
Coca Cola Professorship E						
Permanently Restricted	150,000	--	--	--	--	150,000
Unrestricted/Temporarily Restricted	23,591	--	15,834	3,442	--	35,983
1500140						
Ruby Tuesday Travel-Schol E						
Permanently Restricted	150,000	--	--	--	--	150,000
Unrestricted/Temporarily Restricted	19,530	--	15,811	5,937	--	29,404
1500160						
Ernest R Graham ProfessorshipE						
Permanently Restricted	150,000	--	--	--	--	150,000
Unrestricted/Temporarily Restricted	49,861	--	17,544	10,569	--	56,836
1500180						
Metromedia Restau MinoritySchE						
Permanently Restricted	170,000	--	--	--	--	170,000
Unrestricted/Temporarily Restricted	(3,235)	--	15,350	7,350	--	4,765
1500190						
Beverage Mgmt Studies Endow						
Permanently Restricted	454,819	--	--	--	--	454,819
Unrestricted/Temporarily Restricted	(36,529)	--	37,803	--	--	1,274
1500210						
FIU Hospitality Review E						
Permanently Restricted	187,500	--	--	--	--	187,500
Unrestricted/Temporarily Restricted	(14,111)	300	17,358	4,245	--	(697)

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1500220						
Hospitality Mgt Programs Endow						
Permanently Restricted	213,152	--	--	--	--	213,152
Unrestricted/Temporarily Restricted	32,109	--	18,193	998	--	49,305
1500230						
John W Kluge Minority Schol E						
Permanently Restricted	710,000	--	--	--	--	710,000
Unrestricted/Temporarily Restricted	(22,519)	--	61,392	26,000	--	12,873
1500240						
Hospitality Computer Equipmt E						
Permanently Restricted	175,637	--	--	--	--	175,637
Unrestricted/Temporarily Restricted	2,692	--	15,058	--	--	17,751
1500260						
A G Marshall AmerDream Schol E						
Permanently Restricted	108,670	--	--	--	--	108,670
Unrestricted/Temporarily Restricted	(20,140)	2,600	8,702	2,500	--	(11,339)
1500290						
Michael E Hurst Lecture-Sch E						
Permanently Restricted	155,569	4,950	--	--	--	160,519
Unrestricted/Temporarily Restricted	12,747	1,075	13,271	6,250	--	20,843
1500370						
Marriott Scholarship Endowment						
Permanently Restricted	300,000	--	--	--	--	300,000
Unrestricted/Temporarily Restricted	(61,243)	--	23,849	2,500	--	(39,893)
1500410						
Ocean Waters HM Scholarship E						
Permanently Restricted	150,000	--	--	--	--	150,000
Unrestricted/Temporarily Restricted	(29,897)	--	11,816	2,750	--	(20,831)
1500450						
Marriott Tianjin China.Prog E						
Permanently Restricted	500,000	1,000,001	--	--	--	1,500,001
Unrestricted/Temporarily Restricted	(81,003)	125,026	118,460	76,000	--	86,483
1600020						
Engineering Scholarships						
Permanently Restricted	150,000	--	--	--	--	150,000
Unrestricted/Temporarily Restricted	(13,868)	10,000	12,935	10,800	--	(1,732)
1600030						
Professorship in Engineering						
Permanently Restricted	100,000	--	--	--	--	100,000
Unrestricted/Temporarily Restricted	55,443	--	10,002	2,174	--	63,271
1600140						
Norman Weldon Biomed Fellows E						
Permanently Restricted	150,000	--	--	--	--	150,000
Unrestricted/Temporarily Restricted	(18,588)	--	12,829	4,800	--	(10,559)
1600180						
WHC Bioinst-Biomeas Prof E						
Permanently Restricted	1,000,000	--	--	--	--	1,000,000
Unrestricted/Temporarily Restricted	(112,823)	--	87,760	64,440	90,992	1,488

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1600190						
WH Coulter BME Excellence E						
Permanently Restricted	2,000,000	--	--	--	--	2,000,000
Unrestricted/Temporarily Restricted	(234,084)	--	174,043	134,280	180,454	(13,867)
1600210						
WHC Cardiovascular Eng Ctr E						
Permanently Restricted	500,000	--	--	--	--	500,000
Unrestricted/Temporarily Restricted	(60,983)	--	43,511	31,108	45,113	(3,467)
1600220						
Lucent Tech CALA Dist. Profess						
Permanently Restricted	450,000	--	--	--	--	450,000
Unrestricted/Temporarily Restricted	(377)	--	36,833	--	--	36,457
1600240						
WHC BME Res Initiation Prog E						
Permanently Restricted	1,000,000	--	--	--	--	1,000,000
Unrestricted/Temporarily Restricted	(125,831)	--	87,022	58,351	90,227	(6,934)
1600250						
WH Coulter Grad Fellows in BME						
Permanently Restricted	1,000,000	--	--	--	--	1,000,000
Unrestricted/Temporarily Restricted	(126,966)	--	87,022	57,216	90,227	(6,934)
1600260						
WH Coulter BME Excell Schol E						
Permanently Restricted	500,000	--	--	--	--	500,000
Unrestricted/Temporarily Restricted	(60,983)	--	43,511	31,108	45,113	(3,467)
1600270						
Coulter Young Inventor Award E						
Permanently Restricted	1,500,000	--	--	--	--	1,500,000
Unrestricted/Temporarily Restricted	(138,286)	--	134,313	102,544	139,260	32,743
1600280						
WH Coulter BME LectureSeries E						
Permanently Restricted	500,000	--	--	--	--	500,000
Unrestricted/Temporarily Restricted	(56,120)	--	43,511	38,188	45,113	(5,684)
1600330						
Ware Professorship Endowment						
Permanently Restricted	150,000	--	--	--	--	150,000
Unrestricted/Temporarily Restricted	4,128	--	12,644	--	--	16,771
1600450						
Ware Foundation Research End						
Permanently Restricted	700,000	--	--	--	--	700,000
Unrestricted/Temporarily Restricted	(18,827)	--	56,414	124,461	--	(86,874)
1600480						
Kelly Fnd CM-CivilEng Schol E						
Permanently Restricted	100,000	--	--	--	--	100,000
Unrestricted/Temporarily Restricted	(21,884)	--	7,912	--	--	(13,972)
1700060						
Festival of Trees Schol Endow						
Permanently Restricted	141,584	--	--	--	--	141,584
Unrestricted/Temporarily Restricted	(20,487)	900	11,563	5,500	--	(13,524)

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1700080						
Paul L Cejas Architecture End						
Permanently Restricted	730,009	--	--	--	--	730,009
Unrestricted/Temporarily Restricted	(109,541)	--	58,208	2,880	--	(54,213)
1740040						
Evelyn Spiltany Music Gen End						
Permanently Restricted	153,181	--	--	--	--	153,181
Unrestricted/Temporarily Restricted	(7,538)	--	14,368	3,100	--	3,730
1740060						
Wertheim Performing Arts Sch E						
Permanently Restricted	1,020,000	--	--	--	--	1,020,000
Unrestricted/Temporarily Restricted	(84,969)	--	91,245	16,700	--	(10,423)
1800150						
Dresnick Nursing Scholars End						
Permanently Restricted	152,297	--	--	--	--	152,297
Unrestricted/Temporarily Restricted	(19,696)	--	13,437	--	--	(6,260)
1800170						
A Friedman Health - Nurs Sch E						
Permanently Restricted	150,000	--	--	--	--	150,000
Unrestricted/Temporarily Restricted	(25,577)	--	12,608	--	--	(12,968)
1810040						
School of Nursing Program End						
Permanently Restricted	1,589,652	--	--	--	--	1,589,652
Unrestricted/Temporarily Restricted	(247,023)	--	136,026	240	--	(111,237)
1810050						
Betty Florman Nursing Schol E						
Permanently Restricted	150,000	--	--	--	--	150,000
Unrestricted/Temporarily Restricted	(24,990)	--	12,668	--	--	(12,322)
1810110						
BC-BS Nursing Schol End						
Permanently Restricted	150,000	--	--	--	--	150,000
Unrestricted/Temporarily Restricted	(27,488)	--	12,415	--	--	(15,073)
1810130						
NDadeMed Nursing Lab Equip End						
Permanently Restricted	437,500	--	--	--	--	437,500
Unrestricted/Temporarily Restricted	(71,965)	--	55,953	10,904	--	(26,916)
1810140						
NDadeMed Nursing Scholars End						
Permanently Restricted	1,750,000	--	--	--	--	1,750,000
Unrestricted/Temporarily Restricted	(443,943)	--	223,811	65,302	--	(285,434)
1900050						
Janet Chusmir						
Permanently Restricted	313,210	--	--	--	--	313,210
Unrestricted/Temporarily Restricted	126,663	--	34,237	19,942	--	140,958
1900060						
W.R. Hearst Visiting Professio						
Permanently Restricted	300,000	--	--	--	--	300,000
Unrestricted/Temporarily Restricted	36,637	--	29,100	10,172	--	55,565

FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY
MAJOR GIFTS PROGRAM
SCHEDULE OF RECEIPTS, EXPENDITURES AND ENDOWMENT BALANCES-SCHEDULE II
(Continued)
YEAR ENDED JUNE 30, 2010

	Beginning Balance July 1, 2009	Contributions	Interest and Investment Gains	Expenditures	Transfers	Ending Balance June 30, 2010
2000050						
Judge Thomas C Britton Sch E						
Permanently Restricted	265,000	--	--	--	--	265,000
Unrestricted/Temporarily Restricted	(36,977)	--	21,811	--	--	(15,166)
2000070						
Cuban American Bar Schol E						
Permanently Restricted	111,900	--	--	--	--	111,900
Unrestricted/Temporarily Restricted	(20,276)	--	8,896	1,500	--	(12,879)
2000120						
Law Professorship Endowment						
Permanently Restricted	1,275,000	--	--	--	--	1,275,000
Unrestricted/Temporarily Restricted	(267,180)	--	101,354	--	--	(165,826)
2000160						
CAMP 4 Justice Human Rights E						
Permanently Restricted	100,000	100,000	--	--	--	200,000
Unrestricted/Temporarily Restricted	20,799	--	13,558	6,500	--	27,858
2100030						
Computer Science Prof. I						
Permanently Restricted	153,360	--	--	--	--	153,360
Unrestricted/Temporarily Restricted	106,035	--	17,456	3,794	--	119,697
2100040						
Computer Science Prof. II						
Permanently Restricted	153,360	--	--	--	--	153,360
Unrestricted/Temporarily Restricted	108,517	--	17,456	3,794	--	122,179
2100050						
Computer Sciences - Fellowship						
Permanently Restricted	153,410	--	--	--	--	153,410
Unrestricted/Temporarily Restricted	66,267	--	17,460	3,795	--	79,932
2100060						
Computer Sciences - Fellowship						
Permanently Restricted	153,360	--	--	--	--	153,360
Unrestricted/Temporarily Restricted	95,744	--	17,456	3,794	--	109,406
2100070						
Ryder Prof. Computer Science						
Permanently Restricted	150,000	--	--	--	--	150,000
Unrestricted/Temporarily Restricted	178,890	--	16,683	3,626	--	191,946
2200030						
General Library Purchase Endow						
Permanently Restricted	640,443	50	--	--	--	640,493
Unrestricted/Temporarily Restricted	91,872	--	54,929	7,082	--	139,718
2200040						
Green Library VA Res Materls E						
Permanently Restricted	801,000	--	--	--	--	801,000
Unrestricted/Temporarily Restricted	(108,604)	--	67,643	1,498	--	(42,459)
2300030						
Honors College General Endowmt						
Permanently Restricted	114,977	4,304	--	--	--	119,281
Unrestricted/Temporarily Restricted	14,694	15,360	10,089	6,883	--	33,260

FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY
MAJOR GIFTS PROGRAM
SCHEDULE OF RECEIPTS, EXPENDITURES AND ENDOWMENT BALANCES-SCHEDULE II
(Continued)
YEAR ENDED JUNE 30, 2010

	Beginning Balance July 1, 2009	Contributions	Interest and Investment Gains	Expenditures	Transfers	Ending Balance June 30, 2010
2300060						
Harvey L Young Family Sch End						
Permanently Restricted	151,000	--	--	--	--	151,000
Unrestricted/Temporarily Restricted	(7,721)	--	12,992	4,000	--	1,271
2300070						
Lucille E Snaith Mem HC Sch E						
Permanently Restricted	500,000	--	--	--	--	500,000
Unrestricted/Temporarily Restricted	(28,362)	--	42,316	12,500	--	1,455
2400030						
NDade Med Found MD Scholars E						
Permanently Restricted	5,000,000	--	--	--	--	5,000,000
Unrestricted/Temporarily Restricted	(1,244,339)	--	380,578	--	--	(863,761)
2400140						
Green Family Medicine Endowmen						
Permanently Restricted	500,000	500,000	--	--	--	1,000,000
Unrestricted/Temporarily Restricted	--	--	80,223	17,438	--	62,785
2400150						
H&N Wertheim End. Proffessorsh						
Permanently Restricted	278,958	1,211,385	--	--	--	1,490,343
Unrestricted/Temporarily Restricted	--	2,084	151,322	32,892	--	120,514
2400190						
H&N Wertheim Scholarship Fund						
Permanently Restricted	464,930	2,018,975	--	--	--	2,483,905
Unrestricted/Temporarily Restricted	--	3,474	252,204	54,821	--	200,857
2500030						
R Stempel Col of Pub Health E						
Permanently Restricted	3,298,411	--	--	--	--	3,298,411
Unrestricted/Temporarily Restricted	(94,973)	25,000	279,654	(29,792)	(1,000)	238,473
2500060						
CV Starr Public Health Schol E						
Permanently Restricted	3,396,851	--	--	--	--	3,396,851
Unrestricted/Temporarily Restricted	(231,909)	--	283,981	75,000	--	(22,928)
2530040						
Bank of Amer Soc Work Sch End						
Permanently Restricted	150,000	--	--	--	--	150,000
Unrestricted/Temporarily Restricted	9,751	--	12,713	--	--	22,464
3000080						
Dorothea - Steven Green Prog E						
Permanently Restricted	3,200,010	--	--	--	--	3,200,010
Unrestricted/Temporarily Restricted	(211,999)	200	270,225	104,829	--	(46,403)
3000100						
Jane Hsiao Asian Art Endowment						
Permanently Restricted	1,009,766	--	--	--	--	1,009,766
Unrestricted/Temporarily Restricted	(243,003)	--	77,700	--	--	(165,304)
3100100						
Wolfsonian Program Endowment						
Permanently Restricted	520,884	--	--	--	--	520,884
Unrestricted/Temporarily Restricted	(91,749)	--	41,411	--	--	(50,338)

FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY
MAJOR GIFTS PROGRAM
SCHEDULE OF RECEIPTS, EXPENDITURES AND ENDOWMENT BALANCES-SCHEDULE II
(Continued)
YEAR ENDED JUNE 30, 2010

	Beginning Balance July 1, 2009	Contributions	Interest and Investment Gains	Expenditures	Transfers	Ending Balance June 30, 2010
4020090						
Lois P. Britton Scholarship						
Permanently Restricted	184,386	--	--	--	--	184,386
Unrestricted/Temporarily Restricted	18,041	--	16,046	--	--	34,087
4020150						
Michael Felsberg Schol End						
Permanently Restricted	100,400	--	--	--	--	100,400
Unrestricted/Temporarily Restricted	(10,609)	--	7,982	--	--	(2,626)
4100030						
Homestead Campus						
Permanently Restricted	250,000	--	--	--	--	250,000
Unrestricted/Temporarily Restricted	195,328	--	26,036	5,659	--	215,705
4100200						
Hurricane Center Endowment						
Permanently Restricted	700,008	--	--	--	--	700,008
Unrestricted/Temporarily Restricted	55,555	--	70,935	15,419	--	111,071
4200070-						
ER - C Gross Scholarship Endow						
Permanently Restricted	254,755	--	--	--	--	254,755
Unrestricted/Temporarily Restricted	(1,503)	--	21,772	3,256	--	17,013
4400010						
Nat'l Alumni Assoc Program End						
Permanently Restricted	457,036	65,576	--	--	--	522,613
Unrestricted/Temporarily Restricted	(18,235)	164,608	41,034	246,697	(5,090)	(64,381)
4410020						
Camp for Justice-Scholarship E						
Permanently Restricted	150,000	--	--	--	--	150,000
Unrestricted/Temporarily Restricted	(21,165)	--	11,958	7,000	--	(16,207)
	<u>\$ 58,646,936</u>	<u>\$ 5,440,500</u>	<u>\$ 5,931,499</u>	<u>\$ 2,383,788</u>	<u>\$ 719,409</u>	<u>\$ 68,354,555</u>

FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC. AND SUBSIDIARY

MAJOR GIFTS PROGRAM

SCHEDULE OF RECEIPTS, EXPENDITURES AND ENDOWMENT BALANCES - SCHEDULE II

(Continued)

YEAR ENDED JUNE 30, 2010

	Beginning Balance July 1, 2009	State Match Presented	State Match Received	Write- Offs	Ending Balance June 30, 2010
B. Priority List					
Honors College General Endowment	\$ 51,650	\$ --	\$ --	\$ --	\$ 51,650
CV Starr Scholarship Program Endowment	74,531	--	--	--	74,531
Cuban American Bar Scholarship Endowment	50,050	--	--	--	50,050
Ware Foundation Research Endowment	50,000	--	--	--	50,000
Kelly Foundation Construction & Engineering	50,000	--	--	--	50,000
North Dade Medical Foundation FIU College of Medicine (E)	5,000,000	--	--	--	5,000,000
Jane Hsiao Asian Art Endowment	751,755	--	--	--	751,755
Wolfsonian Program Endowment	53,000	--	--	--	53,000
MCH Eminent Scholars Chair in Pediatrics (E)	250,000	--	--	--	250,000
C.V. Starr Scholarship Program Endowment	125,000	--	--	--	125,000
Lennar Corporation Scholarship Endowment	50,000	--	--	--	50,000
R. Kirk Landon General Endowment	250,000	--	--	--	250,000
Pino Global Entrepreneurship Center Endowment - 3	230,000	--	--	--	230,000
Barnes & Noble Creative Writing Endowment	75,000	--	--	--	75,000
Pino Global Entrepreneurship Center Endowment - 2	150,000	--	--	--	150,000
Leon Medical Center Eminent Scholars Chair in Geriatrics	2,000,250	--	--	--	2,000,250
Green Family Medicine & Society Program Endowment	--	250,000	--	--	250,000
Anthony G. Marshall American Dream Scholarship (E)	--	54,335	--	--	54,335
MCH Eminent Scholars Chair in Pediatrics (E) - 2	--	500,000	--	--	500,000
Marriott-Tianjin China Program Endowment - 1	--	250,000	--	--	250,000
Bhagwan Mahavir Professorship of Jain Studies Endowment - 1	--	100,000	--	--	100,000
C.A.M.P for Justice Human Rights Endowment - 2	--	50,000	--	--	50,000
Carnival Scholarship Endowment - 1	--	75,000	--	--	75,000
Marriott-Tianjin China Program Endowment - 3	--	540,021	--	--	540,021
COMedicine "Neighborhood HELP" Program Endowment - Batchelor Foundation	--	250,000	--	--	250,000
Leon Medical Center 2 - Benjamin Leon, Jr. Family Center for Geriatric Research and Education (E)	--	1,600,000	--	--	1,600,000
Dr. Herbert & Nicole Wertheim Medical Scholarship Endowment -1	--	2,483,930	--	--	2,483,930
Dr. Herbert & Nicole Wertheim Endowment for Medical Education -2	--	2,483,930	--	--	2,483,930
Michael Felsberg Scholarship Endowment	--	50,464	--	--	50,464
Student Managed Investment Endowment	--	100,000	--	--	100,000
Religious Studies Endowment	--	50,000	--	--	50,000
Environmental Preserve Endowment	--	50,000	--	--	50,000
Marriott-Tianjin China Program Endowment - 2	--	450,000	--	--	450,000
C.A.M.P for Justice Human Rights Endowment - 1	--	50,000	--	--	50,000
	<u>\$ 9,211,236</u>	<u>\$ 9,387,680</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 18,598,916</u>



Foundation, Inc.

BOARD OF DIRECTORS

Fiscal Year

July 1, 2009 - June 30, 2010

Noel J. Guillama-Alvarez, *Chairperson***

T. Gene Prescott, *Vice Chairperson*

Richard Brilliant, *Treasurer***

Veronica Cervera Goeseke, *Secretary*

Nelson L. Adams, III

Jose Aldrich*

Michael M. Adler*

David F. Alfonso

Antonio Argiz

Stephen H. Bittel*

Nicholas Bustle

Carlos B. Castillo

Joseph L. Caruncho*

Thomas Cornish

Albert E. Dotson, Sr., *Ex-Officio*

Carlos Duarte

Kathryn Dinkin

Ramon Flores

Dany Garcia

Jorge J. Gonzalez

Gerald C. Grant, Jr.

John Hogan*

Morris I. Hollander, *Ex-Officio*

Peggy Hollander*

Jeffrey L. Horstmyer

Rosa L. Jones, *Ex-Officio*

S. Lawrence Kahn, III

Christopher G. Korge

Donald E. Lefton

Ray E. Marchman, Jr.

Michael R Mendez, Jr.

Albert Morrison, Jr.*

Eileen Moss

R. Chad Moss*

Marcel Navarro

Ramiro Ortiz*

Marcos A. Perez

Luis E. Perez

Jose Perez de Corcho, Jr., *Ex-Officio*

David L. Perlman

Justo L. Pozo

Enrique "Henry" Ramos*

Carolina Rendeiro

Laurie Richardson, *Ex-Officio*

Sholom Neistein, *Ex-Officio*

Carlos A. Sabater

Adalio T. Sanchez*

Ronald A. Shuffield

Mitchell Wolfson, Jr.

Isaac Zelcer

Sanford Ziff

* Served on the Board for part of the Fiscal Year

**Served in this role for part of the Fiscal Year



Foundation, Inc.

BOARD OF DIRECTORS

Executive Committee

Fiscal Year

July 1, 2009 - June 30, 2010

Noel J. Guillama-Alvarez, Chairperson for the Board of Directors*

Dates of Service: 11.27.02 – Present

Committee Affiliations:

- > *Executive Committee, Chairperson*

T. Gene Prescott, Vice Chairperson for the Board of Directors

Date of Service: 3.26.03– Present

Committee Affiliations:

- > *Executive Committee, Vice Chairperson*
- > *Finance & Audit Committee, Member*
- > *Investment Special Committee, Vice Chairperson*

Richard Brilliant, Treasurer for the Board of Directors*

Dates of Service: 9.23.08– Present

Committee Affiliations:

- > *Executive Committee, Member*
- > *Finance & Audit Committee, Chairperson*
- > *Investment Special Committee, Vice Chairperson*

Veronica Cervera Goeseke, Secretary for the Board of Directors

Dates of Service: 4.6.06 – Present

Committee Affiliations:

- > *Executive Committee, Member*
- > *Development Committee, Member*

Carlos B. Castillo*

Dates of Service: 11.28.07 – Present

Committee Affiliations:

- > *Executive Committee, Member*
- > *Development Committee, Chairperson*

Albert E. Dotson, Sr.

Dates of Service: 3.08– Present

Committee Affiliations:

- > Executive Committee, BOT Representative*

Gerald C. Grant, Jr.

Dates of Service: 4.6.06 – Present

Committee Affiliations:

- > Executive Committee, Member*
- > Investment Special Committee, Member*
- > Recruitment Committee, Chairperson*
- > Special Bylaw Committee, Chairperson*

Rosa L. Jones

Dates of Service: 9.27.06 – Present

Committee Affiliations:

- > Executive Committee, Presidential Designee*

Ray E. Marchman, Jr.

Dates of Service: 3.29.00– Present

Committee Affiliations:

- > Executive Committee, Member*
- > University & Community Relations Committee, Chairperson*

**Served on the Board for part of the Fiscal Year*

COMPLIANCE REPORT

**Independent Auditors' Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards***

Members of the Board of Directors and the Finance and Audit Committee
Florida International University Foundation Inc. and Subsidiary
Miami, Florida

We have audited the consolidated financial statements of Florida International University Foundation Inc. and Subsidiary (the Foundation) as of and for the year ended June 30, 2010 and have issued our report thereon dated November 3, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Foundation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing the assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Foundation's consolidated financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, the Finance and Audit Committee, Management, the State University System, of Florida, the Florida Board of Governors, and the Board of Trustees of Florida International University and is not intended to be and should not be used by anyone other than these specified parties.



a division of Marcum LLP

Miami, Florida

November 3, 2010

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**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

December 9, 2010

**Subject: Florida International University Research Foundation, Inc. Financial Audit,
2009-2010**

Proposed Board Action:

Approve the Florida International University Research Foundation, Inc. Financial Audit for the 2009-2010 Fiscal Year and authorize the Executive Director of the FIU Research Foundation, Inc. to take all actions necessary pertaining to this Financial Audit, including filing the report with the Auditor General.

Background Information

Pursuant to Regulation FIU-1502 (2)(f), the FIU Research Foundation, Inc. must submit an independently conducted financial audit of its accounts and records, which has been approved by its governing board and recommended by the University President to the Florida International University Board of Trustees for review and approval.

The FIU Research Foundation, Inc. Financial Audit for 2009-2010 has been submitted and approved by the FIU Research Foundation, Inc. Board of Directors on November 2, 2010, and the University President is recommending its approval.

Florida Board of Governors Regulation 9.011, University Direct Support Organizations and Health Services Support Organizations (4), states in relevant part:

Support organizations shall provide for an annual audit conducted pursuant to university regulations or policies. The annual audit report shall be submitted to the university board of trustees or designee, the Board of Governors, and the Auditor General for review.

Supporting Documentation: Florida International University Research Foundation,
Inc. Financial Audit 2009-2010

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**FLORIDA INTERNATIONAL UNIVERSITY
RESEARCH FOUNDATION, INCORPORATED**
(A Direct Support Organization)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

**FLORIDA INTERNATIONAL UNIVERSITY
RESEARCH FOUNDATION, INCORPORATED**
(A Direct Support Organization)

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INDEPENDENT AUDITORS' REPORT

Members of the Board of Directors and the
Assistant Vice President of Direct Support Organizations
Florida International University Research Foundation, Incorporated
Miami, Florida

We have audited the accompanying statement of net assets of Florida International University Research Foundation, Incorporated (the Research Foundation), a direct support organization and a component unit of Florida International University, as of June 30, 2010 and the related statements of revenues, expenses and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Research Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Research Foundation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Research Foundation as of June 30, 2010, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.



In accordance with *Government Auditing Standards*, we have also issued a report dated November 2, 2010 on our consideration of the Research Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis on pages 3 to 7 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of Management's Discussion and Analysis. However, we did not audit the information and express no opinion on it.



a division of Marcum LLP
Miami, Florida
November 2, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

**FLORIDA INTERNATIONAL UNIVERSITY
RESEARCH FOUNDATION, INCORPORATED**
(A Direct Support Organization)

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management's discussion and analysis (MD&A) provides an overview of the financial position and activities of the Florida International University Research Foundation, Incorporated (the "Research Foundation") for the fiscal year ended June 30, 2010, and should be read in conjunction with the financial statements and notes thereto. The MD&A, financial statements and notes thereto, are the responsibility of management.

FINANCIAL HIGHLIGHTS

The Research Foundation's assets totaled \$745 thousand at June 30, 2010. This balance reflects a \$2.8 million, or 79 percent, decrease from the 2009 fiscal year, resulting primarily from a decrease in receivables from Florida International University ("FIU" or the "University") of \$2.2 million. While assets decreased, liabilities also decreased by \$2.8 million, or 81 percent, totaling \$627 thousand at June 30, 2010, compared to \$3.4 million at June 30, 2009. As a result, the Research Foundation's net assets increased slightly by \$1,343, reaching a year-end balance of \$118 thousand.

The Research Foundation did not report any operating revenues for fiscal 2010. Operating expenses totaled \$16 thousand for the 2010 fiscal year, representing a decrease of 44 percent over the 2009 fiscal year due mainly to a decrease in professional fees.

OVERVIEW OF FINANCIAL STATEMENTS

The Research Foundation's financial report includes three basic financial statements: the statement of net assets; the statement of revenues, expenses, and changes in net assets; and the statement of cash flows.

The Statement of Net Assets

The statement of net assets reflects the assets and liabilities of the Research Foundation, using the accrual basis of accounting, and presents the financial position of the Research Foundation at a specified time. The difference between total assets and total liabilities, net assets, is one indicator of the Research Foundation's current financial condition. The changes in net assets that occur over time indicate improvement or deterioration in the Research Foundation's financial condition.

**FLORIDA INTERNATIONAL UNIVERSITY
RESEARCH FOUNDATION, INCORPORATED**
(A Direct Support Organization)

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following summarizes the Research Foundation's assets, liabilities, and net assets at June 30:

Condensed Statement of Net Assets at June 30
(In Thousands)

	2010	2009
Assets		
Current assets	\$ 745	\$ 3,501
Total Assets	<u>745</u>	<u>3,501</u>
Liabilities		
Current liabilities	627	2,869
Noncurrent liabilities	<u>--</u>	<u>515</u>
Total Liabilities	<u>627</u>	<u>3,384</u>
Net Assets		
Unrestricted	<u>118</u>	<u>117</u>
Total Net Assets	<u>\$ 118</u>	<u>\$ 117</u>

The statement of net assets reflects the Research Foundation's stable growth. Current assets mainly depict cash. The current assets decrease is mainly a result of the amount due from FIU being converted to cash and then used to repay the note payable related to the Settlement Agreement with various agencies of the United State government.

In summary, total assets decreased by \$2.8 million, or 79 percent, while total liabilities decreased by \$2.8 million, or 81 percent. As a result, the net assets balance at June 30, 2010, had a favorable increase of \$1,343.

For more detailed information, see the statement of net assets on page 8 of the financial statements.

The Statement of Revenues, Expenses and Changes in Net Assets

The statement of revenues, expenses, and changes in net assets presents the Research Foundation's revenue and expense activity, categorized as operating and non-operating. Revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid.

**FLORIDA INTERNATIONAL UNIVERSITY
RESEARCH FOUNDATION, INCORPORATED**
(A Direct Support Organization)

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following summarizes the Research Foundation's activity for the 2010 and 2009 fiscal years:

**Condensed Statement of Revenues, Expenses and Changes in Net Assets
(In Thousands)**

	2010	2009
Operating revenues	\$ --	\$ 125
Operating expenses	<u>16</u>	<u>29</u>
Operating Income (Loss)	(16)	96
Net non-operating expenses	(41)	(106)
Net non-operating revenues	<u>58</u>	<u>73</u>
Changes in Net Assets	1	63
Net Assets - Beginning of Year	<u>117</u>	<u>54</u>
Net Assets - End of Year	<u><u>\$ 118</u></u>	<u><u>\$ 117</u></u>

Operating Revenues

The Research Foundation categorizes revenues as either operating or non-operating. Operating revenues generally result from exchange transactions where each of the parties to the transaction either give up or receive something of equal or similar value.

The following summarizes the operating revenues by source that were used to fund operating activities during the 2010 and 2009 fiscal years:

**Operating Revenues
(In Thousands)**

	2010	2009
Operating revenues	\$ --	\$ 125
Total Operating Revenues	<u><u>\$ --</u></u>	<u><u>\$ 125</u></u>

There were no operating revenues for the 2010 fiscal year. The activities of the Research Foundation primarily consisted of two grants that are operated on behalf of the University. Those activities are reflected on the balance sheet as Due to FIU. The \$125 thousand from prior year primarily related to the transfer of royalty income from the University to support the operating expenses of the Research Foundation.

**FLORIDA INTERNATIONAL UNIVERSITY
RESEARCH FOUNDATION, INCORPORATED**
(A Direct Support Organization)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Operating Expenses

The Research Foundation categorizes expenses as operating or non-operating. GASB gives financial reporting entities the choice of reporting operating expenses in the functional or natural classifications. The Research Foundation has chosen to report the expenses in their natural classification on the statement of revenues, expenses, and changes in net assets.

The following summarizes the operating expenses by natural classifications for the 2010 and 2009 fiscal years:

**Operating Expenses
(In Thousands)**

	2010	2009
Professional fees	\$ 15	\$ 28
Other operating expenses	<u>1</u>	<u>1</u>
Total Operating Expenses	<u>\$ 16</u>	<u>\$ 29</u>

Operating expenses totaled \$16 thousand for the 2010 fiscal year. This represents a 44 percent decrease over the 2009 fiscal year and was primarily due to a decrease in professional fees of \$13 thousand.

Non-Operating Revenues and Expenses

Non-operating revenues include interest income, any unrealized gain on the derivative instrument, and any payments received from the University in relation to the Settlement Agreement for interest on the note payable. Non-operating expenses include interest related to the note payable and any unrealized losses on the derivative instrument (interest rate swap). The following summarizes the Research Foundation's non-operating revenues and expenses for the 2010 and 2009 fiscal years:

**Non-operating Revenues (Expenses)
(In Thousands)**

	2010	2009
Interest income	\$ --	\$ --
Non-operating revenue	19	73
Interest expense	(41)	(105)
Unrealized gain (loss) on derivative instrument	<u>39</u>	<u>(1)</u>
Net Non-operating Revenues (Expenses)	<u>\$ 17</u>	<u>\$ (33)</u>

**FLORIDA INTERNATIONAL UNIVERSITY
RESEARCH FOUNDATION, INCORPORATED**
(A Direct Support Organization)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Non-operating revenues increased by 151 percent from the prior year due mainly to an unrealized gain on the derivative instrument and a decrease in interest expense as the note payable neared the end of its term.

DEBT ADMINISTRATION

As of June 30, 2010, the Research Foundation had \$515 thousand in outstanding notes payable, representing a decrease of \$2.0 million, or 80 percent, from the prior fiscal year. The final principal payment of \$515 thousand was paid on July 1, 2010, representing the final maturity of the note and swap agreement.

Additional information about the Research Foundation's note payable is presented in the notes to financial statements in Note 5 on page 14.

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

The primary factor that will impact the Research Foundation in the future will be the University's ability to secure grants and develop intellectual property rights. Most notably, as it relates to grants the Research Foundation has been involved in managing the Colombian operation for a U.S. Agency for International Development (USAID) grant. This Colombian grant ended in fiscal year 2010. In March 2010, a new grant project was started in Tanzania, Africa. The project is also financed by USAID and its aim is to increase social, economic, and environmental benefits to people of the developing world through clean water, healthy aquatic ecosystems and sustainable water resources management.

REQUESTS FOR INFORMATION

This financial statement is designed to provide a general overview of the Research Foundation's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Controller, Florida International University Research Foundation, Incorporated, 11200 S.W. 8th Street, Miami, Florida 33199.

**FLORIDA INTERNATIONAL UNIVERSITY
RESEARCH FOUNDATION, INCORPORATED**
(A Direct Support Organization)

STATEMENT OF NET ASSETS

JUNE 30, 2010

Assets

Current Assets

Cash	\$ 745,485
------	------------

Liabilities

Current Liabilities

Accounts payable	975
Accrued interest payable	4,092
Derivative liability	3,344
Current portion of note payable	515,000
Due to FIU	<u>103,518</u>

Total Current Liabilities	<u>626,929</u>
----------------------------------	----------------

Net Assets

Unrestricted Net Assets	<u>\$ 118,556</u>
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The accompanying notes are an integral part of these financial statements.

**FLORIDA INTERNATIONAL UNIVERSITY
RESEARCH FOUNDATION, INCORPORATED**
(A Direct Support Organization)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2010

Operating Expenses	
Professional fees	\$ 15,036
Other operating expenses	<u>789</u>
Operating Loss	<u>(15,825)</u>
Non-Operating Revenues (Expenses)	
Interest income	33
Non-operating revenue	19,483
Unrealized gain on derivative instrument	38,824
Interest expense	<u>(41,172)</u>
Total Non-Operating Revenues (Expenses)	<u>17,168</u>
Change in Net Assets	1,343
Net Assets - Beginning	<u>117,213</u>
Net Assets - Ending	<u>\$ 118,556</u>

The accompanying notes are an integral part of these financial statements.

**FLORIDA INTERNATIONAL UNIVERSITY
RESEARCH FOUNDATION, INCORPORATED**
(A Direct Support Organization)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2010

Cash Flows from Operating Activities

Cash paid to FIU	\$ (670,670)
Cash paid for program activities	(16,950)
Receipts from FIU	<u>2,231,748</u>

Net Cash Provided by Operating Activities	<u>1,544,128</u>
--	------------------

Cash Flows from Non-Capital Financing Activities

Interest paid	(57,345)
Repayment of note payable	<u>(2,030,000)</u>

Net Cash Used by Non-Capital Financing Activities	<u>(2,087,345)</u>
--	--------------------

Cash Flows from Investing Activities

Interest received	<u>33</u>
-------------------	-----------

Decrease in Cash	(543,184)
-------------------------	-----------

Cash - Beginning	<u>1,288,669</u>
-------------------------	------------------

Cash - Ending	<u>\$ 745,485</u>
----------------------	-------------------

Reconciliation of Operating Loss to Net Cash

Provided by Operating Activities

Operating loss	\$ (15,825)
Changes in assets and liabilities:	
Decrease in:	
Due from FIU	2,231,748
Accounts payable	(1,125)
Due to FIU	<u>(670,670)</u>

Net Cash Provided by Operating Activities	<u>\$ 1,544,128</u>
--	---------------------

Non-Cash Investing and Financing Activities

Unrealized gain on derivative instrument	<u>\$ 38,824</u>
--	------------------

The accompanying notes are an integral part of these financial statements.

**FLORIDA INTERNATIONAL UNIVERSITY
RESEARCH FOUNDATION, INCORPORATED**
(A Direct Support Organization)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The Florida International University Research Foundation, Inc. (the “Research Foundation”), a Florida not-for-profit corporation, is a direct support organization and a component unit of Florida International University and was organized in the State of Florida on November 25, 1997 for educational and scientific purposes. The articles of incorporation were amended and restated on March 24, 2008. Subsequent to year end on July 29, 2010, the articles of incorporation were amended and restated.

The Research Foundation is a tax-exempt organization as defined by Section 501(c)(3) of the Internal Revenue Code. The Research Foundation provides direct support to Florida International University (“FIU” or the “University”) in matters pertaining to research, and has been designated by the FIU Board of Trustees as a University Direct Support Organization pursuant to §1004.28, Florida Statutes.

BASIS OF PRESENTATION

The financial statements of the Research Foundation have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Research Foundation reports under the GASB standards because it meets the criteria regarding the popular election of officers or appointment of a controlling majority of the members of the Organization’s governing body by one or more state or local governments and because it is a direct support organization. Therefore, the Research Foundation is reported as a governmental entity.

In accordance with GASB Statement No. 34, *Basic Financial Statements and Management’s Discussion and Analysis – For State and Local Governments*, the Research Foundation met the criteria to use enterprise fund accounting and financial reporting. Accordingly, the financial statements are reported using the economic resources measurement focus and accrual basis of accounting, which recognizes revenue when earned and expenses when a liability is incurred, regardless of timing of the related cash flow.

**FLORIDA INTERNATIONAL UNIVERSITY
RESEARCH FOUNDATION, INCORPORATED**
(A Direct Support Organization)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION (CONTINUED)

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, the Foundation applies all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

DERIVATIVE FINANCIAL INSTRUMENT

The Research Foundation entered into an interest rate swap agreement to reduce its exposure to market risks from changing interest rates. For interest rate swaps, the differential to be paid or received is accrued and recognized as interest expense and may change as market interest rates change. The fair value of the swap agreement is presented in the statement of financial position. The change in the fair value is presented as an unrealized gain or loss in the statement of revenues, expenses and changes in net assets.

NOTE PAYABLE

Long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Issuance costs were not material and were expensed in a prior year.

FLOW ASSUMPTION FOR RESTRICTED ASSETS

If both restricted and unrestricted assets are available for use for a certain purpose, it is the Research Foundation's policy to use restricted assets first, then use unrestricted assets as needed.

**FLORIDA INTERNATIONAL UNIVERSITY
RESEARCH FOUNDATION, INCORPORATED**
(A Direct Support Organization)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

NOTE 2 – DEPOSITS

In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits, with the exceptions noted in the next paragraph, are insured or collateralized with securities held by the entity or its agent in the entity's name.

CONCENTRATIONS OF CREDIT RISK FOR CASH

In addition, the Research Foundation maintains a deposit balance in Colombia, South America, to manage its Colombian operation pertaining to a U.S. Agency for International Development (USAID) grant. The balance in this account of \$27,292 as of June 30, 2010 is not FDIC insured and is subject to foreign exchange risk. Additionally, in March 2010, a bank account in Tanzania, Africa was opened to support the operations pertaining to the Tanzania Integrated Water, Sanitation and Hygiene (iWASH) Program also under a USAID grant. The balance in this account of \$107,601 as of June 30, 2010 is not FDIC insured and is subject to foreign exchange risk. The Research Foundation maintains its cash balances with high quality financial institutions, which the Research Foundation believes limits these risks.

NOTE 3 – DUE TO FLORIDA INTERNATIONAL UNIVERSITY

The amount due to FIU of \$103,518 represents funds that were sent to Colombia and Tanzania related to grant operations. This liability will be reduced as vendors are paid in Colombia and Tanzania. The funds for grant operations in Colombia and Tanzania are repaid directly to the University from the grantor.

**FLORIDA INTERNATIONAL UNIVERSITY
RESEARCH FOUNDATION, INCORPORATED**
(A Direct Support Organization)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

NOTE 4 – RELATED PARTY TRANSACTIONS

On February 10, 2005, FIU Board of Trustees approved a Settlement Agreement with various agencies of the United States government, including the Department of Justice related to the Hemispheric Center for Environmental Technology whereby all audit claims were settled and the University agreed to repay \$11,500,000 in grants to the Federal Government.

On May 3, 2005, the University entered into an agreement with the FIU Research Foundation, Inc. whereas the Research Foundation authorized the issuance of a promissory note in an aggregate principal amount not to exceed \$10,000,000, plus interest, to finance the payment of amounts due under the Settlement Agreement dated February 10, 2005 and certain costs relating to the financing.

To assist the University, the Research Foundation issued on June 30, 2005 two series of notes, one for \$7,955,000 (tax exempt) and one for \$1,670,000 (taxable) for a total of \$9,625,000, and forwarded \$9,591,096 to the Federal Government (see Note 5). The Taxable Note totaling \$1,670,000 was paid off on October 1, 2006.

The University is obligated to fund the issuance costs and both the principal and interest payments on the obligations of the Research Foundation. The Research Foundation made principal payments on the remaining note in the amount of \$2,030,000 during the year. Interest was at 65% of the three month LIBOR plus 39.23 basis points with interest and principal payable quarterly. The University has funded the remaining principal balance on the note. The remaining balance of \$515,000 was paid in full subsequent to year end on July 1, 2010.

NOTE 5 – NOTE PAYABLE

The debt activity for the year ended June 30, 2010 is as follows:

	Beginning Balance	Additions	Payments	Ending Balance	Due in One Year
Tax Exempt Note	<u>\$ 2,545,000</u>	<u>\$ --</u>	<u>\$ 2,030,000</u>	<u>\$ 515,000</u>	<u>\$ 515,000</u>

**FLORIDA INTERNATIONAL UNIVERSITY
RESEARCH FOUNDATION, INCORPORATED**
(A Direct Support Organization)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

NOTE 5 – NOTE PAYABLE (CONTINUED)

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30			
2011	<u>\$ 515,000</u>	<u>\$ 4,092</u>	<u>\$ 519,092</u>

The Florida International University Research Foundation, Inc. Tax-Exempt Note, Series 2005, was for \$7,955,000 and was dated June 30, 2005. Interest is at 65% of three month LIBOR plus 39.23 basis points and interest and principal are payable on a quarterly basis with principal ranging from \$135,000 on July 1, 2006 to a final principal payment of \$515,000 on July 1, 2010.

NOTE 6 – DERIVATIVE FINANCIAL INSTRUMENTS

On June 30, 2005, the Research Foundation entered into an interest rate swap agreement with a commercial bank on a notional amount of \$7,955,000 (see debt terms in Note 5). Under the swap agreement, the Research Foundation agrees to pay a fixed rate of 3.15% and receive a variable rate based on 65% of 3 month LIBOR rate plus 0.3923%. As of June 30, 2010, the Research Foundation reported a derivative liability of \$3,344 in the statement of net assets and an unrealized gain of \$38,824 in the statement of revenues, expenses and changes in net assets. The swap agreement has a maturity date of July 1, 2010.

COMPLIANCE SECTION

**Independent Auditors' Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards***

Members of the Board of Directors and the
Assistant Vice President of Direct Support Organizations
Florida International University Research Foundation, Incorporated
Miami, Florida

We have audited the financial statements of Florida International University Research Foundation, Incorporated (the Research Foundation or the Foundation) as of and for the year ended June 30, 2010 and have issued our report thereon dated November 2, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Foundation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing the assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Foundation's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, Management, the State University System of Florida, the Florida Board of Governors and the Board of Trustees of Florida International University and is not intended to be and should not be used by anyone other than these specified parties.



a division of Marcum LLP

Miami, Florida

November 2, 2010

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**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

December 9, 2010

**Subject: Florida International University Athletics Finance Corporation Financial
Audit, 2009-2010**

Proposed Board Action:

Approve the Florida International University Athletics Finance Corporation Financial Audit for the 2009-2010 Fiscal Year and authorize the Executive Director of the FIU Athletics Finance Corp. to take all actions necessary pertaining to this Financial Audit, including filing the report with the Auditor General.

Background Information

Pursuant to Regulation FIU-1502 (2)(f), the FIU Athletics Finance Corp. must submit an independently conducted financial audit of its accounts and records, which has been approved by its governing board and recommended by the University President to the Florida International University Board of Trustees for review and approval.

The FIU Athletics Finance Corp. Financial Audit for 2009-2010 has been submitted and approved by the FIU Athletics Finance Corp. Board of Directors on Monday, November 22, 2010 and the University President is recommending its approval.

Florida Board of Governors Regulation 9.011, University Direct Support Organizations and Health Services Support Organizations (4), states in relevant part:

Support organizations shall provide for an annual audit conducted pursuant to university regulations or policies. The annual audit report shall be submitted to the university board of trustees or designee, the Board of Governors, and the Auditor General for review.

Supporting Documentation: Florida International University Athletics Finance Corp.
Financial Audit 2009-2010

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FIU ATHLETICS FINANCE CORPORATION
(A Direct Support Organization)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

FIU ATHLETICS FINANCE CORPORATION
(A Direct Support Organization)

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INDEPENDENT AUDITORS' REPORT

Members of the Board of Directors and the Assistant Vice President
of Direct Support Organizations
FIU Athletics Finance Corporation
Miami, Florida

We have audited the accompanying statement of net assets of Florida International University Athletics Finance Corporation (the Athletics Finance Corporation), a direct support organization and a component unit of Florida International University, as of June 30, 2010 and the related statements of revenues, expenses and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Athletics Finance Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Athletics Finance Corporation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Athletics Finance Corporation as of June 30, 2010, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 23, 2010 on our consideration of the Athletics Finance Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis on pages 3 to 8 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of Management's Discussion and Analysis. However, we did not audit the information and express no opinion on it.



a division of Marcum LLP
Miami, Florida
November 23, 2010

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A)**

FIU ATHLETICS FINANCE CORPORATION
(A Direct Support Organization)

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management's discussion and analysis (MD&A) provides an overview of the financial position and activities of the FIU Athletics Finance Corporation (the Athletics Finance Corporation) for the fiscal year ended June 30, 2010, and should be read in conjunction with the financial statements and notes thereto. The MD&A, financial statements and notes thereto, are the responsibility of management.

FINANCIAL HIGHLIGHTS

The Athletics Finance Corporation's assets totaled \$39.8 million at June 30, 2010. This balance reflects a \$397 thousand, or 1.0 percent, increase from the 2009 fiscal year, resulting primarily from an increase of deferred outflow of resources and partial offset by a decrease in investments liquidated to complete construction of the Football Stadium. While assets increased, liabilities slightly increased by \$533 thousand, or 1.3 percent, totaling \$42.4 million at June 30, 2010, compared to \$41.9 million at June 30, 2009. As a result, the Athletics Finance Corporation's net assets decreased by \$136 thousand, reaching a year end deficit balance of \$2.6 million.

The Athletics Finance Corporation's operating revenues totaled \$3.5 million for the 2010 fiscal year, representing a 20.7% increase over the 2009 fiscal year due primarily to an increase in NCAA and conference payments and sponsorship revenues. Operating expenses totaled \$1.8 million for the 2010 fiscal year, representing an increase of 25.3 percent over the 2009 fiscal year due primarily to an increase in amortization of prepaid rent and an increase in professional fees.

OVERVIEW OF FINANCIAL STATEMENTS

The Athletics Finance Corporation's financial report includes three basic financial statements: the statement of net assets; the statement of revenues, expenses, and changes in net assets; and the statement of cash flows.

The Statement of Net Assets

The statement of net assets reflects the assets and liabilities of the Athletics Finance Corporation, using the accrual basis of accounting, and presents the financial position of the Athletics Finance Corporation at a specified time. The difference between total assets and total liabilities, net assets, is one indicator of the Athletics Finance Corporation's current financial condition. The changes in net assets that occur over time indicate improvement or deterioration in the Athletics Finance Corporation's financial condition.

FIU ATHLETICS FINANCE CORPORATION
(A Direct Support Organization)

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following summarizes the Athletics Finance Corporation's assets, liabilities, and net assets at June 30:

Condensed Statement of Net Assets at June 30
(In Millions)

	2010	2009
Assets		
Current assets	\$ 4.5	\$ 7.1
Noncurrent assets	<u>35.3</u>	<u>32.3</u>
Total Assets	<u>39.8</u>	<u>39.4</u>
Liabilities		
Current liabilities	1.2	4.1
Noncurrent liabilities	<u>41.2</u>	<u>37.8</u>
Total Liabilities	<u>42.4</u>	<u>41.9</u>
Net Assets		
Unrestricted (deficit)	<u>(2.6)</u>	<u>(2.5)</u>
Total Net Assets	<u>\$ (2.6)</u>	<u>\$ (2.5)</u>

The statement of net assets reflects an increase in the deficit net asset position of the Athletics Finance Corporation. This reduction in net assets is due to the increase in the derivative liability for the last several years. The change in fair value of the 2007 interest rate swap which totaled \$495 thousand in the current fiscal year and \$748 thousand in fiscal year ended 2009 is the non cash driver of the declining net asset balance. Current assets mainly depict cash and investments. The current assets decrease is mainly a result of the liquidation of investments to complete construction of the FIU Football Stadium.

In summary, total assets decreased by \$397 thousand, or 1.0 percent, while total liabilities increased by \$533 thousand, or 1.3 percent. As a result, the net assets balance at June 30, 2010, had an unfavorable decrease of \$136 thousand.

For more detailed information, see the statement of net assets on page 9 of the financial statements.

FIU ATHLETICS FINANCE CORPORATION
(A Direct Support Organization)

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Statement of Revenues, Expenses, and Changes in Net Assets

The statement of revenues, expenses, and changes in net assets presents the Athletics Finance Corporation's revenue and expense activity, categorized as operating and non-operating. Revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid.

The following summarizes the Athletics Finance Corporation's activity for the 2010 and 2009 fiscal years:

**Condensed Statement of Revenues, Expenses,
and Changes in Net Assets
(In Millions)**

	2010	2009
Operating revenues	\$ 3.5	\$ 2.9
Operating expenses	<u>1.7</u>	<u>1.4</u>
Operating Income	1.8	1.5
Net non-operating expenses	(1.9)	(2.5)
Net non-operating revenues	<u>-</u>	<u>-</u>
Change in Net Assets	(0.1)	(1.0)
Net Assets - Beginning of Year	<u>(2.5)</u>	<u>(1.5)</u>
Net Assets - End of Year	<u><u>\$ (2.6)</u></u>	<u><u>\$ (2.5)</u></u>

The statement of revenues, expenses, and changes in net assets reflects an increase in operating revenues coupled with an increase in non-operating expenses. Operating revenues increased primarily as a result of increased NCAA and conference payments and an increase in sponsorship revenues as the FIU Football Stadium operations expand. The increase in non-operating expenses is the result of increased in the change in fair value on the derivative instrument (2007 interest rate swap).

Operating Revenues

The Athletics Finance Corporation categorizes revenues as either operating or non-operating. Operating revenues generally result from exchange transactions where each of the parties to the transaction either give up or receive something of equal or similar value.

FIU ATHLETICS FINANCE CORPORATION
(A Direct Support Organization)

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following summarizes the operating revenues by source that were used to fund operating activities during the 2010 and 2009 fiscal years:

Operating Revenues (In Millions)		
	2010	2009
Athletic support	\$ 0.6	\$ 0.9
Ticket sales	0.4	0.6
Sky suite revenues	0.6	0.6
Contributions	0.3	0.4
NCAA and conference payments	0.8	0.3
Rental income	0.4	0.1
Other operating revenues	<u>0.4</u>	<u>-</u>
Total Operating Revenues	<u>\$ 3.5</u>	<u>\$ 2.9</u>

Operating revenues totaled \$3.5 million for the 2010 fiscal year, representing a 20.7% increase over the 2009 fiscal year. This was due to an increase in NCAA and conference payments of \$500 thousand and an increase in sponsorship revenues of \$306 thousand.

Operating Expenses

The Athletics Finance Corporation categorizes expenses as operating or non-operating. GASB gives financial reporting entities the choice of reporting operating expenses in the functional or natural classifications. The Athletics Finance Corporation has chosen to report the expenses in their natural classification on the statement of revenues, expenses, and changes in net assets.

The following summarizes the operating expenses by natural classifications for the 2010 and 2009 fiscal years:

Operating Expenses (In Millions)		
	2010	2009
Amortization of prepaid rent	\$ 1.2	\$ 1.0
Professional fees	0.4	0.3
Utilities	0.1	0.1
Other operating expenses	<u>-</u>	<u>-</u>
Total Operating Expenses	<u>\$ 1.7</u>	<u>\$ 1.4</u>

FIU ATHLETICS FINANCE CORPORATION
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MANAGEMENT'S DISCUSSION AND ANALYSIS

Operating expenses totaled \$1.7 million for the 2010 fiscal year. This represents a 25.3 percent increase over the 2009 fiscal year and was primarily due to an increase in amortization expense related to the prepaid rent on the FIU Football Stadium of \$228 thousand and an increase in professional fees of \$123 thousand.

Non-Operating Revenues and Expenses

Non-operating revenues include interest income and unrealized gains on investments. Non-operating expenses include interest expense and unrealized losses on the derivative instrument (interest rate swap). The following summarizes the Athletics Finance Corporation's non-operating revenues and expenses for the 2010 and 2009 fiscal years:

Non-Operating Revenues (Expenses)
(In Millions)

	2010	2009
Interest income	\$ -	\$ 0.1
Interest expense	(1.6)	(1.4)
Unrealized gain on investments	0.2	-
Change in fair value of 2007 interest rate swap	(0.5)	(1.2)
Net Non-Operating Revenues (Expenses)	\$ (1.9)	\$ (2.5)

Non-operating expenses decreased by 26 percent from the prior year due mainly to a decrease in the change in fair value of the derivative instrument (2007 interest rate swap) of \$495 thousand. This is a result of the refunding of the bonds and the determination that the interest rate swap was an effective cash flow hedge, which records the change in the interest rate swap on the statement of net assets.

DEBT ADMINISTRATION

As of June 30, 2010, the Athletics Finance Corporation had \$34.2 million in outstanding bonds payable, representing a decrease of \$810 thousand, or 2.3 percent, from prior fiscal year.

Additional information about the Athletics Finance Corporation's bond payable is presented in the notes to financial statements in Note 5 on pages 18-20.

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

The future financial performance of the Athletics Finance Corporation is relatively predictable due to the nature of pledged revenues offering a revenue stream from the University's Athletics program. The University has pledged a significant portion of game guarantee revenue, NCAA and Sunbelt Conference distribution revenues to the Athletics Finance Corporation. Ticket sales

FIU ATHLETICS FINANCE CORPORATION
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MANAGEMENT'S DISCUSSION AND ANALYSIS

and event facility rentals represent potential upside and are a primary focus of stadium management going forward.

REQUESTS FOR INFORMATION

This financial statement is designed to provide a general overview of the Athletics Finance Corporation's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Controller, FIU Athletics Finance Corporation, 11200 S.W. 8th Street, Miami, Florida 33199.

BASIC FINANCIAL STATEMENTS

FIU ATHLETICS FINANCE CORPORATION
(A Direct Support Organization)

STATEMENT OF NET ASSETS

JUNE 30, 2010

Assets

Current Assets

Cash	\$ 792,866
Suites and ticket sales receivable	317,593
Due from FIU	116,184
Interest receivable	35
Investments	2,064,059
Prepaid rent and other	<u>1,237,640</u>

Total Current Assets \$ 4,528,377

Noncurrent Assets

Restricted cash	\$ 3,510,589
Restricted investments	2,766,057
Suites and ticket sales receivable	240,000
Bond issuance costs, net	248,437
Deferred outflow of resources	1,702,531
Prepaid rent	<u>26,781,259</u>

Total Noncurrent Assets 35,248,873

Total Assets 39,777,250

Liabilities

Current Liabilities

Accounts payable	\$ 7,653
Accrued interest payable	149,246
Due to FIU	50
Bonds payable	599,723
Deferred revenue	<u>409,313</u>

Total Current Liabilities 1,165,985

Noncurrent Liabilities

Due to FIU	\$ 3,500,000
Deferred revenue	240,000
Derivative liability	3,905,754
Bonds payable	<u>33,586,723</u>

Total Noncurrent Liabilities 41,232,477

Total Liabilities 42,398,462

Net Assets

Unrestricted Net Assets (Deficit) \$ (2,621,212)

The accompanying notes are an integral part of these financial statements.

FIU ATHLETICS FINANCE CORPORATION
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STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2010

Operating Revenue

Athletic support	\$ 655,499
Ticket sales	444,585
Sponsorship revenues	306,500
Sky suite revenues	554,800
Contributions	275,141
NCAA and conference payments	800,000
Rental income	364,753
Stadium naming rights	2,000
General concessions and vending commissions	<u>78,117</u>

Total Operating Revenues \$ 3,481,395

Operating Expenses

Amortization of prepaid rent	\$ 1,197,978
Professional fees	416,074
Utilities	120,616
Other operating expenses	<u>20,855</u>

Total Operating Expenses 1,755,523

Operating Income 1,725,872

Non-Operating Revenues (Expenses)

Interest income	\$ 7,246
Interest expense and fiscal charges	(1,613,518)
Change in fair value of 2007 interest rate swap	(495,069)
Unrealized gain on investments	<u>239,495</u>

Total Non-Operating Expenses (1,861,846)

Change in Net Assets (135,974)

Net Assets (Deficit) - Beginning (2,485,238)

Net Assets (Deficit) - Ending \$ (2,621,212)

The accompanying notes are an integral part of these financial statements.

FIU ATHLETICS FINANCE CORPORATION
(A Direct Support Organization)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2010

Cash Flows From Operating Activities		
Operating receipts	\$ 3,737,793	
Payments to vendors	<u>(3,415,600)</u>	
Net Cash Provided By Operating Activities		<u>\$ 322,193</u>
Cash Flows From Capital and Related Financing Activities		
Payment to refunding bond agent	\$ (35,000,000)	
Proceeds from refunding debt	35,310,000	
Payment of bond issuance cost	(271,941)	
Repayment of bond payable	(706,293)	
Interest paid	<u>(1,623,620)</u>	
Net Cash Used By Capital and Related Financing Activities		<u>(2,291,854)</u>
Cash Flows from Investing Activities		
Proceeds from sales and maturities of investments	\$ 88,180,152	
Purchase of investments	(85,985,713)	
Interest income received	<u>12,009</u>	
Net Cash Provided By Investing Activities		<u>2,206,448</u>
Increase in Cash		236,787
Cash - Beginning (Includes Restricted Cash)		<u>4,066,668</u>
Cash - Ending (Includes Restricted Cash)		<u>\$ 4,303,455</u>
Reconciliation of Operating Income to Net Cash Used by Operating Activities		
Operating income		\$ 1,725,872
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	\$ 282,172	
Prepaid rent and other	(853,519)	
Due from FIU	(25,774)	
Increase (decrease) in:		
Accounts payable	5,769	
Due to FIU	(498,034)	
Deferred revenue	<u>(314,293)</u>	
Total Adjustments		<u>(1,403,679)</u>
Net Cash Provided By Operating Activities		<u>\$ 322,193</u>
Non-Cash Investing and Financing Activities		
Change in fair value of 2007 interest rate swap		<u>\$ 446,646</u>
Deferred outflow of resources		<u>\$ 1,702,531</u>
Increase in prepaid rent for construction draw		<u>\$ 2,051,497</u>

The accompanying notes are an integral part of these financial statements.

FIU ATHLETICS FINANCE CORPORATION
(A Direct Support Organization)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The FIU Athletics Finance Corporation (the “Athletics Finance Corporation” or the “Organization”), a Florida not-for-profit corporation, is a direct support organization and a component unit of Florida International University (FIU) and was organized in the State of Florida on November 20, 2006.

The Athletics Finance Corporation is a tax-exempt organization as defined by Section 501(c) (3) of the Internal Revenue Code. The Athletics Finance Corporation provides direct support to Florida International University (“FIU” or the “University”) in matters pertaining to the financing of the FIU Football Stadium and subsequently managing and operating the facility and has been designated by the FIU Board of Trustees as a University Direct Support Organization pursuant to §1004.28, Florida Statutes.

BASIS OF PRESENTATION

The financial statements of the Athletics Finance Corporation have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Athletics Finance Corporation reports under the GASB standards because it meets the criteria regarding the popular election of officers or appointment of a controlling majority of the members of the Organization’s governing body by one or more state or local governments. Therefore, the Athletics Finance Corporation is reported as a governmental entity.

In accordance with GASB Statement No. 34, *Basic Financial Statements and Management’s Discussion and Analysis – For State and Local Governments*, the Athletics Finance Corporation met the criteria to use enterprise fund accounting and financial reporting. Accordingly, the financial statements are reported using the economic resources measurement focus and accrual basis of accounting, which recognizes revenue when earned and expenses are recorded when a liability is incurred, regardless of timing of the related cash flow.

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, the Athletics Finance Corporation applies all applicable GASB pronouncements as well as

FIU ATHLETICS FINANCE CORPORATION
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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION (CONTINUED)

Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

INVESTMENTS

The Athletics Finance Corporation participates in investment pools through the State Board of Administration in accordance with the provisions of §17.61 and §215.49, Florida Statutes. These are investments with Florida PRIME (formerly known as the Local Government Surplus Funds Trust Fund (LGIP)) administered by the State Board of Administration. Fund B, which is also administered by the State Board of Administration, is classified as an investment. These investment pools operate under investment guidelines established by §215.47, Florida Statutes. The Organization also invests in SEC Rule 2a-7 eligible money market funds.

All investments of the Organization, except Florida PRIME and Fund B, are reported at fair value using quoted market prices. The Florida PRIME and Fund B are recorded at their value of the pool shares (2a-7 like pool), which is fair value. Income or loss is recorded as it is earned.

DERIVATIVE FINANCIAL INSTRUMENT

The Athletics Finance Corporation implemented GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* during the year ended June 30, 2010.

The Athletics Finance Corporation entered into an interest rate swap agreement to reduce its exposure to market risks from changing interest rates. For interest rate swaps, the differential to be paid or received is accrued and recognized in interest expense and may change as market interest rates change. The fair value of the derivative liability is presented

FIU ATHLETICS FINANCE CORPORATION
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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DERIVATIVE FINANCIAL INSTRUMENT (CONTINUED)

in the statement of net assets. The change in the fair value of the ineffective 2007 Series A interest rate swap is presented in the statement of revenues, expenses and change in net assets. The Organization uses the consistent critical terms method to evaluate the effectiveness as of the end of the reporting period. The Organization determined the terms of the 2009 refunded bonds and the interest rate swap are consistent and meet the criteria of the consistent critical terms method. As a result of these refunded bonds, the change in the fair value in the effective interest rate swap is presented in the statement of net assets as a deferred outflow of resources.

INCOME TAXES

The Organization is a not-for-profit corporation, as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes. There were no income taxes resulting from unrelated business income during the year ended June 30, 2010.

LONG-TERM DEBT

Long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Issuance costs are presented in the financial statements as a non-current asset and are being amortized over the life of the bonds.

PREPAID RENT

Pursuant to two (2) ground sublease agreements, the Organization prepaid a portion of their rent obligation to the University. The prepaid lease payments will be amortized on a straight line basis over the life of the sublease, commencing during fiscal year ended June 30, 2010.

OPERATING REVENUE AND EXPENSES

The Athletics Finance Corporation's statement of revenues, expenses, and changes in net assets distinguishes between operating and nonoperating revenue and expenses. Operating revenue results from exchange transactions associated with managing and operating the FIU Football Stadium, which is the Athletics Finance Corporation's principal activity. Other sources of revenue, including investment earnings, are reported as nonoperating revenue. Operating expenses include all expenses incurred to manage and operate the FIU Football Stadium, other than external financing costs.

FIU ATHLETICS FINANCE CORPORATION
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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FLOW ASSUMPTION FOR RESTRICTED ASSETS

If both restricted and unrestricted assets are available for use for a certain purpose, it is the Athletics Finance Corporation's policy to use restricted assets first, and then use unrestricted assets as needed.

NOTE 2 - CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Athletics Finance Corporation to concentrations of credit risk consist principally of cash in banks and investments.

DEPOSITS

In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are insured or collateralized with securities held by the entity or its agent in the entity's name.

INVESTMENTS

In addition, the Athletics Finance Corporation maintains investment accounts with financial institutions that are not insured by the FDIC. Fund shares are not guaranteed by the U.S. government. Current and future portfolio holdings are subject to risk. At June 30, 2010, \$4,830,116 was held in these accounts. The Athletics Finance Corporation believes that the number, diversity and financial strength of the issuers mitigate the credit risks associated with all investments.

FIU ATHLETICS FINANCE CORPORATION
(A Direct Support Organization)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

NOTE 3 - INVESTMENTS

Investments are made in accordance with the trust indenture. The Athletics Finance Corporation's investments at June 30, 2010, are reported at fair value, as follows:

Investment Type	Amount
Florida State Board of Administration:	
Florida PRIME	\$ --
Fund B	639,811
Money Market Mutual Funds	<u>4,190,305</u>
Total Investments (Includes Restricted Investments)	<u>\$ 4,830,116</u>

The Athletics Finance Corporation reported investments at fair value totaling \$639,811 at June 30, 2010, in the Fund B Surplus Funds Trust Fund administered by State Board of Administration (SBA) pursuant to Section 218.405, Florida Statutes. The State Board of Administration governs the trust fund under Ch. 19-7 of the Florida Administrative Code.

As a participant of Fund B, the entity invests in a pool of investments whereby the entity owns a share of the respective pool, not the underlying securities. The SBA's interpretation in regards to Fund B is that it does not meet the requirements of an SEC 2a7-like fund; therefore, SBA provided a fair value factor of .67353149 as of June 30, 2010 (i.e., total net asset value of Fund B divided by total participant balances of Fund B). The Fund B is not subject to participant withdrawal requests. Distributions from Fund B, as determined by the SBA, are effective by transferring eligible cash or securities to the Florida PRIME, consistent with the pro rata allocation of pool shareholders of record at the creation of Fund B. One hundred percent of such distributions from Fund B are available as liquid balance within the Florida PRIME.

The Florida PRIME fund investments are also pooled. As a participant of Florida PRIME, the entity invests in a pool of investments whereby the entity owns a share of the respective pool, not the underlying securities. The SBA considers Florida PRIME an SEC "2a-7-like" fund with the primary objective of preservation of principal. The account balance is considered the fair value of the investment. A 2a-7 like pool is an external investment pool that is not registered with the Securities and Exchange Commission as an investment company, but nevertheless has a policy that it will, and does operate in a manner consistent with Rule 2a-7 under the Investment Company Act of 1940. This rule permits money market funds to use amortized cost to maintain a constant NAV of \$1.00 per share, provided that such funds meet certain conditions. There was no balance in Florida PRIME

FIU ATHLETICS FINANCE CORPORATION
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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

NOTE 3 – INVESTMENTS (CONTINUED)

at June 30, 2010. The investments in the Florida PRIME and Fund B are not insured by FDIC or any other government agency.

The Organization also invests in a Federated Government Obligations Fund. This is a money market mutual fund seeking to provide current income consistent with stability of principal by investing in a portfolio of short-term, U.S. treasury and government securities. These investments include repurchase agreements collateralized fully by U.S Treasury and government securities. The Fund limits its investment to those that would enable it to qualify as a permissible investment for federally chartered credit unions. The fund maintains a weighted average maturity of 32 days and is rated AAAM by Standard & Poor's, Aaa by Moody's and AAA by Fitch. The fund complies with the requirements of Rule 2a-7 under the Investment Company Act of 1940 Act, which sets forth portfolio quality and diversification restrictions for money market mutual funds. The fair market value of these funds was \$4,190,305 at June 30, 2010.

CREDIT RISK

Credit risk is the risk that an issuer of securities in which the Fund invests may default on the payment of interest or principal on the securities when due, which would cause the Fund to lose money. At June 30, 2010, Florida PRIME and the money market fund investments were rated AAAM by Standard & Poor's. Fund B is not rated by any nationally recognized statistical rating agency.

CONCENTRATION CREDIT RISK

Investments that exceed 5% or more of the portfolio in any one issuer is as follows: investments held in the Fund B administered by the State Board of Administration (SBA) consist of approximately 13% of total investments. Approximately, 87% of the investments are held with Regions Morgan Keegan money market mutual funds. According to the bond indenture, the organization can invest the bond proceeds in these investment vehicles; there are no stated limitations on the amount that can be invested in any one issuer. The short term nature of the investments is due to liquidity needs, since those funds are being used for operating expenses, debt service payments and stadium construction costs.

INTEREST RATE RISK

A portfolio's weighted average days to maturity (WAM) reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the fund to interest rate changes.

FIU ATHLETICS FINANCE CORPORATION
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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

NOTE 3 – INVESTMENTS (CONTINUED)

INTEREST RATE RISK (CONTINUED)

The WAM of the Florida PRIME fund at June 30, 2010 is 46 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM.

Due to the nature of the securities in Fund B, the interest rate risk information is not available. An estimated weighted average life (WAL) is available. In the calculation of WAL, the time at which an expected principal amount is to be received (measured in years) is weighted by the principal amount received at that time divided by the sum of all expected principal payments. The principal amounts used in the WAL calculation are not discounted to present value as they would be in a weighted average duration calculation. The WAL (based on expected cash flows) of Fund B at June 30, 2010, is estimated at 8.05 years. However, because Fund B consists of restructured or defaulted securities there is considerable uncertainty regarding the weighted average life.

INTEREST RATE RISK (CONTINUED)

The Federal Government Obligations Fund prices of fixed-income securities generally fall when interest rates rise. Interest rate changes have a greater effect on the price of fixed-income securities with longer maturities. The money market mutual fund WAM at June 30, 2010 is 32 days while the WAL is 86 days.

NOTE 4 - BOND ISSUANCE COSTS

As of June 30, 2010, issuance costs related to both the tax exempt and taxable bonds (FIU Athletics Finance Corporation Capital Improvement Revenue Bonds Series 2009A and 2009B) totaled \$264,118, net of amortization. The bond costs will be amortized over the term of the bonds which mature in March 2033.

Issuance costs	\$ 271,941
Less accumulated amortization	<u>(7,823)</u>
Bond Issuance Costs - Net	<u>\$ 264,118</u>
Current bond issuance cost	\$ 15,681
Non-current bond issuance cost	<u>248,437</u>
	<u>\$ 264,118</u>

FIU ATHLETICS FINANCE CORPORATION
(A Direct Support Organization)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

NOTE 5 - LONG-TERM DEBT

The debt activity for the year ended June 30, 2010 is as follows:

	Beginning Balance	Additions	Payments	Ending Balance	Due Within One Year
2007 Tax Exempt Capital Improvement Revenue Bonds (Series A)	\$ 28,000,000	\$ --	\$ 28,000,000	\$ --	\$ --
2009 Tax Exempt Capital Improvement Revenue Bonds (Series A)	--	30,000,000	--	30,000,000	--
2007 Taxable Capital Improvement Revenue Bonds (Series B)	7,000,000	--	7,000,000	--	--
2009 Taxable Capital Improvement Revenue Bonds (Series B)	--	5,310,000	706,293	4,603,707	599,723
Deferred amount on refunding	--	(417,261)	--	(417,261)	--
	<u>\$ 35,000,000</u>	<u>\$ 34,892,739</u>	<u>\$ 35,706,293</u>	<u>\$ 34,186,446</u>	<u>\$ 599,723</u>

On April 20, 2007, the Athletics Finance Corporation issued \$28,000,000 of its Capital Improvement Revenue Bonds (Football Stadium Project) Series 2007A and \$7,000,000 of its Taxable Capital Improvement Revenue Bonds (Football Stadium Project) Series 2007B. These bonds were issued and secured under and pursuant to a Trust Indenture, dated April 1, 2007, between the Athletics Finance Corporation and a commercial bank, as trustee, and shall be payable from pledged revenues. The bond proceeds were used to (i) finance certain football stadium improvements, (ii) fund capitalized interest through March 1, 2009, (iii) fund a deposit to a debt service reserve fund, and (iv) pay costs related to the issuance of the bonds. The bonds are secured by operating and non-operating revenues of the facility as well as the University athletic fees. These bonds were refunded during the fiscal year ended June 30, 2010.

CURRENT REFUNDING

On December 1, 2009, the Athletics Finance Corporation issued \$30,000,000 of Miami-Dade County Industrial Development Authority Revenue Bonds Series 2009A and \$5,310,000 of Miami-Dade County Industrial Development Authority Taxable Revenue Bonds Series 2009B.

These bonds were issued and secured under and pursuant to a trust indenture. Repayments of the bonds will be payable from pledged revenues, which are all operating and non-operating revenues. Principal payments for the bonds began March 1, 2010. Interest payments are made on a quarterly basis. The interest rate on the Series 2009A Bonds is

FIU ATHLETICS FINANCE CORPORATION
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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

NOTE 5 - LONG-TERM DEBT (CONTINUED)

CURRENT REFUNDING (CONTINUED)

Series 2009B Bonds shall be at a rate equal to three-month LIBOR plus 2.65%. The total proceeds from the new bond issue were used solely to retire and current refund the outstanding Series 2007 A and B bonds and pay costs of issuance of the bonds and other refinancing costs. The funds were held in escrow by the Trustee and the Series 2007 A and B bonds were fully redeemed effective January 8, 2010. Total principal due at June 30, 2010 was \$34,603,707.

As a result of the refunding, the Organization increased its total debt service requirements by \$4,203,644, which resulted in a net present value loss of \$3,034,308.

The Athletics Finance Corporation has funded a debt service reserve fund in accordance with the bond indenture requirement of maintaining an amount equal to the maximum allowable debt service on the bond in the current and any future fiscal year. This debt service reserve fund currently totals \$2,766,057 and is presented in restricted investments.

The Athletics Finance Corporation is also required to have minimum deposits of \$3,500,000 with Regions Bank. The deposit is to be held in an interest-bearing additional reserve fund and is presented in restricted cash.

The interest rate on these bonds is both fixed and variable and is subject to a hedge agreement (see Note 7) that was entered into to reduce the exposure to market risks from changing interest rates. Interest is computed on the basis of the actual number of days elapsed over a year of 365 or 366 days.

FIU ATHLETICS FINANCE CORPORATION
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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

NOTE 5 - LONG-TERM DEBT (CONTINUED)

CURRENT REFUNDING (CONTINUED)

The aggregate maturities of these bonds as of June 30, 2010 are as follows:

For the Year Ending June 30,	Principal	Interest	Total
2011	\$ 599,723	\$ 1,500,126	\$ 2,099,849
2012	618,074	1,567,747	2,185,821
2013	636,987	1,627,027	2,264,014
2014	656,479	1,677,592	2,334,071
2015	676,567	1,719,051	2,395,618
2016-2020	5,865,877	7,899,173	13,765,050
2021-2025	8,135,713	6,031,312	14,167,025
2026-2030	10,150,001	3,637,679	13,787,680
2031-2033	7,264,286	792,886	8,057,172
	34,603,707	26,452,593	61,056,300
Less amount deferred on refunding	(417,261)	--	(417,261)
Total	\$ 34,186,446	\$ 26,452,593	\$ 60,639,039

NOTE 6 - LETTER OF CREDIT AGREEMENT

On April 1, 2007, Regions Bank issued a Letter of Credit to serve as security for the payments of the bonds. The Letter of Credit will be in effect until April 15, 2012, and will automatically extend equal to the remaining balance of the bonds payable for a period of one year, subject to approval of Regions Bank but not to extend beyond April 15, 2033. Athletics Finance Corporation agrees to repay any draws against the Letter of Credit plus annual interest equal to the three month LIBOR plus two percent (2%). There were no draws against this letter of credit.

From the date of issuance of the Series 2009A and 2009B Bonds until January 8, 2010, the Trustee disbursed to the Bank any amounts necessary to reimburse the bank for drawings on its Letter of Credit issued in connection with the outstanding debt in order to pay holders of the outstanding tax-exempt debt for any bonds optionally tendered or redeemed during such period. As of January 8, 2010 the Letter of Credit is no longer in effect.

FIU ATHLETICS FINANCE CORPORATION
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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

NOTE 7 - DERIVATIVE FINANCIAL INSTRUMENTS

OBJECTIVES

As a means to lower its borrowing costs and increase its savings, when compared against fixed-rate bonds at the time of issuance in May 2007 and refunding in December 2009, the Organization entered into an interest rate swap agreement in connection with its \$30,000,000 2009A Miami-Dade County Industrial Development Authority Revenue Bond issuance. The intention of the swap agreement was to effectively change the Organization's variable interest rate on the bonds to a synthetic fixed rate of 3.60%.

TERMS

On May 30, 2007, Athletics Finance Corporation entered into an interest rate swap agreement with a commercial bank with a notional amount of \$21,000,000, which represents the fixed portion of the bonds payable mentioned in Note 5 above. Under the swap agreement, the Athletics Finance Corporation agreed to pay a fixed rate of 4.1451% and receive a variable rate based on the SIFMA index (tax-exempt variable demand bond index maintained by the Bond Marketing Association).

On December 22, 2009, Athletics Finance Corporation amended the interest rate swap agreement to hedge the floating rate on \$21,000,000 of the principal amount of the 2009A Bonds. This represents the fixed portion of the tax exempt bonds payable mentioned in Note 5 above. Under the swap agreement, the Athletics Finance Corporation agrees to pay a fixed rate of 3.60% and receive a variable rate equal to 63.7% of three-month LIBOR. The swap agreement has a maturity date of March 1, 2033.

FAIR VALUE

As of June 30, 2010, the Athletics Finance Corporation swap has a derivative liability of \$3,905,754 as reported in the statement of net assets. The negative fair value was determined using Mark-to-Market Value and represents the closing mid-market values.

As of December 22, 2009, the fair value of the Series 2007A ineffective interest rate swap was \$2,251,646. This interest rate swap was not terminated when the bonds were refunded. However, the interest rate on the refunded Series 2009 bonds reflects a higher rate due to not terminating this interest rate swap. Accordingly, the fair value of \$2,251,646 of the ineffective Series 2007A interest rate swap will be amortized over the remaining life of the refunded Series 2009A bond. For the period July 1, 2009 to December 22, 2009, the change in the fair value of this ineffective interest swap was \$495,069.

FIU ATHLETICS FINANCE CORPORATION
(A Direct Support Organization)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

NOTE 7 - DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

FAIR VALUE (CONTINUED)

The consistent critical terms method evaluates the effectiveness by qualitative consideration of the critical terms of the hedgeable items and the potential hedging derivative instrument. The Organization determined the terms of the Series 2009A refunded bonds and the interest rate swap are consistent and meet the criteria of the consistent critical terms method. As a result of these refunded bonds, the change in the fair value in the effective interest rate swap, from December 22, 2009 to June 30, 2010 is presented in the statement of net assets as a deferred outflow of resources in the amount of \$1,702,531. Effectively, the revised swap agreement started with a zero fair value.

CREDIT RISK

As of June 30, 2010, the Athletics Finance Corporation was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swap become positive, the Organization would be exposed to credit risk in the amount of the derivative's fair value. The swap counterparty (Regions Bank) was rated Baa1 by Moody's Investors Service, BBB by Standard and Poor's and BBB+ by Fitch Ratings.

BASIS RISK

Basis risk arises when different indexes are used in connection with a derivative. Given that both the bond and the interest rate swap are based on 63.7% of the three-month LIBOR rate, there is limited basis risk.

TERMINATION RISK

The derivative contract uses the International Swap Dealers Association (ISDA) Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The schedule to the Master Agreement includes an "additional termination event". That is, the swap agreement may be terminated if: (i) the loan or other indebtedness in connection with which a transaction entered into by the Athletics Finance Corporation for the purpose or with the effect of altering the net combined payment from a floating to fixed or a fixed to floating rate basis is repaid, whether upon acceleration of principal, at maturity, or otherwise, or for any other reason ceases to be an obligation of the Athletics Finance Corporation, with or without the consent of the counterparty (Regions Bank); or (ii) any credit support document expires, terminates or ceases to be of full force and effect. Also,

FIU ATHLETICS FINANCE CORPORATION
(A Direct Support Organization)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

NOTE 7 - DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

TERMINATION RISK (CONTINUED)

the swap agreement may be terminated or assigned by Athletics Finance Corporation if the counterparty 's (Regions Bank) long-term, senior, unsecured, unenhanced debt rating is withdrawn, suspended, or falls below at least two of the following: a) "Baa3" as determined by Moody's; or b) "BBB-" as determined by Standard and Poor's; or c) "BBB-" as determined by Fitch.

SWAP PAYMENTS AND ASSOCIATED DEBT

Using rates as of June 30, 2010, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term, are as follows: As rates vary, variable-rate bond interest payments and net swap payments will vary.

For the Year Ending June 30,	Variable-Rate Bond		Interest Rate	
	Principal	Interest	Swap, Net	Total
2011	\$ --	\$ 399,714	\$ 755,286	\$ 1,155,000
2012	--	399,714	755,286	1,155,000
2013	--	399,714	755,286	1,155,000
2014	--	399,714	755,286	1,155,000
2015	--	399,714	755,286	1,155,000
2016-2020	3,115,000	1,931,001	3,648,749	8,694,750
2021-2025	5,695,000	1,494,931	2,824,769	10,014,700
2026-2030	7,105,000	901,641	1,703,709	9,710,350
2031-2033	5,085,000	196,526	371,349	5,652,875
Total	\$ 21,000,000	\$ 6,522,669	\$ 12,325,006	\$ 39,847,675

NOTE 8 - DEFERRED REVENUES

The Athletics Finance Corporation and the University have pledged future revenues in order to meet certain minimum bond requirements under the issue of bond-related debt to finance the stadium project. Non-operating revenues may include athletics fees collected by the University, fund raising revenues, conference payments, naming rights revenues, capital gifts and investment revenues related to any of the above. Operating revenues related to the sale of football stadium suites and club seats have been deferred. Revenues are deferred until the year they are earned. Suite sales will be recognized annually based on their corresponding contracts.

FIU ATHLETICS FINANCE CORPORATION
(A Direct Support Organization)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

NOTE 8 - DEFERRED REVENUES (CONTINUED)

The following schedule presents sales commitments under suite agreements and ticket sales that expire on June 30, 2014:

For the Year Ending June 30,	Amount
2011	\$ 409,313
2012	80,000
2013	80,000
2014	80,000
Total	\$ 649,313

NOTE 9 - RELATED PARTY TRANSACTIONS

RELATED PARTY REVENUES

In accordance with the Memorandum of Understanding dated March 5, 2010, the University manages stadium-related activities, collects revenues on behalf of the Athletics Finance Corporation, and remits revenues timely as required under the existing trust indenture. For the year ended June 30, 2010 the Athletics Finance Corporation received revenue for NCAA and conference payments, athletic support, sky suite revenue, ticket sales, sponsorship revenues, rental income, contributions and other operating revenues. The total of these revenues was \$3,481,395.

LEASE COMMITMENTS

Florida International University and the FIU Athletics Finance Corporation entered into two 25-year ground sublease agreements dated April 1, 2007 rendering the rights to the FIU Athletics Finance Corporation to issue a series capital improvement bonds of which a portion of the proceeds, along with contributions from the University, is to finance a stadium improvement project located on University premises. Under this agreement the FIU Athletics Finance Corporation shall prepay to the University for rental of the premises in the sum of \$30,171,533.

FIU ATHLETICS FINANCE CORPORATION
(A Direct Support Organization)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

NOTE 9 – RELATED PARTY TRANSACTIONS (CONTINUED)

LEASE COMMITMENTS (CONTINUED)

The following schedule by years represents management's best estimate of future minimum rental expense that will be recognized for these sublease agreements:

For the Year Ending June 30,	Amount
2011	\$ 1,221,958
2012	1,221,958
2013	1,221,958
2014	1,221,958
2015 - 2019	6,109,790
2020 - 2024	6,109,790
2025 - 2029	6,109,790
2030 - 2033	4,786,016
	<u>\$ 28,003,218</u>

Reconciliation of the Statement of Net Assets to the Lease Commitment:

Current prepaid rent and other	\$ 1,237,640
Non current prepaid rent	26,781,259
Less other prepaids	<u>(15,681)</u>
	<u>\$ 28,003,218</u>

As of June 30, 2010, construction draws amounting to \$30,171,533 have been paid by the University to various contractors. The prepaid rent has been amortized by \$1,197,978 in the current year.

COMPLIANCE SECTION

**Independent Auditors' Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards**

Members of the Board of Directors and the Assistant Vice President
of Direct Support Organizations
FIU Athletics Finance Corporation
Miami, Florida

We have audited the financial statements of Florida International University Athletics Finance Corporation (the Athletics Finance Corporation or the Organization) as of and for the year ended June 30, 2010 and have issued our report thereon dated November 23, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Organization's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing the assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, Management, the State University System of Florida, the Florida Board of Governors and the Board of Trustees of Florida International University and is not intended to be and should not be used by anyone other than these specified parties.



a division of Marcum LLP
Miami, Florida
November 23, 2010

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**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

December 9, 2010

**Subject: Florida International University Herbert Wertheim College of Medicine
Health Care Network Financial Audit, 2009-2010**

Proposed Board Action:

Approve the Florida International University Herbert Wertheim College of Medicine Health Care Network Financial Audit for the 2009-2010 Fiscal Year and authorize the Executive Director of the FIU Herbert Wertheim College of Medicine Health Care Network to take all actions necessary pertaining to this Financial Audit, including filing the report with the Auditor General.

Background Information

Pursuant to Regulation FIU-1502 (2)(f), the FIU Herbert Wertheim College of Medicine (HWCOM) Health Care Network must submit an independently conducted financial audit of its accounts and records, which has been approved by its governing board and recommended by the University President to the Florida International University Board of Trustees for review and approval.

The FIU HWCOM Health Care Network Financial Audit for 2009-2010 has been submitted and approved by the FIU HWCOM Health Care Network Board of Directors on October 22, 2010, and the University President is recommending its approval.

Florida Board of Governors Regulation 9.011, University Direct Support Organizations and Health Services Support Organizations (4), states in relevant part:
Support organizations shall provide for an annual audit conducted pursuant to university regulations or policies. The annual audit report shall be submitted to the university board of trustees or designee, the Board of Governors, and the Auditor General for review.

Supporting Documentation: Florida International University Herbert Wertheim College of Medicine Health Care Network, Financial Audit, 2009-2010

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**THE FLORIDA INTERNATIONAL UNIVERSITY
COLLEGE OF MEDICINE HEALTH CARE NETWORK
FACULTY GROUP PRACTICE, INC.**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

**THE FLORIDA INTERNATIONAL UNIVERSITY
COLLEGE OF MEDICINE HEALTH CARE NETWORK
FACULTY GROUP PRACTICE, INC.**

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Compliance Section

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Audit Committee of the
Florida International University College of Medicine
Health Care Network Faculty Group Practice, Inc.
Miami, Florida

We have audited the accompanying statement of net assets of The Florida International University College of Medicine Health Care Network Faculty Group Practice, Inc. (the "FIU COM Health Care Network"), a component unit of Florida International University, as of June 30, 2010 and the related statements of revenues, expenses and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the FIU COM Health Care Network's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the FIU COM Health Care Network's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the FIU COM Health Care Network as of June 30, 2010, and the respective changes in net assets, and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 27, 2010, on our consideration of the FIU COM Health Care Network's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The FIU COM Health Care Network has not presented management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of the financial statements.

Marcum Rachlin

a division of Marcum LLP
Miami, Florida
October 27, 2010

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MARCUM GROUP
MEMBER

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**FLORIDA INTERNATIONAL UNIVERSITY
COLLEGE OF MEDICINE HEALTHCARE NETWORK
FACULTY PRACTICE PLAN, INC.**

STATEMENT OF NET ASSETS

JUNE 30, 2010

ASSETS

Current Assets

Cash and cash equivalents	\$ 68,203
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Total Current Assets	\$ 68,203
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Noncurrent Assets

Depreciable capital assets, net	3,558
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Total Noncurrent Assets	<u>3,558</u>
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Total Assets	<u><u>\$ 71,761</u></u>
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Liabilities

Current Liabilities

Due to FIU	\$ 2,352
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Total Current Liabilities	\$ 2,352
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Noncurrent Liabilities

Due to FIU	52,761
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Total Noncurrent Liabilities	<u>52,761</u>
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Total Liabilities	55,113
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Unrestricted Net Assets	<u>16,648</u>
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Total Liabilities and Net Assets	<u><u>\$ 71,761</u></u>
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**FLORIDA INTERNATIONAL UNIVERSITY
COLLEGE OF MEDICINE HEALTHCARE NETWORK
FACULTY PRACTICE PLAN, INC.**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2010

Operating Revenues		
Miscellaneous revenue	\$ 48,900	
Clinical services	<u>9,922</u>	
Total Operating Revenues		\$ 58,822
Operating Expenses		
Salaries	16,257	
Banking fees	210	
Rental of facilities	14,326	
Professional services	1,998	
Contractual services	396	
Promotional advertising	2,064	
Clinical services	28	
Printing	221	
Office supplies	509	
Medical supplies	2,133	
Other materials and supplies	299	
Pharmaceuticals	1,182	
Depreciation expense	<u>890</u>	
Total Operating Expenses		<u>40,513</u>
Operating Income		18,309
Non-Operating Expenses:		
Interest expense		<u>1,661</u>
Increase in Net Assets		16,648
Net Assets - Beginning of Year		<u>--</u>
Net Assets - End of Year		<u>\$ 16,648</u>

The accompanying notes are an integral part of these financial statements.

**FLORIDA INTERNATIONAL UNIVERSITY
COLLEGE OF MEDICINE HEALTHCARE NETWORK
FACULTY PRACTICE PLAN, INC.**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2010

Cash Flows From Operating Activities		
Operating receipts	\$ 9,922	
Operating cash received - FIU	48,900	
Payments to suppliers for goods & services	<u>(37,271)</u>	
Net Cash Provided By Operations		\$ 21,551
Cash Flows From Non-Capital Financing Activities		
Cash receipts from loan proceeds	<u>51,100</u>	
Net Cash Provided By Non-Capital Financing Activities		51,100
Cash Flows From Capital and Related Financing Activities		
Purchase of capital assets	(4,448)	
Net Cash Used In Capital and Related Financing Activities		<u>(4,448)</u>
Net Change in Cash		68,203
Cash - Beginning of Year		<u>--</u>
Cash - End of Year		<u>\$ 68,203</u>
Reconciliation of Changes in Net Assets to Net Cash Provided by Operations:		
Change in net assets	\$ 16,648	
Depreciation expense	890	
Change in liabilities:		
Increase in:		
Accrued interest	1,661	
Due to FIU	<u>2,352</u>	
Net Cash Provided By Operations		<u>\$ 21,551</u>

The accompanying notes are an integral part of these financial statements.

**THE FLORIDA INTERNATIONAL UNIVERSITY
COLLEGE OF MEDICINE HEALTH CARE NETWORK
FACULTY GROUP PRACTICE, INC.**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The Florida International University College of Medicine Health Care Network Faculty Group Practice, Inc. (the "FIU COM Health Care Network" or the "Organization"), a Florida not-for-profit corporation, is a component unit of Florida International University and was organized in the State of Florida on February 21, 2008. The FIU COM Health Care Network was formed primarily to support the mission of Florida International University (FIU) and to improve and support medical education at the FIU College of Medicine. The FIU COM Health Care Network has applied for the tax-exempt organization status as defined by Section 501(c)(3) of the Internal Revenue Code.

BASIS OF PRESENTATION

The financial statements of the FIU COM Health Care Network have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The FIU COM Health Care Network reports under the GASB standards because it meets the criteria regarding the popular election of officers or appointment of a controlling majority of the members of the Organization's governing body by one or more state or local governments.

In accordance with GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, the FIU COM Health Care Network met the criteria to use enterprise fund accounting and financial reporting. Accordingly, the financial statements are reported using the economic resources measurement focus and accrual basis of accounting, which recognizes revenue when earned and expenses when a liability is incurred, regardless of timing of the related cash flow.

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, the FIU COM Health Care Network applies all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements.

**THE FLORIDA INTERNATIONAL UNIVERSITY
COLLEGE OF MEDICINE HEALTH CARE NETWORK
FACULTY GROUP PRACTICE, INC.**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

CASH

Cash is held in a high quality financial institution, Bank of America. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At June 30, 2010, those limits were not exceeded.

CAPITAL ASSETS

Capital assets consist of medical equipment. These assets are capitalized and recorded at cost at the date of acquisition. The FIU COM Health Care Network has a capitalization threshold of \$1,000 for tangible personal property. Depreciation is computed on the straight-line basis over the estimated useful life of five years for this equipment.

FLOW ASSUMPTION FOR RESTRICTED ASSETS

If both restricted and unrestricted assets are available for use for a certain purpose, it is the FIU COM Health Care Network's policy to use restricted assets first, then use unrestricted assets as needed.

OPERATING REVENUE AND EXPENSES

The FIU COM Health Care Network's statement of revenues, expenses, and changes in net assets distinguishes between operating and nonoperating revenue and expenses. Operating revenue results from exchange transactions associated with providing healthcare services, which is the FIU COM Health Care Network's principal activity. Other sources of revenue, including investment earnings, are reported as nonoperating revenue. Operating expenses include all expenses incurred to provide healthcare, other than external financing costs.

**THE FLORIDA INTERNATIONAL UNIVERSITY
COLLEGE OF MEDICINE HEALTH CARE NETWORK
FACULTY GROUP PRACTICE, INC.**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

NOTE 2 – CAPITAL ASSETS

Capital Assets					
	Useful Lives	Ending Balance June 30, 2009	Additions	Disposals	Ending Balance June 30, 2010
Medical Equipment	5	\$ --	\$ 4,448	\$ --	\$ 4,448
		<u>\$ --</u>	<u>\$ 4,448</u>	<u>\$ --</u>	<u>\$ 4,448</u>
Accumulated Depreciation					
		June 30, 2009	Depreciation	Disposals	June 30, 2010
Accumulated Depreciation Totals		\$ --	\$ (890)	\$ --	\$ (890)
Depreciable capital assets, net		<u>\$ --</u>			<u>\$ 3,558</u>

NOTE 3 - DUE TO FIU – CURRENT

On June 30, 2010, the FIU COM Health Care Network owed the University \$2,352 for the reimbursement of salaries and medical supplies.

NOTE 4 - DUE TO FIU – NON CURRENT

The debt activity for the year ended June 30, 2010 is as follows:

	Beginning <u>Balance</u>	Additions	Payments	Accrued <u>Interest</u>	Ending <u>Balance</u>
Due to FIU	\$ -	\$ 51,100	\$ -	\$ 1,661	\$ 52,761
	<u>\$ -</u>	<u>\$ 51,100</u>	<u>\$ -</u>	<u>\$ 1,661</u>	<u>\$ 52,761</u>

**THE FLORIDA INTERNATIONAL UNIVERSITY
COLLEGE OF MEDICINE HEALTH CARE NETWORK
FACULTY GROUP PRACTICE, INC.**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

NOTE 4 - DUE TO FIU – NON CURRENT (CONTINUED)

On June 1, 2009, the FIU COM Health Care Network entered into a loan agreement totaling \$100,000 with FIU in order to fund start-up costs associated with the operations. This agreement was amended on January 25, 2010 reducing the total principal payment due to \$51,100. Interest on the loan accrues at 3.25% and the loan is scheduled to mature on May 31, 2013. The noncurrent liability at June 30, 2010 is comprised of total principal of \$51,100 and accrued interest of \$1,661.

Principal and interest payments for the life of the loan are due as follows:

For the Year Ending June 30,	Principal	Interest	Total
2010	\$ --	\$ 1,661	\$ 1,661
2011	--	1,715	1,715
2012	25,550	1,770	27,320
2013	<u>25,550</u>	<u>899</u>	<u>26,449</u>
Total	<u>\$ 51,100</u>	<u>\$ 6,045</u>	<u>\$ 57,145</u>

NOTE 5 – RELATED PARTY LEASE COMMITMENT

Florida International University and the FIU COM Health Care Network entered into an agreement dated July 27, 2009. Under this agreement the FIU COM Health Care Network will use the University Health Service Building to provide medical care to the faculty and staff of FIU. FIU COM Health Care Network shall pay the University for rental of the premises in the sum of \$15,284 per year. The term of this agreement was originally scheduled to expire on July 26, 2010, but was subsequently renewed for an additional period of one year. Rent expense related to this lease was \$14,326 for the year ended June 30, 2010.

COMPLIANCE SECTION



**Independent Auditors' Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards**

To the Board of Directors and Audit Committee of the
**Florida International University College of Medicine
Health Care Network Faculty Group Practice, Inc.**
Miami, Florida

We have audited the financial statements of The Florida International University College of Medicine Health Care Network Faculty Group Practice, Inc. (the "FIU COM Health Care Network" or the "Organization"), a component unit of Florida International University, as of and for the year ended June 30, 2010 and have issued our report thereon dated October 27, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Organization's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of Management, the Audit Committee, Board of Directors, and others within the Organization and is not intended to be and should not be used by anyone other than these specified parties.



a division of Marcum LLP
Miami, Florida
October 27, 2010

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**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

December 9, 2010

Subject: Signature Authority – Authorization to Sign Checks for the University

Proposed Board Action:

Approve the following officers and employees of the University as authorized to sign checks to pay the legal obligations of the University from any and all designated University depositories:

Kenneth A. Jessell, Senior Vice President of Administration and Chief Financial Officer

Cecilia Hamilton, Associate Vice President and University Controller

Background Information:

The Florida International University Board of Trustees (the BOT) is updating its official records to reflect University officers and employees authorized to sign checks to pay legal obligations on behalf of the University.

The University has depositories at banking institutions at which University funds are deposited and the University pays its legal obligations from said depositories. As such, the BOT must state with particularity the legal name and title of University employees who are authorized to sign checks to pay legal obligations of the University.

Supporting Documentation:

N/A

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**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

December 9, 2010

Subject: Tenure as a Condition of Employment Nominations

Proposed Board Action:

Approve four (4) candidates for Tenure as a Condition of Employment as specified in the Board materials.

Background Information:

Pursuant to the Florida Board of Governors Regulation 1.001(5)(a), each board of trustees shall provide for the establishment of the personnel program for all the employees of the university, including but not limited to tenure.

The Tenure as a Condition of Employment (TACOE) nominees had tenure at their previous institutions, and have been selected to receive TACOE based on the caliber of their work.

Supporting Documentation: Tenure as a Condition of Employment Nominees (4)
Attachment 1 – Tenure as a Condition of Employment
Nominees' Bios

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FLORIDA INTERNATIONAL UNIVERSITY
2010 - 2011 TENURE NOMINATIONS
 (as a condition of employment)

NAME	DEPARTMENT	PROPOSED RANK
COLLEGE OF ENGINEERING & COMPUTING		
Atorod Azizinamini	Civil and Environmental Engineering	Professor
Ranu Jung	Biomedical Engineering	Professor
Sakhrat Khizroev	Electrical and Computer Engineering	Professor
HERBERT WERTHEIM COLLEGE OF MEDICINE		
Carolyn D. Runowicz	Obstetrics and Gynecology	Professor

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Atorod Azizinamini, Professor

Department of Civil and Environmental Engineering, College of Engineering and Computing

Atorod Azizinamini received his M.S. and Ph.D. degrees in Civil Engineering from the University of South Carolina in 1980 and 1985 respectively. He joined University of Nebraska-Lincoln (UNL) in 1989, where he was appointed Endowed University Professor in 2008. He is the director of National Bridge Research Organization (NaBRO) at UNL, and has held the position since 1998. His graduate work, sponsored by NSF, is related to investigating seismic behavior of semi-rigid steel beam to column connections. He conducted research studies dealing primarily with reinforced and pre-stressed concrete structures.

Dr. Azizinamini has worked for two years as a full time structural engineer with the firm of R.P. Hucks Engineering in Charleston, South Carolina, designing multi-story steel buildings. He conducted large scale experimental testing, field testing and numerical and analytical investigations for four years as a structural research engineer with Construction Technology Laboratories (CTL) in Skokie, Illinois. His research background has been diverse, including the area of bridges. His interaction with bridge design professionals, bridge owners and government agencies helped him develop a close working relationship with the bridge community. In January 2008, he received one of the three (R19A project) Strategic Highway Research Program (SHRP2) projects (four year, two million dollar budget aimed at developing technologies to make existing and new bridges to last 100+ years) funded through TRB of the National Academy of Science.

Ranu Jung, Professor
Department of Biomedical Engineering, College of Engineering and Computing

Ranu Jung received her PhD in biomedical engineering from Case Western Reserve University in 1991. She also holds a master's degree in biomedical engineering from Case and a bachelor's degree with distinction in electronics and communications engineering from the National Institute of Technology, Warangal in India. Dr. Jung is actively engaged in the development of neurotechnology that is inspired by biology, is adaptive and could be used to promote adaptation in the nervous system to overcome neurological disability or trauma. Of special interest to her are biomimetic and biohybrid living-hardware systems for sensorimotor control.

She currently leads a Bioengineering Research Partnership that is funded through a multi-year award from the National Institutes of Health. With this partnership, she and her team are developing a novel, fully implanted neural interface between a myoelectric prosthetic hand and peripheral nerves of below-the-elbow amputees. This translational R&D effort will deliver into clinical practice a unique neural enabled-prosthesis that provides sensation to users of prosthetic hands. Patent-pending technology includes novel electrode designs and methods of communication. She has also been the recipient of Phase I and II funding from the US Army to develop powered lower-limb splints for evacuating injured soldiers from the battlefield. This patent-pending technology also has promise for providing "crutch-free" walking after ankle injuries.

Her honors include a National Research Service Award from the US National Institutes of Health, a N.E. Ohio American Heart Association fellowship, the 2002 Science and Engineering Award, Governors Certificate of Recognition from the Commonwealth of Kentucky and appointment by the Arizona Governor and Senate as Commissioner to the Arizona Biomedical Research Commission.

Sakhrat Khizroev, Professor

Department of Electrical and Computer Engineering, College of Engineering and Computing

Sakhrat Khizroev received a B.S. in Quantum Electronics and Applied Physics from Moscow Institute of Physics and Technology (MIPT), an M.S. in Physics from the University of Miami, and a Ph.D. in Electrical and Computer Engineering from Carnegie Mellon University (CMU) in 1992, 1994, and 1999, respectively. Previously, Dr. Khizroev was a tenured professor at the Department of Electrical Engineering, University of California, Riverside (UCR). From 2003 to 2006, he served as tenured associate professor at the Department of Electrical and Computer Engineering at FIU.

Dr. Khizroev is an engineer and an educator with a research emphasis on electronics-, medicine-, and energy-related applications of nanoscience. The main current focus of his research is to use nanotechnologies to advance the state of the art in medicine. Prior to his academic career, Dr. Khizroev spent almost four years as a Research Staff Member with Seagate Research and one year as a pre-doctoral intern with IBM Almaden Research Center. He has over 27 granted patents and 130 provisional patents with IBM, Seagate, CMU, FIU and UCR. He has authored/co-authored over 90 refereed papers, 5 books and book chapters in the broad area of nanomagnetic devices. He presented over 100 talks including many invited seminars and colloquia at international conferences and meetings. He served as Associate Editor for *IEEE Transactions on Nanotechnology*, a guest editor for *Nanotechnology* and *IEEE Transactions on Magnetics* and sits on editorial boards of several *Science* and *Technology* journals. Together with his former graduate students, he co-founded two high technology start-ups in California and Florida.

Carolyn D. Runowicz, Professor
Department of Obstetrics and Gynecology, Herbert Wertheim College of Medicine

Carolyn D. Runowicz, M.D. is a nationally and internationally recognized expert in the field of gynecologic oncology. Dr. Runowicz's career has demonstrated an unwavering commitment to clinical practice, clinical/ translational research, teaching and administration. She has trained generations of medical students, residents and fellows. Dr. Runowicz was the Director of the Carole and Ray Neag Comprehensive Cancer Center at the University of Connecticut Health Center, served as the Northeast Utilities Chair in Experimental Oncology and Professor of Obstetrics & Gynecology at the University of Connecticut School of Medicine.

Dr. Runowicz has held numerous leadership positions in national organizations, including being the first woman president of the Society of Gynecologic Oncologists (2000), President of the American Cancer Society (2005), and Chair of the National Cancer Advisory Board (2006-2010). In 2004, Dr. Runowicz was appointment by President Bush to serve a six year term as a member of the National Cancer Advisory Board and, in August 2006, began a four year term as chair of that esteemed board.

She is an author of more than 200 publications, chapters and several books for the public. She is the recipient of numerous awards and honors from national organizations and societies.

**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

December 9, 2010

**Subject: Bachelor of Science in Environmental and Urban Systems (CIP 15.0599)
Program Termination**

Proposed Board Action:

Terminate the Bachelor of Science in Environmental and Urban Systems (CIP 15.0599) and authorize the University President to take all actions necessary in accordance with Florida Board of Governors regulations.

Background Information:

Each university board of trustees has the responsibility and authority to approve termination of degree programs at the bachelor's, master's, advanced master's, and specialist level in accordance with BOG Regulation 8.012 (1) and subsection (2). Upon termination of a degree program, the University will notify the Board of Governors, Office of Academic and Student Affairs within four weeks of the University Board of Trustees decision.

The Florida International University Board of Trustees Policy on Program Termination, approved and effective November 16, 2007, provides, in relevant part:
In order to promote and maintain high quality academic programs, the University may over time develop new academic degree programs or discontinue existing programs.
Program discontinuance is the formal termination of a degree program, department or division of instruction, school or college, or other program unit for educational reasons, strategic realignment, resource allocation, budget constraints, or combination of education strategies and financial reasons.

Supporting Documentation: Program Termination Form

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PROGRAM TERMINATION FORM

Florida Board of Governors

UNIVERSITY:

Florida International University

PROGRAM NAME:

Environmental and Urban Systems

DEGREE LEVEL: B.S.
(List type: e.g., Ph.D.)
Programs)

***CIP CODE:** 15.0599
(*Classification of Instructional

ANTICIPATED TERMINATION DATE:

Spring 2011

The request should be approved by the University Board of Trustees (UBOT) prior to submission to the Florida Board of Governors for approval (doctoral and professional programs) or notification (bachelor's and master's programs). Attach additional pages as necessary to provide a complete response. The issues outlined below should be examined by the UBOT in recommending termination.

Provide a narrative rationale for the request to terminate the program.

This program has been inactive for a long time and has not had any student enrollment, at least for the last decade.

Indicate on which campus(es) the program is being offered and the extent to which the proposed termination has had or will have an impact on enrollment, enrollment planning, and/or the reallocation of resources.

The program has been inactive. There is no impact on enrollment or resources. No students are enrolled in the program. No faculty resource is affected.

Provide an explanation of the manner in which the University intends to accommodate any students or faculty who are currently active in the program scheduled to be terminated. State what steps have been taken to inform students and faculty of the intent to terminate the program?

No students are enrolled in the program. No faculty lines are associated with this program.

Provide data (and cite source) on the gender and racial distribution of students and faculty. For faculty also list the rank and tenure status of all affected individuals.

No students are enrolled in the program.

Identify any potential negative impact of the proposed action on the current representation of females, minorities, faculty, and students.

There is no impact as no students or faculty are associated with the program.

APPROVALS:

For Dr. Fay Zhao

Signature of Requestor/Initiator

11/10/2010

Date

Shelby McWhorter

Signature of Campus EO Officer

11/12/10

Date

Ann [unclear]

Signature of College Dean

11/10/2010

Date

Thomas A. Breslin

Signature of Chair of the Faculty Senate

Nov 12, 2010

Date

[Signature]
Signature of Vice President for
Academic Affairs

12 Nov 2010

Date

[Signature]
Signature of Executive Vice President
and Provost

12x10

Date

[Signature]
Signature of President

11.17.10

Date

Signature of Chair, FIU Board of Trustees

Date

REVISED 10/2007

**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

December 9, 2010

Subject: The Patricia & Phillip Frost Art Museum Collections Management Policy

Proposed Board Action:

Approve the Patricia & Phillip Frost Art Museum's Collections Management Policy.

Background Information:

The Patricia & Phillip Frost Art Museum (the Frost) is currently in the process of reaccreditation by the American Association of Museums (AAM). The Frost anticipates that the reaccreditation review will be completed by March 2011.

With respect to university museums, the AAM recommends that the central governing authority of the university specifically approve the museum's collections management policy, especially as it relates to the acquisition or deaccession of collection works.

The Frost's Collections Management Policy will assist the Florida International University and the Frost in ensuring proper collections stewardship consistent with the Museum's mission and professional museum standards for the selection, acquisition, preservation, use, documentation and disposal or deaccession of its permanent collection. The Collections Management Policy also articulates the processes and procedures involved in negotiating gifts, loans and organizing exhibitions for display in the Museum and for traveling to similar institutions nationally and internationally.

Supporting Documentation: The Patricia & Phillip Frost Art Museum Collections Management Policy


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The Patricia & Phillip Frost Art Museum Collections Management Policy

November 23, 2010

Have read and recommend approval:


Director, Frost Art Museum


Curator of Collections,
Frost Art Museum


Florida International University
Associate General Counsel

Approval:


Provost
Florida International University

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Collections Management Policy**

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Collections Management Policy**

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1.0 Introduction

1.1 Mission of the Museum

The mission of the Patricia and Phillip Frost Art Museum and Sculpture Park at Florida International University (the “Frost Art Museum,” “FAM,” or “Museum”) is to enrich and educate local, national and international audiences through the language of art by collecting, preserving, researching, interpreting and exhibiting art from diverse cultures throughout human history.

The Frost Art Museum, located on the Modesto A. Maidique Campus of Florida International University, provides an exceptional resource for scholarly research and interdisciplinary collaboration, augmenting the university’s educational mission as a local and global center of knowledge and culture.

The Frost Art Museum at Florida International University envisions itself as:

- A cultural beacon for South Florida, with its exhibitions and public programs integrated into the life of the community as inextricably as its schools, recreational facilities and theaters.
- A dynamic, research-oriented university visual arts institution that is a center for interdisciplinary training.

1.2 Purpose of the Museum

The purpose of The Frost Art Museum is to:

- Collect, exhibit, interpret, research and preserve an encyclopedic array of art objects from diverse cultures and time periods.
- Initiate and foster innovative interdisciplinary learning with the university’s academic community.
- Serve as a dynamic cultural learning center for the local and global communities through programming, research, access and educational outreach.

1.3 History of the Museum

The Frost Art Museum, formerly The Art Museum at FIU, was founded in 1977. Initially, James Couper, a professor of painting at the university started the museum as a student gallery. Since then, the Museum has grown to achieve local, national and international recognition as one of South Florida’s key cultural institutions. The Frost Art Museum’s extraordinary programmatic growth during the 1980s and 1990s, qualified the Museum for designation as a “Major Cultural Institution” by both the State of Florida and Miami-Dade County. In 1999, the Museum received accreditation from the American Associations of Museums

The Patricia & Phillip Frost Art Museum Collections Management Policy

(AAM) and in 2001 it became a member of Smithsonian Institution Affiliates program.

Following the groundbreaking for its new facilities in 2003, the Art Museum at FIU was officially renamed The Patricia & Phillip Frost Art Museum. The new building, designed by Yann Weymouth of HOK, renowned museum builders, marks an historical moment for both the Art Museum and the University. For a brief time the museum became a part of an academic unit as a part of the College of Architecture+ The Arts. In 2008, The Frost Art Museum became an independent unit under the direct authority of the **Provost and Executive Vice President**.

1.4 Governing Authority & Collection Responsibility

The Patricia & Phillip Frost Art Museum is part of Florida International University, a public entity of the State of Florida established pursuant to Fla. Stat. §1001.72 and governed by The Florida International University Board of Trustees ("Board").

University Board of Trustees

The Board is responsible for all aspects of cost-effective policy, implementation and maintenance of high-quality education programs consistent with the University's mission and law. The measurement of performance, the reporting of information, and the provision of input regarding state policy, budget and educational standards, including budgetary and administrative oversight over all university units, including the Frost Art Museum is the responsibility of the Board.

The Frost Art Museum Director's Council

In accordance with the museum's policy manual Section 14, the Museum Director chairs the Director's Council, a museum advisory committee that meets on a regular basis.

The role of the Director's Council is to advise The Frost Director on upcoming exhibitions, marketing, fundraising and collections management while supporting the Museum's mission. The Council consists of members from within FIU and leaders from the community at large.

The Acquisitions Committee within the Director's Council will meet on a regular basis to approve acquisitions and deaccessions to and from the collections of The Frost Art Museum. Additionally, the Director's Council shall meet on a periodic basis to review legal and ethical issues, long-range strategic plans, and the Museum's mission and vision statements.

Advisory members include FIU professors, art historians, curators, finance managers, arts enthusiasts and Museum volunteers.

Director

As the chief operating officer of The Frost Art Museum, the Director is responsible for oversight of museum staff, the collection and its proper care, of programmatic and financial operations and of the care and security of the building. The Director is charged with developing and ensuring compliance with all applicable laws and University or museum policy, as well as ethical guidelines as set forth by the American Association of Museums (AAM) and the International Committee on Museums (ICOM).

Staff

It is the responsibility of the Director, staff, interns, and volunteers to protect and preserve the museum's collections. Museum staff shall be governed in their collections-related work by the Collections Management Policies and Procedures, FIU Academic Affairs Code of Ethics for The Frost Art Museum as well as The American Association of Museums Code of Ethics (most recently updated in 2000).

The Curator of Collections, the registration and curatorial staff are the custodians of the collection and share responsibility for the safekeeping of the collection. The Curator of Collections has direct authority and responsibility to make day-to-day decisions regarding the management and physical care of all collections. The Curator of Collections shall also serve in an advisory role to the Director in decisions affecting the collections.

1.5 Purpose of the Collections Management Policy

The Collection Management Policy is intended to serve as a practical guide in managing the permanent collection and ensuring proper collections stewardship consistent with the Museum's mission and professional museum standards for the selection, acquisition, preservation, use, documentation and disposal of its permanent collection. The Collections Management Policy also articulates the processes and procedures involved in negotiating gifts, loans and organizing exhibitions for display in the museum and for traveling to similar institutions nationally and internationally.

2.0 Synopsis of Collections

2.1 Scope of Collections:

The Frost Art Museum's collection is a melding of several distinctive collections: the General Collection and Sculpture Park, the Metropolitan Museum and Art Center Collection, the Betty Laird Perry Emerging Artist Collection, and the Study and Research Collection.

The General Collection also known as the Permanent Collection holds a strong representation of American printmaking from the 1960s and 1970s, photography, Pre-Columbian objects dating from 200 B.C. to 500 A.D., and a growing number of artworks by contemporary Caribbean and Latin American artists. An important and highly visible subset of the general collection is the **Sculpture Park**. Numerous outdoor sculptures are installed throughout the landscape of the University Park campus. The Museum continues to expand the collection through private donations, purchases and acquisitions.

The Metropolitan Museum and Art Center Collection was donated to The Frost Art Museum in order to ensure its intact survival in 1989, when the Metropolitan Museum and Art Center of Coral Gables closed. This collection of more than 2,500 objects includes sculptures, photographs, and paintings by major 20th century figures, an extensive collection of American prints from the 1960s; major sculptural works; important photographs; rare Japanese Netsukes and ancient bronzes from Asian and African cultures.

In support of the University's studio arts program, **The Betty Laird Perry Student Art Collection** is comprised of artworks obtained through purchase awards granted to selected BFA and MFA students graduating since 1980. Numerous award recipients have continued to garner national and international recognition as mature artists.

The Study and Research Collection

This collection has related objects in the permanent collection, or those of lesser quality that contribute to the understanding and appreciation of the permanent collection. These objects can be used for hands-on teaching, demonstrations, study or exhibition, but that are not deemed appropriate to be accessioned into the Permanent Collection.

Non-Collection Objects

The Non-Collection designation allows FAM to deaccession objects that do not merit the same standards of care as the Permanent Collection but that have value as office decoration. Once the University has created a framework for the storage, maintenance and care of the University Collection objects will be transferred to that collection.

The University Collection

The Frost Art Museum has assumed certain responsibilities with regard to works of art that are donated or loaned to Florida International University from time to time. With regard to donated works, the Museum shall be given an opportunity to determine, at its discretion, whether the work is appropriate for accession into any of the Museum's collections, consistent with the Museum's mission and professional museum standards.

The Patricia & Phillip Frost Art Museum Collections Management Policy

In the event that a work of art is not appropriate for accession into any of the Museum's collections, the work may be classified as part of the "University Collection." Although the inventory, care, storage and insurance of the University Collection is the direct responsibility of the University, the Museum has agreed to lend its expertise and assist the University as necessary, including maintaining the archives of the University Collection through its registration department.

The responsibility for inventory, care, storage and insurance of works of art within the University Collection rests with the university unit that maintains custody of the work of art. In the event a unit requests the services of the Frost in connection with the handling of a work of art, the Frost may assess appropriate charges to the unit to account for the services provided.

Art in State Buildings

FAM maintains the archives of the Art in State Buildings collection for collection objects installed in buildings on the FIU campus. These works are commissioned and/or acquired through the State of Florida's Art in State Buildings program and are not acceded into any of the Museum's collections. The objects will be cared for by the appropriate building managers.

3.0 Collecting Policy

It is the policy of The Frost Art Museum to collect objects that enhance and strengthen the Museum's mission. It is FAM's goal to judiciously acquire a cross-section of the best examples of art objects from all times and all places. Objects shall be of sufficient condition, quality and lineal integrity to support the collection and the programmatic needs of the museum and its community.

3.1 Collection Plan

From time to time, Museum staff should review the Museum's collecting goals and deaccession plans to address objects that are no longer able to be safely used, stored or preserved or that no longer support Frost Art Museum's mission. All such objects must be deaccessioned in accordance with all requirements of law, this Collection Management Policy, and professional museum standards.

4.0 Acquisitions and Accessions

4.1 Definitions

Acquisition: An object or a group of objects acquired by FAM as a gift, purchase, bequest, loan, transfer or exchange accepted to further the mission of the museum as one of the following: an accession to the

permanent collection; a long-term loan; a study collection object or a non-collection object.

Accession: A set of one or more artifacts, objects, specimens, etc., received from the same source at the same time that becomes part of FAM's permanent collection; an acquisition that a museum has taken ownership of and holds in the public trust.

Accessioning: a) Formal act of accepting an object or objects to the category of materials that a museum holds in the public trust. b) The creation of an immediate, brief, and permanent record utilizing a control number for an object or group of objects added to the collection from the same source at the same time, and for which the museum has custody, right, or title. Customarily, an accession record includes, among other data, the accession number; date and nature of acquisition (gift, purchase, bequest, etc.); source; brief identification and description; condition; provenance; insurance value; and name of staff member recording the accession.

4.2 Acquisitions Policy

To fulfill its mission to enrich and educate local, national and international audiences through the language of art by collecting, preserving, researching, interpreting and exhibiting art The Frost Art Museum may acquire collections by means of gifts, bequests, exchanges, purchases or by any other transaction by which title to the objects passes to The Frost Art Museum without restrictions. All acquisitions to the collections of The Frost Art Museum must enhance the mission and goals of the museum.

Accessioned artworks are considered permanent and will be retained so long as they continue to be relevant and useful to the mission of The Frost Art Museum and so long as they can be properly stored, preserved and used.

It is the policy of The Frost Art Museum that in the transfer of a work of art, said property is to be free of all liens and encumbrances and that the donor/seller gives, transfers, assigns and delivers all the donor's/seller's rights, title and interest in and to the property as well as any and all copyright and literary rights in and to said work(s). Any exceptions require approval by the University Provost and if applicable in the case of gifts donated to the FIU Foundation, Inc., the Board of Directors of the FIU Foundation, Inc. In such cases where certain intellectual property rights are not conveyed, the Museum will seek a nonexclusive right of reproduction from the copyright owner.

The Museum shall under no circumstances purchase works of art for resale. With respect to donated works, as a general matter the Museum does not accept such works for resale. However, should items be donated for the purposes of resale, the understanding of the parties must be clearly stated in the Deed of Conveyance and the donor is to be apprised to consult with his or her tax advisor

**The Patricia & Phillip Frost Art Museum
Collections Management Policy**

with respect to any applicable IRS regulations regarding tax deductions for donations made for resale. Items acquired for resale must also be approved by the University Provost and all proceeds shall be used for acquisitions in accordance with the policy stated herein for deaccession of works of art.

The Museum shall not capitalize or collateralize any works of art or recognize as revenue the value of donated works.

All Museum acquisitions must comply with all applicable local, state and federal laws, including but not limited to laws governing the ownership or importation of works of art, such as the National Stolen Property Act (NSPA), the Convention on Cultural Property Implementation Act (CCPIA), Office of Foreign Assets Control regulations, and the like. In addition, to the extent applicable the Museum shall review relevant foreign laws prior to making any acquisition, as the status of a work of art under foreign law may impact its status under U.S. law.

In particular, with regard to sale, transfer, or exchange of artworks, the Museum should request that the seller warrant and represent that it has valid title and that the work is free from any liens, claims and encumbrances, and the Museum shall seek indemnification to the maximum extent possible.

With respect to all acquisitions, the Museum shall comply with Florida Statute, §1006.58, Fla. Stat., stating that: “No employee, representative, or agent of the university shall receive a commission, fee or financial benefit in connection with the sale or exchange of a work of art, art history or natural history, nor may he or she be a business associate of any individual, firm or organization involved in the sale or exchange.” It is the policy of the FAM that no close relatives or family members of employees of the FAM or governing body of the FAM shall receive a commission, fee or financial benefit in connection with the sale or exchange of an object(s) acquired by the FAM.

Authority

§ 1006.58, Fla. Stat. (2008); ss. 212.08(7)dd, Fla.Stat.; ss. 265.565, Fla. Stat.; Provost and Executive Vice President, 14.30, 14.80; University Policy (Property Control); American Association of Museums (AAM) Code of Ethics for Museums, adopted 1991, revised 2000; International Council of Museums (ICOM) Code of Professional Ethics, adopted 1986, revised 2004.

4.3 Methods of Acquisitions

Objects may be acquired for the FAM collection by any of the methods listed below. Some acquisition types such as objects in the study and research collection will be “non-collection” status and do not require the same stringent policies for care as do “permanent collection” objects.

Gift/Donation

An object or a group of objects donated to The Frost Art Museum where no exchange transaction has taken place and the FAM obtains the object and its title.

Promised gift

An object or a group of objects promised for some time in the future to The Frost Art Museum in the form of a letter of intent from the intended donor. A promised gift in the care of The Frost Art Museum will be treated as a loan until the gift paperwork has been completed and the title of the object has been transferred to the museum.

Bequest

A transfer of objects to the Museum based on the terms of the will of the deceased. The Museum has final authority to deem the acquisition type (accession or other type of acquisition) for objects bequeathed to the Museum.

Purchase

An acquisition where money is exchanged for an object or group of objects from a vendor, dealer or artist. In most cases, purchases should only be made for mission-supportive objects that will be accessioned and become part of one the Museum's collections.

**Non-Collection Objects and
Study and Research Collection Objects**

Non-collection objects (these objects will have a "NC" prefix in their object number) may be acquired - through the deaccession process - for decorating offices and non-exhibition spaces in the museum. Study Collection objects (these objects will have a "SC" prefix in their object number) are acquired for use by faculty, students and researchers. Neither SC nor NC objects are accessioned into the Permanent Collection. These objects are governed by the general property control policies of the University.

Purchase Award

An acquisition that is purchased with funds that have been donated specifically for the purpose of procuring an example of an artist's work for the Museum. An example would be the Betty Laird Perry Purchase Award that is awarded by the museum to one student in each graduating class of BFA and MFA students.

Transfer

Objects may be acquired through transfer from another department of the University or from a similar institution.

Exchange

An object or a group of objects may be acquired from a similar institution in exchange for objects deaccessioned from FAM's permanent collection.

Found In the Collection

Objects that have no identifiable object record, donor record or accession/collection numbers are considered to be "found in the collection." Such objects will be assigned numbers with the suffix "FIC" indicating their found in collection status. Reasonable effort will be made to identify the objects, the provenance and to determine the original accession number. A report will be filed using the Found in Collection (FIC) worksheet. The objects will then go through the acquisitions review process to either be accessioned or become part of the study and research collection. Objects of sufficient quality that are not accessioned will be offered to the greater university community. After sufficient public notice if no prior owner is identified and if it is not acquired by the Museum and is not of sufficient quality to be offered to the university it will be considered as abandoned property and discarded.

Fractional gifts

The Museum generally does not accept fractional gifts, unless the work of art is exceptional and acceptance of a fractional gift is in the best interest of the Museum. Donors are encouraged to execute a non-cancelable bequest to the University by will or trust of any remaining fraction owned by the donor at the time of his or her expiration.

To assure the donor's ability to take a charitable tax deduction, the IRS requires that a fractional gift remain in the possession of the Museum for the number of days each year that correspond to the percentage of the Museum's ownership share. The responsibility for meeting this requirement rests with the donor. Generally, the donor must bear all costs relating to packing, shipping, and insurance of a fractional gift.

4.4 Procedures for Acquisitions

Works of art considered for acquisition to the FAM shall be reviewed and approved by the Director of The Frost Art Museum and The Frost Art Museum's Acquisitions Advisory Committee, which may include the chief curator, the curator of collections, the chief preparator, and at least one outside expert.

For artworks that cannot be reviewed on site, donors and sellers should provide detailed information about the art objects including:

- detailed description.

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- recent photography of the object in its current location.
- current condition and any known history of past restoration.
- provenance.

Upon initial approval, arrangements will be made to receive the objects. Unless otherwise agreed by all parties, the objects will be shipped to the museum at the expense of the donor/seller. A final decision will be made when the object is physically present and can be reviewed by the Acquisitions Advisory Committee. Objects that are not accepted will be returned at the expense of the Museum.

4.5 Criteria for Acceptance

The Acquisitions Advisory Committee, in determining whether to acquire a work of art for any of the Museum's collections, may consider a wide variety of factors, such as the provenance of the work of art, its condition, its importance to the Museum's collection, the interests of the public and/or artistic, scholarly and cultural community in accepting the work of art, and the Museum's own financial resources and the feasibility of acquiring, preserving and/or storing the work of art. Accordingly, without limitation, the following factors should be considered prior to acceptance of a work of art:

Knowledge of the physical object. There should be first-hand visual knowledge of the object before an acquisition is considered.

Quality. The quality and authenticity of the object shall be determined through careful comparison with the best artworks in the Permanent Collection and with comparable artworks elsewhere in terms of style, technique, aesthetic, historical or cultural merit, condition, documentation, etc.

Significance to the Collection. It is the responsibility of the FAM to assure that the object(s) enhances the strength of the collection. It is important to identify how a new acquisition will complement or contribute to the existing collection. The accessions committee will take care to avoid duplication of objects already in the collection.

Condition of the object. It is the responsibility of the FAM to provide the resources and services to assure proper care, maintenance and preservation of the FAM's collection objects. In order to determine the extent to which it has been affected by time, altered by prior restoration and use, and to assess the requirements for its preservation in the future, a trained professional should examine the condition of the object(s).

Storage and use. The museum must be reasonably able to safely use and store the object within the physical parameters of the museum and its storage vaults. Therefore materials, size and

number of objects may be considered when reviewing objects for acquisition.

Provenance. The Museum shall research the provenance of a work of art prior to acquisition to determine that the Museum may legally obtain clear title. The history of the ownership of the work shall be established to the fullest extent possible, including the countries in which the work of art has been located and when; the exhibition history of the work of art, if any; the publication history of the work of art, if any; whether any claims to ownership have been made; whether the work of art appears in relevant databases of stolen works; and the circumstances under which the work is offered to the Museum. The FAM shall take reasonable precautions to assure itself that any object it acquires has not been recently removed from its country of origin (or from the country where it was last legally owned) in violation of that country's laws and is in compliance with the 1970 UNESCO Convention on the Means of Prohibiting and Preventing the Illicit, Export, and Transfer of Ownership of Cultural Property. Additionally, the FAM shall take careful precautions to ensure that the object has not been acquired in violation of Native American Graves Protection and Repatriation Act (NAGPRA) and to take reasonable care to assure that the object's provenance demonstrates that it was not appropriated without proper proof of lineage during the Nazi Era (1933-1945).

Provenance Research. Our policy requires that the provenance information must be submitted, reviewed and found to be satisfactory by the Acquisitions Committee in order for an object to be considered for acquisition.

Title. The FAM shall ascertain, with the advice and approval of University Counsel when needed, the precise nature of title (including issues of provenance) in the considered acquisition, and—whenever possible—acquire all copyright privileges.

Conditions of ownership. It is FAM's policy that no objects should be acquired with restrictions limiting its use or disposal. If however, in certain instances it is decided to acquire an object to which restrictions have been attached by the seller or donor, all restrictions must be written into the instrument of conveyance and be reviewed by the Director of the museum, The Acquisitions Advisory Committee, University Counsel and the Provost, as appropriate.

4.6 Objects That Are Not Accepted for Acquisition

In the event the Acquisitions Advisory Committee declines to accept a work of art, the object(s) will be returned to the owner at the FAM's expense or, if acceptable to the owner, referred to the University for inclusion within the University Collection.

4.7 IRS Documentation and Requirements for Gifts and Legal Transfers

Donations to the Florida International University or the FIU Foundation, Inc. for the benefit of The Frost Art Museum are generally tax deductible under the Internal Revenue Code. An IRS 8283 form should be filled out by the donor and submitted to the registrar for all gifts of artwork for which the donor wishes to take a tax deduction after the donor has relinquished control of the object. The form will be signed by University Advancement and the original returned to the donor. A certified appraisal should accompany the IRS 8283 form for donors wishing to receive a tax benefit for gifts of individual objects with valuation of \$5,000 or greater, or for gifts consisting of more than one artwork with a total value of \$20,000 or greater.

Artwork(s) purchased or imported exclusively by individuals for the purpose of long-term loan to and made available for display by the FAM may be exempt from taxation for the duration of the loan period, provided that the term of the loan agreement is for at least 10 years in accordance to Florida Statute ss.212.08(7)cc.

The Museum will assist University Advancement in processing gifts-in-kind in accordance with the FIU Foundation's Non-Cash Gifts Policy, Policy # 1530.020.

4.8 Appraisal

The Frost Art Museum will not perform or provide appraisal of any art objects or recommend or make arrangements for the appraisal. The FAM shall require donors to provide a copy of appraisals of donated objects made for purposes of tax deduction. The Museum will provide the appraiser with access to the work of art or relevant factual information in the Museum's files.

The Museum may assign a monetary value to a work of art by reference to comparative price or other available information for its internal purposes only (such as insuring works of art). The sources of such pricing information shall be documented in the object records for future reference.

4.9 Object Documentation

The FAM registration staff is responsible for preparing and maintaining all original records and documentation (manual and electronic) associated with the acquisition of collection objects. These records shall include but not be limited to the following:

Incoming receipt. An incoming receipt should be issued for all objects entering the museum's custody for any reason as a record of the transaction.

Deed of Conveyance. The written Deed of Conveyance (Deed of Gift, Bill of Sale or, for bequests a Decree of Distribution and a Will) shall constitute the legal record of transfer of title of property to The Frost Art Museum. It shall include all conditions governing the transfer of title from the donor/seller to The Frost Art Museum. Two original copies will be prepared and signed and dated by the donor/seller and counter-signed by the museum's Director. One original copy will be deposited and maintained by The Frost Art Museum, and one original copy will be given to the donor/seller. A copy of the original Deed of Conveyance and a copy of appraisal document provided by the donor will be forwarded to the Office of Advancement in order to establish the legal audit trail. For acquisitions valued at one thousand dollars (\$1,000) or more a copy of the original Deed of Conveyance will be forwarded to Property Control Department for assignment of property control number. This number must be entered in the collections management database.

Accession record number. All new acquisitions shall be described and recorded in an Accession Log Book and in a digital version of the log book. The gift will be assigned an Accession number and each individual object conveyed in the gift will receive a unique Collection number (example: a collection of four objects is donated by Donor "C." The gift is assigned an Accession number FIU 2009.3--which indicates it is the 3rd accession of 2009-- and the individual objects are numbered as FIU 2009.3.1, FIU 2009.3.2, etc.)

Registration records. Registration records of accessioned objects shall include, but not be limited to conditions of acquisition; a descriptive catalogue record; evidence of legal ownership or possession; description of object condition; current object location; and prior history of ownership and record of all activities of such object including loan, exhibit, conservation, etc.

Object file. All registration and curatorial information and documentation associated with collection acquisitions shall be kept and maintained in an object file(s). Object files will be maintained by the Registration Department and are only to be removed from the department by the curatorial department as authorized by the Curator of Collections. Copies may be made

of the materials contained in the object files but the original files are not to be removed from the museum.

Donor file. The FAM shall prepare and maintain general information on donors and donations made to the FAM. The donor file should include the signed originals of the Deed of Gift, copies of IRS 8283 forms and appraisals provided by the donor.

Photography. Photography during object entry is for documentation and identification purposes to be kept in the object file and to link into the collections management database.

Cataloging (electronic and worksheet). Cataloging uses standard formats that identifies and describes in detail physical attributes of the work and categorizes it in a classification system. Cataloging is part of documentary control of the collections, placing the object into proper context and determining information important and unique to each object. It may include information concerning the provenance of objects, details of acquisition, conservation, exhibition and loan history, and location history. It should provide cross-references to any other relevant information source known to the museum.

All correspondence, shipping receipts and other documentation related to an acquisition shall be maintained in the appropriate accession, object or donor files.

5.0 Deaccession and Disposal

Purpose

To establish standard policies and procedures regarding the manner and method for the disposal and deaccessioning of collections from The Frost Art Museum.

Authority

§ 1006.58, Fla. Stat. (2008); ss. 265.565, Fla.Stat.; Provost and Executive Vice President, 14.40; University Policy,; American Association of Museums (AAM) Code of Ethics for Museums, 1991; International Council of Museums (ICOM) Code of Professional Ethics, 1990; Report of the AAMD Task Force on Deaccessioning, June 9, 2010

5.1 Deaccessioning and Disposal Policy

The FAM collection does not exist in isolation and is influenced by the following: changes in cultural, aesthetic, scholarly or educational trends; strengths and specializations developing in other institutions; adjustments in the institutional vision, mission and mission-driven goals of the museum. Because of these

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elements of change, it is essential that careful consideration is given to policy and procedures for deaccession and disposal of collections. Although The Frost Art Museum considers its collection permanent, a degree of flexibility must be maintained so that a procedure exists for the disposal of accessioned works of art.

In disposing of The Frost Art Museum Collections through deaccessioning, due consideration must be given to The Frost Art Museum and University community in general, the interests of the public it serves, the interests of the artistic, scholarly and cultural community and the Museum's own financial well-being. Deaccessioning of collections shall only take place if it is determined that the item(s) are no longer appropriate for The Frost Art Museum Collection(s) and/or for the purposes of strengthening and improving the collection.

Funds received from the disposal of a deaccessioned work shall not be used for operations or capital expenses. Such funds, including any earnings and appreciation thereon, may be used only for the acquisition of works in accordance with applicable law. In order to account properly for funds received from a deaccessioned work, such funds and any earnings thereon shall be tracked separately from other funds. In exceptional cases approved by the Director, funds derived from the sale of deaccessioned works may be used for purposes analogous to the purchase or commission of works of art, specifically the creation of new works, including some that may not be collectible, provided that in no event shall such funds be used to pay operating or capital expenses.

If the Museum is proposing to dispose of less than all of its interest in a deaccessioned work, the disposal should only be made to an organization that is open to the public.

In disposing of objects whether by sale, exchange, or transfer, it is The Frost Art Museum's goal to maintain the works in perpetuity for the benefit of the public. In support of this FAM shall first consider offering items to be deaccessioned to the following: other Florida State universities, or State owned museums, or to other non-profit museums, or appropriate public education institutions prior to considering sale by public auction or other means.

Those involved in the deaccessioning of collection items, or individuals who might act for them may not acquire objects from the Collection under any conditions. Further, with regard to the sale or transfer of collection items Florida Statute ss.1006.58(2) shall apply and states:

“In the sale or exchange of art works, no employee, representative, or agent of the university shall receive a commission, fee or financial benefit in connection with the sale or exchange of a work of art, art history or natural history, nor may he be a business associate of any individual, firm, or organization involved in the sale or exchange.”

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No member of the University Board of Trustees, museum staff, or anyone whose association with the Museum might give them an advantage in acquiring a work, shall be permitted to acquire a work deaccessioned by the Museum, provided, however, that the foregoing shall not apply to a sale by the Museum of its interest in a work to one or more of the co-owners of the work.

5.2 Procedures for Deaccessions and Disposals

The Director of The Frost Art Museum is authorized to initiate and oversee the deaccessioning of collections, with the procedures and documentation to be executed by the Registration Department. The FAM may deaccession objects (unless they present a hazard to staff or other collection objects) from its collections only with full approval of the Director, as authorized by Florida Statute § 1006.58 and concurrence by the University Attorney that The Frost Art Museum has the legal title to the objects under consideration and the right to do so. The decision and approval for deaccessioning collection objects shall also include the manner and method by which the object(s) are to be disposed.

In selecting the manner and method of disposal, consideration should be given to the beneficiaries of the FAM, the interests of the general public, to the need to retain public confidence in the management of the Museum and to any unusual considerations which may influence the particular method of disposal. The Director shall exercise due care to assure that any recommendations for deaccession are based on authoritative expertise. Third-party review and appraisal may be considered in the case of objects of substantial value. When precatory (non-binding) statements accompany the acquisition, they must be carefully considered, and consultation with the donor or heirs should be attempted. Whenever possible, and as a policy of good will, efforts shall be made to advise donors (or their heirs) of pending deaccession action and use of the donor's name in association with new acquisitions shall be considered. Preferred methods of disposal are sale or transfer to, or exchange with another public institution, sale through publicly advertised auction, and sale or exchange to or through a reputable, established dealer. Every reasonable effort should be taken to identify and evaluate the various advantages available through different means of disposal. In the case of a living artist, consideration may be given to an exchange with the artist. The Property Control Department shall be notified of disposal of property.

5.3 Criteria for Deaccession

Objects that can be considered for deaccessioning include the following:

1. Objects that no longer pertain to the mission of the museum or the stated focus of the scope of collections.
2. Objects that have deteriorated beyond their usefulness for study, exhibition, or ability to convey the intention of the creator.
3. Objects that present a health hazard or physical danger to museum staff, visitors or other objects in the collection.

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4. Objects that have deteriorated or been restored to such an extent that only the smallest fraction of the object is original.
5. Objects that have been determined not to be authentic such as forgeries with no value, replicas, reproductions, etc.
6. Objects that duplicate other objects in the Collection.
7. Objects that could be exchanged for better examples.
8. Objects by living artists that could be exchanged for better artworks by the artist (with the knowledge of the artist, if donated by the artist.)
9. Objects donated to the museum with the understanding that they may be sold or exchanged.
10. Objects have been found to be in the museum's possession illegally (previously stolen, illegally sold, and illegally imported/exported).

If an object acquired by the FAM as a gift or bequest, with restrictions, is to be considered for deaccessioning, any legal restrictions attached to that gift or bequest shall be honored. The Frost Art Museum Director may invite acknowledged specialists in the field and seek outside opinions as to the quality, significance, value or condition of the art objects under consideration. The actions of those authorized to advise on or approve deaccessions shall become a matter of written record with regard to how the objects from the collection are chosen for deaccession, and how the value and significance of the objects are determined.

Recognizing that while the governing entity bears final responsibility for the collection including both acquisition and disposal process, the curatorial and administrative staff together with their technical associates are best qualified to assess the pertinence of an object to the collection or museum's programs. Only for clear and compelling reasons should an object be disposed of against the advice of the Museum's professional staff.

5.4 Use of Deaccessioning Funds

In considering the full range of factors affecting the public interest, any financial return from the deaccessioning of collections shall be deposited in an auxiliary account to be used solely for the purchase of acquisitions to be added to The Frost Art Museum Collection as stated in Florida Statute ss.1006.58. None of the revenue generated will be used to fund operating costs or salaries. Funding for newly acquired and accessioned objects are attributed to the original donor(s).

5.5 Documentation of Deaccessioning

When objects are deaccessioned, all registration records, identification of the original donor and all pertinent information shall be kept on record in The Frost Art Museum's object files and in the collections management database. All records must be altered by the Registration Department to show the date and method of disposal.

In accordance with AAMD's policy on deaccessioning, the Frost will publish on its website within a reasonable period of time works that have been deaccessioned and disposed of.

6.0 Loan Policy

Purpose

To establish a loan policy and procedures for the loan of works of art to and from The Frost Art Museum at Florida International University.

Authority

ss.265.565 Fla Stat.; Provost and Executive Vice President, 14.50; American Association of Museums (AAM) Code of Ethics for Museums, 1991; International Council of Museums (ICOM) Code of Professional Ethics, 1990.

6.1 Policy and Procedures

To support its educational and public program mission and goals, under approved conditions, The Frost Art Museum shall from time to time make its collection available for loan and shall borrow art objects or items from other sources. The Director of The Frost Art Museum shall oversee the loan process and procedures and shall authorize and approve all loans to and from The Frost Art Museum at Florida International University.

All loans both incoming and outgoing to and from the FAM will be made for a specified time period and for a specific purpose, usually exhibition, but may include approved research, study or other educational purposes consistent with the stated goals and policies of the FAM. Loans from the FAM collection shall only be made to other similar museums, art centers, or not-for-profit institutions for educational and public programs and under no circumstances will the FAM loan its collection to individuals or organizations for personal or private use or benefit. Further, all loans shall be conducted by means of a written contract/agreement between owner(s) or duly authorized representatives of both parties and must remain in the possession of the owner or authorized party until returned to the Lender of record.

6.2 Outgoing Loan Criteria and Conditions

A request for an outgoing loan will be assessed to ascertain that the borrowing institution satisfies the same standards of practice and care as the (FAM) and other similar AAM accredited institutions. All outgoing loans will be governed by the requirements and conditions stated in FAM's "Governing Conditions of Outgoing Loans Agreement," or similar loan contract as outlined below.

Loan Requests. A written request for specific objects is required (9) months in advance of the exhibition opening date. Only exhibition venues with specific locations and dates will be

considered. Any change in schedule, venue, or other conditions of loan must be requested in advance and in writing to the Registrar. Approval by the FAM will be confirmed in writing.

Facility Reports. A recent American Association of Museums (AAM) General Facility Report from the borrowing institution(s) involved must be submitted to the FAM's Registration Office for review before the loan can be approved. Approval of a loan request is granted only to those facilities that meet the FAM standards.

Fees and Expenses. The Borrowers should, wherever possible, bear all expenses of the loan, which may include but are not limited to insurance premiums, packing, crating, loan fees, preparation fees, photography, courier expenses and transportation.

Loan Fees: (at the discretion of the Director)

Loan fees may be used to cover administrative costs.

- \$ 100 per object (paintings, sculpture, objects, textiles).
- \$ 75 per work on paper (drawings, prints, watercolors, photographs, posters).

Conservation treatment, framing and/or mount requirements may result in additional costs, which will be confirmed and itemized on the FAM Object Loan Invoice.

Insurance. The FAM Registration Department must be furnished with a *Certificate of Insurance* from the Borrower naming The Florida International University Board of Trustees, the Florida Board of Governors and the State of Florida as an additional insured and loss payee. This certificate must be received prior to shipment of the objects. If the Borrower is not insuring the objects, it will be billed for an insurance premium. Insurance will be placed in the amount specified by the FAM which must reflect the objects fair market value.

Packing and Crating. The FAM certifies the objects borrowed are in stable condition and able to withstand ordinary strains of packing, transportation and handling. The FAM will pack and crate loans as necessary to their specifications. The Borrower will be billed for these costs.

Transportation. The FAM Curator of Collections must approve all transit arrangements including packing, sending, and returning. Forwarding agents approved by the FAM must supervise international shipments.

Couriers. The FAM will appoint, approve, and determine the number of couriers required for the delivery and return of the objects based on contents, values, itinerary, and person(s) acting as courier.

- International loans should, wherever possible, be accompanied by a FAM staff member.
- Domestic loans may also require a courier if an object is rare or requires special handling or installation.

Courier Expenses:

- A courier for domestic loans shall receive up to two night's hotel accommodation and three days per diem in accordance with the University's travel policy and applicable law.
- A courier for international loans to countries in Central America, South America, Europe and Africa shall receive a minimum of three nights' hotel accommodation and four days per diem. Loans to Australia and countries in Asia will require four nights' hotel accommodations and five days per diem. Minimum per diem rates will be based upon United States Department of State per diem allowances.
- Necessary expenses beyond the per diem will be billed to the Borrower.
- Business class seating is suggested for all couriers with hand-carries, couriers when accompanying a loan, and on flights longer than (8) hours.

Photographs. Photographs and/or transparencies and/or digital files will be supplied by the FAM at the Borrower's expense. All photographs and/or transparencies must be accompanied by the credit line, the required copyright and language provided by the FAM. Application for reproduction permission must be made in writing to the Curator of Collections. Phone: (305) 348-2891, Fax: (305) 348-2762.

Photography for sale or profit purposes is strictly prohibited, as is photography by public visitors. No documentary film, videos or any other image-based product of any kind, whether educational or commercial, may be produced without the express written permission of the FAM.

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Credit Lines. The Borrower will credit the FAM on all labels, the exhibition catalogue, and any publicity connected with the exhibition. The credit lines for loaned objects are as follows:
"Courtesy of The Patricia and Phillip Frost Art Museum, Florida International University, Miami, Florida" unless otherwise indicated on the Loan Agreement.

Billing. Invoices will be prepared by the FAM Registration Department, and will be sent to the Borrower named on this loan agreement. The FAM will not divide charges among participating institutions.

Cancellations. If a loan is canceled less than 90 DAYS prior to the exhibition opening date, the Borrower will be billed for the loan and preparation fees, and any accrued expenses and crating costs which have already been expended.

Recall. The FAM reserves the right to recall the loan if the delineated conditions are not met.

Rights of Termination. The Frost Art Museum reserves the right to terminate loans or remove them from display with reasonable cause and written notification to the lender.

6.3 Outgoing Loan Documentation

The following documentation should be transferred to the borrower and should be kept in the outgoing loan file for the objects:

Registration checklist including object number, title, artist year, media, descriptive information and insurance value.

Outgoing loan agreement and/or exhibition contract. Two originals to be signed by the borrower and lender prior to release of the objects, with each party receiving an original.

Condition reports and photographic documentation of each object to be shipped with the objects.

Copy of the Certificate of Insurance or Certificate of Indemnity, U.S. Indemnity Program or Florida's Art and Artifacts Indemnity Program, ss.265.51-265.56, from the borrowing institution must be received prior to shipment of the objects.

Outgoing receipt accompanies objects upon release from the custody of the museum. It is to be signed by the lender, the borrower, and if applicable, by the venue receiving the objects if the

objects are not returned directly to the lender. The outgoing receipt indicates a description of the objects, lender and borrower contact information, dates of loan period, date of receipt by the borrower, and placement of insurance liability. The form is to be signed, dated, and returned to the museum or lender.

Crate list with crate contents, dimensions and weights.

Packing Requirements and notes included with any special instructions for unpacking and re-packing.

Pro-forma invoice if traveling internationally.

6.4 Incoming Loans

Incoming loans may include entire traveling exhibitions or individual objects lent in support of exhibitions, programs and research by the FAM. Requests for loans to the FAM shall be made in writing by the appropriate curator and shall be reviewed with consideration of the objects' provenance, condition, the clarity of rights and title, the presence of lender imposed restrictions, and the associated costs of the loan.

6.5 Incoming Loans Criteria and Conditions

The Director of The Frost Art Museum is responsible for review and authorization of all Incoming loans made to the FAM.

Criteria for Borrowed Objects

The FAM shall only borrow artworks for a specific purpose, usually exhibition, that the Director determines would enhance the quality of the museum's programming or curatorial efforts, in accordance with all applicable laws and professional museum standards

A written loan agreement shall be prepared and include authorized signatures of both the Owner/Lender and The Frost Art Museum.

Care, Preservation, and Exhibition

The FAM will exercise the same standards of care and safekeeping in handling and preservation of borrowed objects as it provides its own collection. Precautions will be taken to protect objects from fire, theft, mishandling, dirt and insects, and extremes in light, temperature and humidity while in the Museum's custody.

Evidence of damage at the time of receipt or while in the Museum's custody will be reported immediately to the Lender.

No alterations, restoration or repairs will be done without the written authorization of the Lender.

The FAM retains the right to determine when, if, and for how long objects borrowed will be exhibited and retains the right to cancel the loan upon reasonable notice to the Lender.

Packing & Transportation

The Lender certifies that the objects lent are in such condition as to withstand ordinary strains of packing and transportation and handling. The Lender must send a written report of the condition of objects prior to shipment to the Museum. Otherwise, it will be assumed that objects are received in the same condition as when leaving the Lender's possession. Incoming/Outgoing Condition Reports will be made at the FAM by the Registration staff upon arrival and departure.

The Lender will assure that said objects are adequately and securely packed for the type of shipment agreed upon, including any special instructions for unpacking and repacking. Objects will be returned packed in the same or similar materials as received unless otherwise authorized by the Lender.

Insurance

Unless otherwise specified in the exhibition contract or loan agreement, the FAM will insure the work(s) wall-to-wall under its fine-arts policy for the amount specified by the Lender (which must reflect fair market value) against all risks of physical damage from any external cause while in transit and on location during the period of this loan; provided, however, that if the work shall have been industrially fabricated and can be replaced to the artist's specifications, the amount of such insurance shall be limited to the cost of such replacement. If no amount shall have been specified by the Lender, The Frost Art Museum will insure the work at its own estimated valuation. Any valuation assigned by the FAM for insurance purposes shall not be construed as an appraisal.

The Museum's fine-arts policy contains the usual exclusions of loss and damage due to war, invasion, hostilities, rebellion, insurrection, confiscation by order of any Government or public authority, risks of contraband of illegal transportation and/or trade, nuclear damage, wear and tear, gradual deterioration, moths, vermin, and inherent vice, and for damage sustained due to and resulting from any repairing, restoration or retouching process unless caused by fire and/or explosion. Lenders must agree that, in the event of loss or

damage, recovery shall be limited to such amount, if any, as may be paid by the insurer.

If the Lender elects to maintain his/her own insurance coverage, then prior to shipping the FAM must be supplied with a certificate of insurance naming the FAM as an additional insured or waiving rights of subrogation. If insurance is waived by the Lender, the Lender must release and hold harmless the University from any liability for damages to or loss of the loan property.

Reproduction & Credit

The FAM reserves the right, unless specifically denied by the Lender, to examine the work by all modern scientific and photographic means available. Information thus gathered will remain confidential and will not be published without the written consent of the Lender.

Unless the FAM is notified in writing to the contrary, it is understood that a loan may be photographed and reproduced in the Museum's publications and for educational and publicity purposes connected with this exhibition.

Change in Ownership and/or Address

In accordance with Florida Statute ss.265.565, it is the responsibility of the Lender or his agent to notify The Frost Art Museum promptly in writing if there is any change in ownership of the objects (whether through transfer or death) or if there is a change in the identity or address of the Lender. The FAM assumes no responsibility to search for a Lender (or owner) that cannot be reached at the address of record.

Extension/Return/Cancellation

Objects will be returned only to the Lender of record or to a location mutually agreed upon in writing by The Frost Art Museum and the Lender of record.

If the FAM's efforts to return the objects within a reasonable period following the termination of the loan are unsuccessful, then the objects will be maintained at the Lender's risk and expense for a maximum of 180 days. If after 180 days the objects have not been claimed, then the objects will be considered as "Unclaimed Property" and the museum will comply with the requirements of Fla. Stat. § 265.565.

6.6 Long-term Loans

As with all incoming loans, the duration of a long-term loan must be determined and agreed to in writing by both parties. The loan period should not exceed five years.

Long-term loans may be renewable but the terms of the loan, the contact information for the lender as well as the insurance value of the object should be reviewed and updated on a periodic basis.

Long-term loans shall be governed by the acquisitions policies and procedures set forth herein and once accessioned will be cared for in the same manner as accessioned objects.

Numbering. The accession and collection numbers will have a prefix of "L" indicating that it is a long-term loan (ex.: FIU L2000.1).

6.7 Incoming Loans Documentation

Incoming loans should have the following documentation kept in the incoming loan file:

Incoming Receipt. An incoming receipt should be issued for all objects entering the museum's custody for any reason as a record of the transaction.

Incoming Loan Agreement or Exhibition Contract. The incoming loan agreement is to be reviewed and signed by both parties well in advance of the transfer of objects (no later than 90 days prior to the transfer).

Certificate of Insurance (COI). The COI is to be in place prior to the movement of the objects, with a copy provided to the lender and a copy kept on file by both the Registration Department and the University's Office of Risk Management.

Condition Report and Photo Documentation.

A condition report along with photographic documentation is to be completed upon receipt and unpacking of the objects and should be reviewed and updated prior to repacking the objects for return shipment.

Unpacking Notes. Notes and photographic documentation--if necessary--should be written during unpacking by the preparation staff as they unpack the objects so that at deinstallation there are no questions as to how the objects should be repacked. These

notes should be kept on file in the registration office for the duration of the exhibition.

Outgoing Receipt. At least two copies of an outgoing receipt should be created when the objects are to be released for shipment to the lender or to the next venue. The outgoing receipts are forwarded along with a Self Addressed Stamped Envelope (SASE) for easy return to the receiving party for counter-signature upon arrival at the next venue. One receipt should be returned to the lender, one receipt should be kept by the borrower (and one receipt should be kept by the venue receiving the objects if the objects are not returned directly to the lender).

6.8 Unclaimed Loans and Abandoned Property

In the event that works held by the Museum under a loan agreement are left unclaimed by the owner a reasonable effort will be made to identify and contact the owner of unclaimed loan property and the Museum shall comply with the requirements of Fla. Stat. 265.565

In order to avoid appropriating unsolicited objects, no staff member, intern or volunteer should accept objects or packages sent or hand-delivered by unfamiliar parties unless instructed to do so by the Director or the Curator of Collections. If for whatever reason the Museum receives unsolicited objects left in the Museum's custody, such objects will be treated as abandoned property and forward to the University's Property Control office for disposition.

6.9 Campus Loan Program

Description and Purpose

The campus loan program was initially developed in the early stages of the museum. Because the museum had only one gallery and no place to house and exhibit the permanent collection, campus loans were initiated for the mutual benefit of the museum and the university community. In this way, the museum's collection would have a presence and the university would be able to enjoy original works of art in public and office spaces. They may not be moved or re-loaned without the permission from the FAM, and it is the responsibility of the borrowing office to immediately report any damage to or change in the condition of the object to the museum.

Now that the museum is properly equipped to exhibit and store its objects, and in accordance with professional museum standards and/or the best practices as established by the American Association of Museums (AAM), the Museum shall retrieve, store and use objects that are currently on campus loan that are

installed throughout campus, with exceptions made only at the discretion of FAM Director.

- **Inter-Departmental Loan Agreement** is the documentation used between the FAM and all the FIU departments throughout campus including The Ronald W. Reagan House, Offices of the President and the Office of the Provost.
- **Removal of Artwork-Campus Loan Program** is the documentation used for the removal of artworks on campus loans that are retrieved and returned to the museum.

6.10 Art in State Buildings Program

The Art in State Buildings Program ("ASB") was established in 1979 by the Florida Legislature. ASB requires that each appropriation for the original construction of a state building which provides public access shall include an amount of up to 0.5 percent of the total appropriation for the construction of the building, not to exceed \$100,000, to be used for acquiring artwork for permanent display in public areas in the interior or on the grounds or the exterior of the building. The program is administered by Florida Department of State, Division of Cultural Affairs.

Artwork Maintenance Responsibilities

Maintenance and security of the artwork acquired through this program shall be the responsibility of the User Agency of the facility where the artwork is sited. Artwork becomes the property of the User Agency and is placed in the agency's inventory for insurance purposes.

If requested by the User Agency, the Division will offer its recommendations for any necessary maintenance, cleaning, or repairs, which will be based on written instructions submitted by the artist at the time of purchase or installation of the work, or on consultations with professional art conservators.

FAM registration department will maintain the records for ASB artworks. FAM's Sculpture Park Manager will monitor the condition of the artworks placed in the Sculpture Park and on the exteriors of buildings on FIU's campuses.

7.0 Care and Preservation of Collections & Risk Management

7.1 Staff Responsibility

The museum staff and particularly the registration, curatorial and exhibition/preparation staff members, are charged with the continuous care and preservation of objects in the collection and on loan to the museum in

accordance with the established professional standards of the American Association of Museum (AAM).

7.2 Handling of Objects and Transport

Objects in the collection and on loan to the museum are to be handled solely by properly trained museum professionals. The Registration Department and chief preparator will be responsible with providing appropriate staff members with the proper training and oversight. Regular activities like cataloging, photographing, housekeeping, and packing for shipment all require staff to handle and work with objects. All museum objects are treated with equal care, regardless of their monetary value. These are the following general guidelines:

- Know the condition of an object before moving it.
- Avoid wearing anything that might damage objects by scratching or snagging the surface, such as rings and other jewelry, watches, belt buckles, nametags, and service badges.
- Use proper supplies and equipment for moving objects such as flat beds, dollies, carts, padding, quilted furniture pads, trays, cotton or plastic gloves.
- Plan your move; determine before the move the safest way to lift the object; where is it going or being placed; how many people are required to move it; use both hands.
- Take your time; handle only one object at a time.
- Objects cannot be left unattended at any time during transport, transfer, or installation.

7.3 Condition Reporting

The Registration staff is responsible for completing a condition report prior to outgoing shipment of a loan and after its return to the Museum. The condition report is a form completed upon examination of an incoming or outgoing object that notes the physical condition of the work. Usually, an image of the object is printed to accompany the condition report. The registration staff makes notations on the printout to indicate any conditions or changes on the object. These are the only records that can evidence a change in an object's condition. In general, the following are some of the situations under which an object is checked for condition:

- upon acquisition,
- before entering or exiting collections storage,
- during inventories,
- before and after being exhibited,
- before and after going out on loan (outgoing/incoming).

7.4 Conservation

As the FAM does not have a conservator on staff, it is the responsibility of the Curator of Collections, in consultation with the Director, to set priorities for the conservation of collection objects. The Registration and Exhibition staffs are responsible for physically monitoring the collection and report any conservation concerns. If conservation is needed, then these guidelines shall be followed:

- Curator of Collections is responsible for locating, screening, interviewing, selecting and hiring certified conservators and approving and monitoring conservation reports.
- Treatments are carried out after thorough examination, testing and review of a written conservation assessment report and appropriate photographic documentation by the approved and qualified conservator with the Curator of Collections.
- A qualified conservator will perform conservation treatment of artworks and provide a treatment report.
- All conservation proposals, reports, and other records, will be archived within the artwork's object file and the collections management database to be maintained and updated by the Registration Department.

7.5 Environmental Monitoring and Control

The important environmental factors in museums are light, ultra-violet radiation, moisture in the air (humidity), temperature, pests and pollution.

Climate Control

The Climate in the museum is monitored by the Exhibitions Department using dataloggers that constantly track temperature, humidity and light. Objects can be damaged if the humidity or temperature is too high, too low, or if these factors change too rapidly because just like light they are key agents of deterioration. The temperature in the galleries and storage needs to be maintained at 68-72 degrees Fahrenheit and the *relative humidity* (RH) maintained at 45-55 percent. HOBO Temperature/RH/Light Data Loggers are installed in the exhibition and collections storage areas and are monitored and maintained by the Exhibitions/Preparatory Department.

Light Control

Light and UV radiation are potentially the most damaging agents of deterioration and breakdown in museums. Light can cause permanent and irreversible color fading and material deterioration. The artificial lighting in the galleries is provided by halogen incandescent light bulbs controlled by an electronic lighting control system. To protect and prevent museum objects from light damage, light levels need to be monitored on a regular basis. The HOBO Temperature/RH/Light Data Logger that the museum uses also measures the intensity of the light in the galleries. A hand held light meter is also used to spotcheck light

intensity in specific exhibition areas or reflected off an object. In the storage areas, the types of lights used are fluorescent lamps filtered with UV-absorbing films. Filters also break down over time and must be changed periodically. The collection storage areas also have a lighting sensor with a timed automatic shutoff switch installed in these areas.

Air Quality

Dust and pollutants can be removed from the air by passing the incoming air through the ventilation and filtration system as it enters the building. The Museum is responsible for cleaning and changing the air filter placed on the return air grill outside the painting storage area. Air filters in the other areas of the museum are changed by the campus Facilities Department.

7.6 Integrated Pest Management (IPM)

Integrated pest management is an effective tool in preventing the intrusion of pests into collection and exhibit areas. A museum's collections are vulnerable to damage due to insects. Incoming crates, packing materials, and artwork must be carefully inspected for insects or signs of insect activity.

Incoming Object Processing

All objects entering the museum will be confined to the museum's loading dock or receiving area, until they have been examined for pest infestation or damage. If infestation or damage is confirmed, the object(s) goes into the Isolation Room (Room 210). Incoming loans can be examined within the empty galleries. Loan objects will not be treated without permission from the lender.

Pest Monitoring

- Pest monitoring is a responsibility shared by Collections staff (Registration and Exhibitions), security and trained custodial staff from the Facilities Department.
- Regular inspections of window areas, doorways, dark corners, and drawers are a very effective way of revealing an infestation at an early stage.

7.7 Facilities Use

Food and Beverage in the Museum

Under no conditions is food or beverage allowed in the galleries or in the collection storage areas of the Museum.

Food and beverage will be allowed on the ground floor of the Museum in designated areas for special events as authorized by the Director.

Food is also allowed in the kitchen in the staff office area on the 3rd floor. Staff members are to be diligent at cleaning up after themselves.

The only way for employees to access the offices on the 3rd floor is by way of the elevator or the main stairway. Unfortunately it is necessary to pass through Gallery 7 on the way to the office and employee kitchen. It is very important that employees transfer food and beverage in leak-proof unbreakable containers when walking through Gallery 7. Food that is being transported from the third floor office area to the ground floor for events must be transported by the freight elevator.

Living Plants and Flowers

The use of living plants and flower arrangements in the museum carries a heightened risk of damage to museum objects from pest infestation, pollen staining and from localized increase in humidity. No living plants or flowers or parts there-of may enter the gallery spaces or collection storage areas at any time unless specifically authorized by the Director **and** accompanied by current certification of extermination treatment. Living plants and flowers coming from reputable florists may be used for special events at the Museum in the atrium and in designated areas on the ground floor of the museum and in the office area on the third floor.

7.8 Exhibitions and Visitor Access

Staff Responsibilities

In the exhibition areas and galleries, a daily walk-through of exhibit spaces should be conducted by the Collection's staff (Registration and Exhibitions) and Security prior to opening and after closing. On weekends, the exhibition and galleries walk-through are conducted by Security.

The exhibitions preparators are responsible for routine maintenance of the galleries. These duties include daily monitoring of exhibits, opening/closing display cases, dusting, cleaning plexi-cases and vitrines, changing lights, and handling objects, their frames, pedestals, cases or exhibition furniture.

Maintenance occurs on a weekly basis (generally Mondays because the museum is closed to the public that day) by the preparators.

Housekeeping

It is important to routinely schedule museum housekeeping to preserve the objects. Removal of dust from the collection storage areas and exhibitions is important. Collections areas should be routinely vacuumed with a High Efficiency Particulate Air (HEPA) filter vacuum or dry-mopped to remove floor

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dust. Storage equipment such as object storage cabinet shelves and flat files must be vacuumed on an as-needed basis. The collections storage areas must be cleaned thoroughly every six months. All collection storage rooms and other areas should be inspected by registration staff at least once a month for any signs of pest activity.

Rules for Visitors

- Do not touch works of art on display.
- Keep a safe distance between you and each work of art.
- No flash photography allowed.
- No bags, backpacks, oversized purses allowed.
- No cell phone use allowed.
- No pets allowed.
- Use only pencils.
- No leaning on exhibition wall spaces or displays.
- No food, drink, gum or candy is allowed in the galleries.

7.9 Museum Collection Storage

In-house storage

There are 4 storage areas:

1. Painting Storage, Room 206, provides storage for paintings, framed artworks, and textiles.
2. Isolation Room, Room 210, provides storage for objects that need to be isolated.
3. Registration Department, Room 215, provides flat files for works on paper, flat works and photography.
4. 3-D Room, Room 408 provides storage for all 3-D objects and sculptures.

All storage areas are highly secured and restricted with either an alarm system and/or swipe card system in addition to assigned keys. Only designated collections staff members have entry access codes and keys. Other museum staff, researchers, visitors etc. need permission and supervision to enter the storage rooms. In addition, collection records are also kept in a restricted area with access permitted by registration staff only.

7.10 Inventory Control

The FAM Registration Department shall conduct three types of inventory:

1. Wall to wall inventory of the collections once every five years.
2. Section-by-section inventory on an annual basis.
3. Spot-check inventories conducted periodically.

Objects will be located, their condition will be noted, if applicable, measured, marks or signatures and inscriptions noted, and the current location will be updated in the collections management database for each object.

Object Movement and Tracking

Before an object is removed from permanent/temporary storage or exhibition display on the museum premises or off-site storage, an **Object Tracking Form** must be completed describing object number, old location, new location, date of relocation or movement and notes such as object type, medium, artist or title.

Once an object has been relocated, it must be recorded and entered in the collections management database.

Reporting of Missing Objects

Records for objects determined to be missing or stolen shall be marked as such and signed and dated by the Curator of Collections and an appropriate investigation shall be conducted to identify the location of the object and/or the circumstances surrounding its disappearance.

Found or Un-Accessioned Collections Objects

See section "Objects Found in the Collection." The same procedures apply with designation status of FIC suffix if all means were researched to identify found or un-accessioned collection objects.

7.11 Security

It is FAM's responsibility to provide security and protection for its collections, traveling and temporary exhibitions, property, staff, and visitors through the following risk management on a daily basis. The following devices and procedures are used in case of an emergency, theft, or disaster.

- Security systems and devices for deterring and detecting intruders, theft, and vandalism.
- Physical monitoring of the museum property.
- Guards, gallery front desk attendants, and gallery monitors shall be responsible for enforcing the security policies (also known as the Visitors Policy) and procedures as pertains to gallery visitors.
- Emergency Management and Continuity of Operations Plan (EMCOP) for the FAM.
- Fire Protection
- University Police

Collections Security and Non-Disclosure

It is the goal of The Frost Art Museum to make its collections and collection records accessible to the public in accordance with applicable law.

7.12 Emergency Management and Disaster Preparedness

Emergency and disaster preparedness plans for FAM provide procedures for museum staff to follow in case of catastrophic events such as flood, fire, hurricane, winds, explosion, riot, or other foreseeable or unforeseeable forces either natural or man-made that may potentially injure humans or cause damage to museum collections. Emergency preparedness plans aim to anticipate and avoid emergencies, to regain control when an emergency occurs, and to recover control as quickly as possible should it be lost. Every year in March this plan needs to be updated according to University Policy.

- The written emergency preparedness plan is tested and evaluated annually.
- The plan addresses measures to be taken before, during, and after an emergency or disaster.
- The Curator of Collections directs emergency operations involving the collections, assuring that action is taken to protect, salvage, and treat objects during and after an emergency.

Fire and Natural Hazard Protection

- The Frost shall maintain fire detection and suppression (heat and/or smoke detectors and dry pipe sprinklers) systems installed throughout the museum.
- Exhibition galleries and storage are located on the 2nd to 4th levels to protect from flooding due to heavy rains or hurricanes.

Hurricane Preparation Procedures

- At the start of the Hurricane season, appropriate Museum staff will double-check object lists of exhibits along with the photographs on file, and store a copy of this documentation at a safe off site location
- At the time when a hurricane is threatening South Florida, Museum staff, along with the University Facilities department, shall assure that all outdoor exhibits are properly secured and anchored.
- Items that cannot be secured should be moved to indoor locations
- All exhibits at the art museum should be moved to secure location, for e.g. moved to back room and stored under lock key to prevent damage or theft
- After any hurricane event, a survey of all outdoor items will be conducted to determine if there was any damage requiring an insurance claim to be filed.
- **Action required in case of damage or loss.** Staff will immediately notify FIU's RM/EH&S Department, describe the damaged property or property involved in the loss, and take all responsible steps to protect the property from further damage, and facilitate the insurance claim process. No item may be

discarded until the insurance company has authorized its disposition.

7.13 Special Events

Use of the ground floor of the museum for Special events such as receptions, dinners, luncheons, lectures must be approved by the Director. Special events may also be planned in the gallery areas so long as there is no food or drink served or allowed and the artwork in the gallery will not be endangered in any way. Recommendations from the Curator of Collections must be followed to ensure the safety of the museum's collections and objects on loan. Plans for the logistics of such events must be discussed with and approved by the Curator of Collections and Security. The logistics plans are for the safety and security of the collections and visitors.

Each year the FAM plans various Educational and Public Programs such as "Target Wednesdays" which is part of *Wednesday After Hours*, the Steven & Dorothea Green Critics Lecture Series, and Creative Visions. Every end of fall and spring semester, The Bachelors of Fine Arts students at FIU's School of Art and Art History present a series of works produced during their tenure at FIU. Close to the end of spring semester, Master of Fine Arts students at FIU's School of Art and Art History present the best of their work.

Luncheons/Dinners/Receptions/Openings

Food service is restricted to the following areas in the Museum: First level Atrium, Café, Members Lounge, Family Discovery Gallery and the Terrace area. Food and beverage may not be served or carried into the other exhibit areas.

If necessary, all artworks must be removed in advance from areas where equipment will be installed. Bars, food tables, trash bins or candles must not be installed in proximity to any artworks.

All vendors' deliveries must enter through the loading area for any events.

Trash must be taken out after each event.

Museum Lectures, Gallery Talks, Artist Presentations, etc.

conducted in the galleries will be standing room unless approved by the Director based on the exhibit layout, the spacing, the event and the safety of the museum exhibits. For example, based on exhibit spacing and the layout, the Director may approve for seating of 10-25 visitors participating in an artist presentation. The Steven and Dorothea Green Critics' Lecture Series are performed in the Green Library Auditorium

or the Wertheim Performing Arts Center to accommodate large audiences.

Tours are part of the museum experience offered to the FAM's visitors during museum hours. The Docents (Frost Ambassadors) and the Front Desk staff will express to the visitors that all bags (oversized handbags and purses, backpacks, shopping bags, etc.) of all sizes must be checked-in at the Front Desk. No photography of any kind is allowed in exhibitions of loaned or borrowed objects. No cell phones allowed. No food and beverage are allowed.

Classes and workshops are conducted on the first level of the museum in the Steven & Dorothea Green Multipurpose rooms. Workshops are conducted in the Café area and the Kenan-Flagler Family Terrace and Discovery Gallery as well as the classrooms. No food and beverage are allowed in these areas.

8.0 Insurance

The Museum maintains a *Museum Fine Art and Collections* insurance policy which includes all of the Museum's collections and collectible objects of every description housed in the Museum, on the campuses, and at any off-site storage (including loans and exhibition objects) as well as associated property such as frames, and other wares and furnishings associated with the objects.

The Museum's collections are not covered under the University's property self-insurance program.

8.1 Incoming/Outgoing Loans and Traveling

Borrowing institutions are required to insure outgoing loans of objects from the FAM's Collections wall-to-wall (throughout the duration of the loan including from the day they depart the Museum through the time of return to the Museum).

Outgoing loan agreements must include an agreement stating who is responsible for insurance fees, the dates of insurance coverage and the value of the borrowed objects. The Museum must be provided with a *Certificate of Insurance* prior to the release of any objects for outgoing loans.

Unless otherwise agreed in the incoming loan agreement form, incoming loans to the Museum will also be insured on a "wall to wall" basis from the time the borrowed objects are removed from the lending institution, during shipment and until returned thereto (or to other point designated by the owner or their agent prior to return shipment), including while in transit and while on exhibition or otherwise.

8.2 International Transportation and Exhibition

The FAM's Collections or the property of others on loan to FAM will be covered by FAM's Fine Art Insurance Policy or other indemnity plan as agreed to by both parties while in transit to and from locations outside the United States and Canada and while on exhibit internationally.

8.3 Reporting Loss or Damage

Should there be any loss or damage to any FAM Collections object, whether on site, in a traveling exhibition, or while on loan, the Curator of Collections must be notified as soon as the damage is discovered, and the Registration Department will follow up with appropriate actions and reports. The damage will be photographed and documented. Broken parts must be left undisturbed to be gathered and documented by Registration staff.

8.4 Insurance Claims (Notice of Loss)

All insurance claims for damaged or lost objects are the responsibility of the Curator of Collections in accordance with the insurance company's guidelines and with the knowledge of the Director. The FAM must report to Insurer or their Agent every loss or damage under this policy. The Museum shall also file within ninety (90) days from the time loss is discovered, a detailed sworn proof of loss.

9.0 Courier Policy

9.1 The Courier's Role

A courier is responsible for the safety and for supervising the movement of valuable objects from one location to another while on loan or traveling exhibition, by road, rail, sea or air. The courier's role is essential to ensure proper care and handling, safe arrival, departure and installation of collection objects.

Abiding by The Registrars Committee of the American Association of Museums (RCAAM) *Code of Practice for Couriers of Museum Objects*, Couriers may be required for any of the following reasons:

- fragility of the object
- special handling requirements or installation techniques
- objects are irreplaceable, rare and unique, politically or culturally sensitive, of extreme artistic, historical, or monetary value
- particular conservation concerns about the object
- complicated installation/size of object
- size of the loan or traveling exhibit
- complicated shipping routes that may be dangerous to fragile objects
- first time loan to new venue

9.2 Courier Responsibilities and Arrangements

A courier has the following responsibilities:

- Has the ultimate authority and knowledge to act on behalf of the museum and should be able to withstand the physical and mental demands.
- Must have detailed knowledge of the object(s) requirements, structure and condition, handling, conservation, display, and packing methods.
- Must know exactly where the object is going, to whom and what means including alternative or backup routes if schedules are delayed, altered or cancelled.
- Must continually be aware of the object's needs and its current environment. Must be prepared to take all practical measures to ensure the well-being of the object.
- Must have no conflicting obligations or reasons for couriating an object(s). The courier's family or friends must not travel with the couriated shipment; the courier must not be required nor requested, nor allowed to visit other locations for personal or museum matters before the object is safely delivered; and schedule of shipment of the object must not be forced to meet appointments nor ease the courier's trip at the expense of the object or the borrowing Institution.
- The borrowing and lending institution Registrars make all the arrangements for the loan and courier in accordance with the AAM accepted practice and in compliance with the loan agreement.
- The borrower must provide acclimatized and secured storage for the courier's objects. The courier has authority of the object until the courier is satisfied with its disposition. The courier should act in cooperation with borrower and accommodate shipping and installation schedules accordingly.

9.3 Responsibility to the Borrower

The courier must be familiar with and understand the borrower's requirements.

- The courier will represent the lending institution and should conduct him or herself in a professional, ethical and fair manner.
- The courier should expect to travel coach class unless hand-carrying an object or accompanying an object internationally or as otherwise agreed and arranged with borrower; The courier should not expect to arrange an open-ended or a flexible ticket situation unless agreed upon by the borrower who is paying the extra travel expenses.
- The courier should not make last minute changes of plan unless essential to the shipment, in which case the borrower should be notified immediately.

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- No arrangements should be made that would cause unnecessary risk, complicated schedules or extra expenses.

Paperwork

The courier should have available from the institution or from the borrower:

- Copy of the Loan Agreement and Certificate of Insurance
- Incoming and Outgoing Receipts (prepared by the Registrar's Office)
- Copies or originals of any invoices, customs paperwork or Pro Forma documents
- Copies of the object Condition Reports
- Photographs of the object(s)
- Copies of the object packing instructions
- Object lists and crate lists including object dimensions
- Contact information sheet with phone numbers, fax numbers, e-mail address and location address (borrowers and lenders, customs brokers, shippers)
- Copy of hotel and transportation arrangement information
- Airline tickets, passport, visas, credit cards, calling card and driver's license

10.0 Collections Access

Access to the Collections by Museum Staff

There will be several levels of internal access to collections, collection areas and collection records. Control of access to the public, researchers, and Museum staff limits the opportunities for unauthorized use, damage, loss, theft, and/or destruction of collections.

Key registration staff will have unrestricted access to collections, collections storage areas and records with permissions to sign out and move objects according to programmatic needs.

The preparators and art handlers will have access to collections areas and will be able to handle objects with the knowledge of key registration staff.

Part-time registration staff, interns and curators will have restricted access to collections, collections areas and collection records under the supervision of key registration staff. These staff members will be trained in proper handling of collection objects and will be able to handle objects with supervision. Curators will have access to collections records and may remove collections files to the curatorial area with proper signed documentation. If object information is needed by other departments, photocopies will be provided by the registration staff.

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Aside from curatorial purposes, object files are not permitted to leave the registration area.

All other staff members will have access to collections areas and records with permission of and supervision by the registration staff. Other staff members are not permitted to handle the objects unless they have been trained to do so, they have approval of the Curator of Collections, and are supervised by key registration staff.

Access to the Collections by University Faculty and Students

Students and faculty may obtain access to view objects from the collection for research and educational purposes by appointment. A checklist of requested objects must be provided well in advance so that the registration staff has the opportunity to prepare the objects for viewing. Only objects in stable condition will be available for viewing at the discretion of the registration department. Faculty and students viewing objects from the collection will be supervised by registration staff and/or security at all times while in the collections area. Faculty and students are not permitted to handle the objects. Requests for removal of objects from the Museum will be governed by the outgoing loans policy.

Access to the Collections by Outside Researchers

Outside researchers will be required to provide the purpose of their research and must be granted approval by the Director. An appointment must be made with the Registration Department and a checklist of requested objects must be provided well in advance so that the registration staff has the opportunity to prepare the objects for viewing. Only objects in stable condition will be available for viewing at the discretion of the registration department. Researchers will be supervised by registration staff and/or security at all times while in the collections area. Long-term researchers may be permitted to handle objects with proper training and supervision. Photography for personal study and use may be permitted. Photography for publication purposes will not be permitted (*refer to Section 12 Rights and Reproduction*). A copy of any publications created as a result of research done at The Frost Art Museum should be submitted to the Registration Department. Requests for removal of objects from the Museum will be governed by the outgoing loans policy.

Access to the Collections by Contractors

All contractors requiring access to collection areas must check in with Security and be escorted by security or museum staff for the duration in secure areas of the building. Collections-related contractors such as conservators or art shippers will work under the supervision of registration staff.

Access to the Collections by the Public

Anyone requesting to review objects will be required to provide the purpose of their study and must be granted permission by the Director. An appointment must be made with the Registration Department and a checklist of requested

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objects must be provided well in advance so that the registration staff has the opportunity to prepare the objects for viewing. Only objects in stable condition will be available for viewing at the discretion of the registration department. Visitors will be supervised by registration staff and/or security at all times while in the collections area. Visitors will not be permitted to handle the objects. The Museum reserves the right to deny access to anyone in violation of policies.

Access to Collections by Facilities Management and Security

Staff members of the Facilities Management (Custodial Services) and FAM's security must have access to all areas of the buildings at all times. However, the custodial staff needs clearance and supervision from the Registration Department to enter in secured collections storage areas.

11.0 Photography/Media in the Museum

Unauthorized photography by any type of camera, video recorder or cellular telephone is not permitted in the museum exhibitions or collections areas. This information shall be communicated to all visitors upon entry to the museum. All security and museum staff shall enforce this *No Photography* policy, to ensure that the works are not damaged by effects of accumulated light damage from flashes, copyrights are not infringed, and lender and other quality control requirements are adhered to.

Requests by researchers and students to photograph objects from the collection may be granted on an individual basis with appropriate signed waiver confirming that the photographs will be for personal use, educational purposes and research only.

Photographers and other media personnel will frequently be contracted to record programs, events and exhibitions. Photography and other media may be arranged in the galleries by staff members for approved museum purposes. Such contractors must be accompanied in the galleries by a member of the collections staff and monitored closely to be sure that their equipment will not harm collections. Photographers and filmmakers should be made aware of the dangers that bright hot lights can present to collection objects. Flashes may be permitted with consent of key registration staff. If objects or exhibition furniture require moving or handling it may only be done by trained art handlers from the FAM staff.

12.0 Rights and Reproduction: General Terms and Conditions

Requests

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Requests for permission to reproduce an image for publication, printed or electronic, must be received in writing by the Curator of Collections at The Frost Art Museum and should include:

- the intended use, (including edition number, intended area of distribution and number of languages to be used),
- the publisher, title of the publication, and expected date of publication.

Permissions

The Museum grants permission for scholarly use of images for educational or academic purposes without personal or corporate gain. There is no fee for scholarly use of the Museum's images. However, if new photography is requested, requestor will be responsible for all associated costs for having the objects photographed.

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Collections Management Policy**

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13.0 Compliance and Review

The development of collections management policies and the maintenance of this document, and its accompanying procedure manual, are the responsibility of the Curator of Collections, with significant assistance from members of the collections staff. All collections management policies must be approved by the Director. These policies will be reviewed every three years. However, recommendations for changes or additions may be made at any time to the Registration Department and, upon approval from the Director, the policies will be revised and updated.

14.0 Resources

The development of these collections management policies will be guided by the legal, professional, and other resources listed in this section.

Acts, Laws, Policies

FIU Academic Affairs Policies and Procedures Manual: Section 14 The Patricia & Philip Frost Art Museum

FIU University Advancement Gifts-in-kind Processing

Florida Statute Chapter 273 Stated-Owned Tangible Personal Property

Florida Statute ss.265.565 Property loaned to museums; obligations to lenders; notice; loan termination; acquisition of title; liens; conservation or disposal

Florida Statute ss.212.08(7) cc Taxation and Finance: (cc) Works of Art

Florida Statute ss. 265.51 Authority of Department of State to indemnify

The Native American Graves Protection and Repatriation Act, 1990 (NAGPRA)

National Endowment for the Arts, Art and Artifacts Indemnity Program

1970 UNESCO Convention on the Means of Prohibiting and Preventing the Illicit Import, Export, and Transfer of Ownership of Cultural Property

Convention on Cultural Property Implementation Act (the Act), 1987

Books & Articles

A Legal Primer on Managing Museum Collections

Things Great and Small: Collections Management Policies

Introduction to Museum Work

The New Museum Registration Methods

ICEFAT News: A Role of Courier

Smithsonian Institution Archives Guidelines National Collections Program:
Developing a Collections Management Policy

Organizations and Guidelines

American Association of Museums Code of Ethics (AAM)

AAM Guidelines Concerning the Unlawful Appropriation of Objects During the Nazi Era

AAM Guidelines Climate Monitoring and Disaster Planning Information

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AAM Guidelines Standards Regarding Archaeological Material and Ancient Art
International Council of Museums Code of Professional Ethics
National Park Service Museum Handbook Part I, Museum Collections (web edition)
The Registrars Committee of the American Association of Museums (RCAAM)
Code of Practice for Couriers of Museum Objects
UPMAA Guidelines for Couriers July 2002 by Xiuqin Zhou (RCAAM)

Collections Management Policies of Other Institutions

The Currier Gallery of Art Collections Management Policy (1997)
Museum of Texas Tech University Collections Management Policy (2005)
The Plains Art Museum Collections Management Policy (2004)
The William R. and Clarice V. Spurlock Museum University of Illinois at Urbana-Champaign Collections Management Policy
Wolfsonian—FIU Collections Management Policy
Museum of Art and Archaeology, University of Missouri-Columbia Collections - Management Policy

Conservation and Collections Care Policies

Tyne & Wear Museum (2005)

Integrated Pest Management Policies

San Bernardino County Museum
Indianapolis Museum of Art
Riverside Municipal Museum

Disaster-Emergency Plans

Princeton University Art Museum
South Bend Regional Art Museum
FIU Office of Emergency Management

15.0 Appendices

Appendix A: Florida Statute ss. 1006.58

Appendix B: Florida Statute ss. 265.565

Appendix C: Florida Statute ss. 212.08

Appendix A: Florida Statute ss.1006.58

The 2008 Florida Statutes

<u>Title XLVIII</u>	<u>Chapter 1006</u>	<u>View Entire Chapter</u>
K-20 EDUCATION CODE	SUPPORT FOR LEARNING	
1006.58 Collections management for museums and galleries of state universities.--		
<p>(1) State universities may enter into contracts or agreements with or without competitive bidding, as appropriate, for the restoration of objects of art, art history, or natural history in their collections or for the purchase of objects of art, art history, or natural history which are to be added to their collections.</p> <p>(2) State universities may sell any art, art history, or natural history object in their museum or gallery collections if the university determines that it is no longer appropriate for the collection. The proceeds of the sale shall be deposited in the Acquisition, Restoration, and Conservation Trust Fund or other appropriate trust fund of the university. Each state university museum or gallery shall function entirely separate from every state university museum or gallery. State universities also may exchange any art, art history, or natural history object which the university museums or galleries judge is of equivalent or greater value to their museums or galleries.</p> <p>(3) No employee, representative, or agent of a university shall receive a commission, fee, or financial benefit in connection with the sale or exchange of a work of art, art history, or natural history, nor may he or she be a business associate of any individual, firm, or organization involved in the sale or exchange.</p> <p>(4)(a) Each university may establish an Acquisition, Restoration, and Conservation Trust Fund or utilize an appropriate existing trust fund.</p> <p>(b) The president of each university may delegate the following authority to the museum or gallery directors and governing bodies of the museums or galleries:</p> <ol style="list-style-type: none">1. To enter into contracts for the restoration or purchase of art, art history, or natural history objects, with or without competitive bidding, as appropriate.2. To sell art, art history, or natural history objects in museum or gallery collections, the proceeds of which shall be deposited in the Acquisition, Restoration, and Conservation Trust Fund or other appropriate existing trust fund.3. To exchange art, art history, or natural history objects of equal or greater value with any other state university. <p>History.--s. 328, ch. 2002-387.</p>		

Appendix B: Florida Statute ss. 265.565

The 2008 Florida Statutes

Title XVIII	Chapter 265	View Entire Chapter
PUBLIC LANDS AND PROPERTY	MEMORIALS, MUSEUMS, AND FINE ARTS	

265.565 Property loaned to museums; obligations to lenders; notice; loan termination; acquisition of title; liens; conservation or disposal.--

(1) LEGISLATIVE FINDINGS.--The people of Florida benefit from having property of artistic, historic, cultural, or scientific value loaned to museums in this state. Loans of such property are made to these museums for study or display in furtherance of their educational purposes. However, problems arise in relation to loans for indefinite or long terms when museums and lenders fail to maintain contact. Museums routinely store and care for loaned property long after loan periods have expired or should reasonably be deemed expired. In such circumstances, museums have limited rights to the use and treatment of unclaimed loan property, while at the same time they bear substantial unreimbursed expenses, including, but not limited to, costs related to storage, recordkeeping, climate control, security, periodic inspection, insurance, conservation, and general overhead. The Legislature finds and declares that it is in the public interest to establish uniform procedures governing the disposition of unclaimed property on loan to museums in the state and, more particularly, to encourage museums and their lenders to exercise due diligence in monitoring loans, to allocate fairly responsibilities between lenders and borrowing museums, to establish procedures for lenders to preserve their interests in property loaned to museums for indefinite or long terms, and to resolve expeditiously the title to unclaimed loans left in the custody of museums.

(2) DEFINITIONS.--

(a) "Lender" means an individual, corporation, partnership, trust estate, or other organization or entity whose name appears in the records of the museum as the entity legally entitled to control property on loan to the museum.

(b) "Loans," "loaned," or "on loan" refers to property in possession of the museum not accompanied by a transfer of title to the property or accompanied by evidence that the lender intended to retain title to the property and to return to take physical possession of the property in the future.

(c) "Museum" means a public or private not-for-profit agency or institution located in Florida and organized on a permanent basis for primarily educational, scientific, or aesthetic purposes, which owns or utilizes tangible objects, cares for them, and exhibits them to the public on a regular basis.

(d) "Property" means all tangible objects in the custody of a museum which have intrinsic historical, artistic, scientific, or cultural value.

(e) "Records" or "museum records" means documents created or held by a museum in its regular course of business.

(f) "Unclaimed property" means property which is on loan to the museum and in regard to which the lender, or anyone acting legitimately on the lender's behalf, has not contacted the museum for at least 25 years from the date of the beginning of the loan, if the loan was for an indefinite or undetermined

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period, or for at least 5 years after the date upon which the loan for a definite period expired.

(3) OBLIGATIONS OF MUSEUMS TO LENDERS.--

(a) For property loaned to a museum after the effective date of this act, the museum shall:

1. Make and retain a written record containing, at a minimum, the lender's name, address, and telephone number, a description of the property loaned in sufficient detail for clear identification, including a description of the general condition of the property at the time of the loan, the beginning date of the loan, and the expiration date of the loan.
2. Provide the lender with a signed receipt or loan agreement containing, at a minimum, the record set forth in subparagraph 1.
3. Inform the lender of the existence of the provisions of this act and provide the lender with a copy of the provisions of this act upon the lender's request.

(b) Regardless of the date of a loan of property, the museum shall:

1. Update its records if a lender informs the museum of a change of address or change in ownership of property loaned, or if the lender and museum negotiate a change in the duration of the loan.
2. Inform the lender of the existence of the provisions of this act when renewing or updating the records of an existing loan and provide the lender with a copy of the provisions of this act upon the lender's request.

(c) A museum shall give a lender prompt notice of any known injury to or loss of property on loan.

(4) LENDER'S NOTICE.--

(a) It is the responsibility of the owner of property on loan to a museum to notify the museum promptly in writing of any change in the lender's address or change in ownership of the property. Failure to notify the museum of these changes may result in the owner's loss of rights to the property.

(b) It is the responsibility of a successor of a lender to document passage of rights of control of the property in the custody of a museum.

1. Unless there is evidence of bad faith or gross negligence, no museum shall be prejudiced by reason of any failure to deal with the true owner of any loaned property.
2. In cases of disputed ownership of loaned property, a museum shall not be held liable for its refusal to surrender loaned property in its possession except in reliance upon a court order or judgment.

(5) TERMINATION OF LOANS.--

(a) A museum may terminate a loan for unclaimed property in its possession by making a good faith and reasonable search for the identity and last known address of the lender from the museum records and other records reasonably available to museum staff. If the museum is able to identify the lender and the lender's last known address, the museum shall give notice to the lender that the loan is terminated pursuant to paragraph (b). If the identity or last known address of the lender remains unknown after a good faith and reasonable search, the museum shall give notice by publication

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pursuant to paragraph (c).

(b) A museum shall provide notice of termination of a loan of unclaimed property by sending a letter by certified mail to the lender at the lender's last known address giving notice of termination of the loan, which shall include the date of notice of termination, the name of the lender, a description of the property sufficient in detail for ready identification, the beginning date of the loan, if known, the termination date of the loan, if applicable, the name and address of the appropriate museum official to be contacted regarding the loan, and a statement that within 90 days of the date of the notice of termination, the lender is required to remove the property from the museum or contact the designated official in the museum to preserve the lender's interests in the property. Failure to provide such notice will result in the loss of all rights in the property pursuant to subsection (6).

(c) If the museum is unable to identify sufficient information to send notice pursuant to paragraph (b), or if a signed return receipt of a notice sent by certified mail pursuant to paragraph (b) is not received by the museum within 30 days after the notice is mailed, the museum shall publish the notice of termination of loan containing all the information available to the museum provided in paragraph (b) at least twice, 60 or more days apart, in a publication of general circulation in the county in which the museum is located and the county of the lender's last known address, if known.

(6) MUSEUM GAINING TITLE TO PROPERTY; CONDITIONS.--As of the effective date of this act, a museum acquires title to unclaimed property under any of the following circumstances:

(a) For property for which a museum provides notice to a lender in accordance with paragraph (5)(b) and a signed receipt is received, if the lender of the property does not contact the museum within 90 days after the date notice was received.

(b) For property for which notice by publication is made pursuant to paragraph (5)(c), if the lender or anyone claiming a legal interest in the property does not contact the museum within 90 days after the date of the second publication.

(7) CONTRACTUAL OBLIGATIONS.--Notwithstanding the provisions of this act, a lender and museum can bind themselves to different loan provisions by written contract.

(8) EFFECT ON OTHER RIGHTS.--

(a) Property on loan to a museum shall not escheat to the state under any state escheat law but shall pass to the museum under the provisions of subsection (6).

(b) Property interests other than those specifically addressed in this act are not altered by this act.

(9) TITLE OF PROPERTY ACQUIRED FROM A MUSEUM.--A museum which acquires title to property under this act passes good title to another when transferring such property with the intent to pass title.

(10) MUSEUM LIEN FOR EXPENSES OF EXPIRED LOANS.--As of the effective date of this act, a museum shall have a lien for expenses for reasonable care of loaned property unclaimed after the expiration date of the loan.

(11) CONSERVATION OR DISPOSAL OF LOANED PROPERTY.--Unless there is a written loan agreement to the contrary, a museum may apply conservation measures to or dispose of a loaned property without a lender's permission if:

(a) Immediate action is required to protect the property on loan or to protect other property in the

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custody of the museum, or because the property on loan has become a hazard to the health and safety of the public or the museum's staff and:

1. The museum is unable to reach the lender at the lender's last address of record, so that the museum and the lender can promptly agree upon a solution; or
2. The lender will not agree to the protective measures the museum recommends yet is unwilling or unable to terminate the loan and retrieve the property.

(b) In the case of a lender who cannot be contacted in person, the museum publishes a notice of its intent to apply conservation measures or dispose of the property on loan in a publication of general circulation in the county in which the museum is located and the county of the lender's last known address, if known, and there is no response for 60 days. Such a notice shall also contain the lender's name, the lender's address, if known, the date of the loan, and the name, address, and telephone number of the appropriate museum office to be contacted for information regarding the property on loan.

(12) If a museum applies conservation measures to or disposes of a property pursuant to subsection (11), the museum shall have a lien on the property and on the proceeds from any disposition thereof for the costs incurred by the museum, and the museum shall not be liable for injury to or loss of the property if:

- (a) The museum had a reasonable belief at the time the action was taken that the action was necessary to protect the property on loan or other property in the custody of the museum, or that the property on loan constituted a hazard to the health and safety of the public or the museum's staff.
- (b) The museum exercised reasonable care in the choice and application of conservation measures.

History.--s. 1, ch. 97-267.

Appendix C: Florida Statute ss. 212.08

The 2008 Florida Statutes

Title XIV

TAXATION AND FINANCE

Chapter 212

TAX ON SALES, USE, AND OTHER TRANSACTIONS

212.08 Sales, rental, use, consumption, distribution, and storage tax; specified exemptions.--

The sale at retail, the rental, the use, the consumption, the distribution, and the storage to be used or consumed in this state of the following are hereby specifically exempt from the tax imposed by this chapter.

(cc) *Works of art.--*

1. Also exempt are works of art sold to or used by an educational institution.
2. This exemption also applies to the sale to or use in this state of any work of art by any person if it was purchased or imported exclusively for the purpose of being donated to any educational institution, or loaned to and made available for display by any educational institution, provided that the term of the loan agreement is for at least 10 years.
3. The exemption provided by this paragraph for donations is allowed only if the person who purchased the work of art transfers title to the donated work of art to an educational institution. Such transfer of title shall be evidenced by an affidavit meeting requirements established by rule to document entitlement to the exemption. Nothing in this paragraph shall preclude a work of art donated to an educational institution from remaining in the possession of the donor or purchaser, as long as title to the work of art lies with the educational institution.
4. A work of art is presumed to have been purchased in or imported into this state exclusively for loan as provided in subparagraph 2., if it is so loaned or placed in storage in preparation for such a loan within 90 days after purchase or importation, whichever is later; but a work of art is not deemed to be placed in storage in preparation for loan for purposes of this exemption if it is displayed at any place other than an educational institution.
5. The exemptions provided by this paragraph are allowed only if the person who purchased the work of art gives to the vendor an affidavit meeting the requirements, established by rule, to document entitlement to the exemption. The person who purchased the work of art shall forward a copy of such affidavit to the Department of Revenue at the time it is issued to the vendor.
6. The exemption for loans provided by subparagraph 2. applies only for the period during which a work of art is in the possession of the educational institution or is in storage before transfer of possession to that institution; and when it ceases to be so possessed or held, tax based upon the sales price paid by the owner is payable, and the statute of limitations provided in s. 95.09¹ shall begin to run at that time. However, tax shall not become due if the work of art is donated to an educational institution after the loan ceases.
7. Any educational institution to which a work of art has been donated pursuant to this paragraph shall make available to the department the title to the work of art and any other relevant information. Any educational institution which has received a work of art on loan pursuant to this paragraph shall make available to the department information relating to the work of art. Any educational institution that transfers from its possession a work of art as defined by this paragraph which has been loaned to it must notify the Department of Revenue within 60 days after the transfer.

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8. For purposes of the exemptions provided by this paragraph, the term:

a. "Educational institutions" includes state tax-supported, parochial, church, and nonprofit private schools, colleges, or universities that conduct regular classes and courses of study required for accreditation by or membership in the Southern Association of Colleges and Schools, the Florida Council of Independent Schools, or the Florida Association of Christian Colleges and Schools, Inc.; nonprofit private schools that conduct regular classes and courses of study accepted for continuing education credit by a board of the Division of Medical Quality Assurance of the Department of Health; or nonprofit libraries, art galleries, performing arts centers that provide educational programs to school children, which programs involve performances or other educational activities at the performing arts center and serve a minimum of 50,000 school children a year, and museums open to the public.

b. "Work of art" includes pictorial representations, sculpture, jewelry, antiques, stamp collections and coin collections, and other tangible personal property, the value of which is attributable predominantly to its artistic, historical, political, cultural, or social importance.

**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

December 9, 2010

Subject: Student Financial Aid, FIU Regulation 1310

Proposed Board Action:

Approve the Student Financial Aid, FIU Regulation 1310.

Background Information:

The proposed Student Financial Aid Regulation FIU-1310 will establish a financial aid policy committee that will (1) recommend University policy on matters related to institutional financial aid programs; (2) recommend program objectives consistent with the University's mission and work plan; and (3) facilitate the conduct of financial aid activities. The proposed Regulation FIU-1310 also provides for the distribution and use of financial aid funds.

Pursuant to Florida Board of Governors Regulation 3.009 (2) each university board of trustees shall establish by regulation a policy relating to the administration, distribution and use of student financial aid. This regulation shall not conflict with existing state or federal law or regulation relating to the award of student financial aid.

Supporting Documentation: Student Financial Aid, FIU Regulation 1310

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**THE FLORIDA INTERNATIONAL UNIVERSITY BOARD OF TRUSTEES
FLORIDA BOARD OF GOVERNORS**

**NOTICE OF REGULATION MAKING
PROPOSED REGULATION**

REGULATION TITLE: Student Financial Aid
REGULATION NO.: FIU-1310

SUMMARY OF THE REGULATION: Florida Board of Governors Regulation 3.009 provides university boards of trustees the responsibility to establish by regulation a policy relating to the administration, distribution, and use of student financial assistance.

TEXT OF REGULATION: The full text of the Proposed Regulation can be viewed below and on the website of The Florida International University Board of Trustees, www.bot.fiu.edu/regulations/. If you would like a copy of the Proposed Regulation, please contact Eli Deville, Coordinator, Administrative Services, Office of the General Counsel, (305) 348-2103.

AUTHORITY: Board of Governor's Regulation 1.001(5) and 3.009.

NAME OF PERSON INITIATING PROPOSED REGULATION: Douglas Wartzok, Provost and Executive Vice President.

ANY PERSON SEEKING TO COMMENT ON THE PROPOSED REGULATION MUST SUBMIT COMMENTS IN WRITING TO THE CONTACT PERSON LISTED BELOW. ALL WRITTEN COMMENTS MUST BE RECEIVED BY THE CONTACT PERSON WITHIN 14 CALENDAR DAYS OF THE DATE OF PUBLICATION OF THIS NOTICE.

CONTACT PERSON REGARDING THE PROPOSED REGULATION: Eli Deville, Coordinator, Administrative Services, Office of the General Counsel, Florida International University, 11200 SW 8th Street, PC 511, Miami, FL 33199. Email: devillee@fiu.edu. Fax: (305) 348-3272. Phone: 305-348-2103.

DATE OF PUBLICATION: November 8, 2010

THE FULL TEXT OF THE PROPOSED AMENDED REGULATION IS PROVIDED BELOW:

FIU 1310 Student Financial Aid

- (1) Florida International University is dedicated to the principle that every student applying for financial aid will receive full consideration. Policies designed to provide funding to students who would otherwise be unable to receive a post-secondary education will be executed through the Financial Aid Office.
- (2) The Financial Aid Office is the office designated to administer financial aid at the University, including coordinating the collection of financial aid data.
- (3) Financial Aid Policy Committee
 - (a) This regulation establishes a financial aid policy committee, the purposes of which are:
 1. To recommend University policy on matters related to institutional financial aid programs;
 2. To recommend program objectives consistent with the University's mission and work plan; and
 3. To facilitate the conduct of financial aid activities.
 - (b) The membership of this committee will be as follows:
 1. The Director of Student Financial Aid
 2. The Vice President for Enrollment Services
 3. A representative from the Office of Finance and Administration
 4. A representative from Student Affairs
 5. A representative from the Student Government Association
- (4) Distribution and Use of Financial Aid Funds.
 - (a) Financial need and academic merit are given primary consideration in the awarding of financial aid to students. Additional considerations in awarding financial aid funds include balancing need-based and non-need based programs, the necessity to increase current programs versus the need for new programs, based on University priorities, and the requirement to assure the fiscal integrity of the financial aid program.
 1. Need-based funds are distributed on a priority basis to students who have a demonstrated financial need, as determined by a nationally recognized need-analysis system, and have timely completed all student aid application requirements. Need-based financial aid packages vary in size due to student classification, family financial status, availability of funds and application date.
 2. Academic merit assistance is awarded to students according to their academic standing, achievement test scores, and ability to contribute to the institution.
 3. The University recognizes special student talents and qualities in artistic, athletic, technical and other areas and awards scholarships, grants and waivers for such contributions.
 - (b) Information concerning any institutional need-based financial aid program, as well as general information concerning sources of non-need based financial aid may be obtained from the Financial Aid Office. The office coordinates the distribution and use of all need-based resources, as well as all merit-based

programs. Additionally, this office coordinates scholarships awarded to students by donors to the University as well as external donors.

- (5) Institutional resources used to fund financial aid awards include federal, state, institutional, foundation and other aid programs.

Authority: BOG Regulations 1.001, 3.009. History-New _____.

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**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

December 9, 2010

Subject: Priorities for the 2011 Legislative Session

Proposed Board Action:

Adopt the Priorities for the 2011 Legislative Session as specified in the Board materials.

Background Information:

The Florida International University Board of Trustees (the BOT) adopts priorities for each Legislative Session.

The BOT is being asked to adopt the following Priorities for the 2011 Legislative Session:

1. Sustain the State's Investment in University Operations
2. FIU College Of Medicine
3. New Florida
4. Fixed Capital Outlay Priorities
5. Major Gifts Matching Program
6. Faculty and Staff Salaries

Supporting Documentation:

Priorities for the 2011 Legislative Session, *March 8 – May 6, 2011*

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Priorities for the 2011 Legislative Session

March 8 – May 6, 2011

I. SUSTAIN THE STATE'S INVESTMENT IN UNIVERSITY OPERATIONS

Within Florida's fiscal environment, the primary objective for FIU's 2011-2012 appropriation will be to maintain current funding for university programs. Since 2007-2008, the SUS has seen over a 23 percent reduction in state funds to the universities base budgets. Mitigating further state funding reductions is imperative. While student enrollment continues to increase FIU is implementing an aggressive budget reduction plan while simultaneously remaining committed to providing the best possible educational opportunities for its students and community. The University depends on university leadership to make sure that the funds are there for FIU's 43,000 students to complete their education and to make sure a strong public university will be here for those who follow.

The State Universities, Council of 100 and the Board of Governors have worked closely on a long-term strategy called "New Florida" which is a roadmap for how Florida's state university system can help build Florida's knowledge economy. Delay or inadequate investment in our public universities makes it more difficult to take control of Florida's economy so that it is more relevant for today's world. Therefore, Florida must commit to building an economy based on knowledge and innovation. It's well documented that lifetime earnings will be significantly increased after completion of a baccalaureate degree, and even more after completion of advanced degrees.

II. FIU COLLEGE OF MEDICINE

For 2011-2012, \$2.054 million of state dollars is needed specifically for Year 5 to implement the FIU College of Medicine. The 2011-2012 request reflects new dollars of approximately \$1 million with the balance being replacement funds for prior non-recurring appropriations of federal stimulus and state dollars. FIU urges the Legislature to fully support the funding request as approved by the BOG in accordance with the LCME accreditation plan.

On March 23, 2006, the Board of Governors approved the implementation of a new medical school at FIU. The Legislature followed suit during the 2006 Session by authorizing the Board approved College of Medicine at FIU.

III. NEW FLORIDA

The bulk of the Board of Governors' incremental increase in operating funds request is the "New Florida" initiative for a system total of \$150 million. FIU's share is \$14.8 million. Five areas are addressed within FIU's allocation.

Following are the five areas FIU will invest in if the \$14.8 million is funded by the legislature:

1. College of Medicine – \$2.054 million of state funding for the fifth year of the 10 year Implementation Plan. A portion of the request is to replace non-recurring dollars. The

- balance is to provide for 80 additional medical students per the LCME accreditation plan.
2. New Knowledge and Innovation in Health and Environment - \$4.5 million of state funding to support cluster hires in health and environment areas as well as support for PhD programs in those areas. Support for a B.S. in sustainability is also included.
 3. Access through Growth - \$4.5 million of state funding for 32 faculty members and the establishment of an enrollment management office.
 4. Integrated Student Success Services - \$2.8 million of state funding to focus on four critical areas of student success 1) 'one-stop' integration of services across the university such as registration, financial aid, and academic advising; 2) new advisors; 3) classroom modernization; 4) enhancements to learning centers.
 5. Improve Community Engagement - \$951,000 of state funding for the establishment of the Office of Engagement, with direct responsibility for building partnerships and increasing academic internship opportunities for our students.

IV. FIXED CAPITAL OUTLAY PRIORITIES

The Board of Governors' PECO request is \$219,535,817 for projects and \$24,822,540 for Remodeling/Renovation/Maintenance/Repair for Fiscal Year 2011-2012. The Board of Governors' has not identified specific projects at this time since they anticipate changes in the PECO funds available to the State University System due to two PECO estimating conferences that are scheduled at future dates. The PECO Remodeling/Renovation/Repair/Maintenance Formula Funds have been distributed by university. FIU's share of the \$24.8 million is \$1.997 million.

V. MAJOR GIFTS MATCHING PROGRAM

FIU asks the Legislature to support the Board of Governors request of \$193.9 million to fund the Matching Gifts Program backlog and \$86.5 for the Courtelis Facility Grant Program backlog for the State University System. The Matching Gifts program is a powerful incentive that FIU has been able to use to encourage large donations which enhance the university's ability to attract recognized scholars, provide scholarships, and enable the improvement of our libraries. FIU's share of the \$193.9 million is \$19.08 million. The Courtelis Facility Enhancement Challenge Grant Program provides a dollar for dollar match at a time when PECO revenues are projected to decrease. FIU's portion of the system request for Courtelis is \$3.5 million. The Challenge and Courtelis Grant programs will help leverage potential donors to raise funds for existing university programs and is particularly important for the success of our medical school.

VI. FACULTY AND STAFF SALARIES

Academic year 2011-2012 could be the fifth year in a row without a state-funded across the board pay raise for university faculty and staff. FIU urges the Legislature to fund a faculty/staff pay package using State Administered Funds as soon as economically feasible and to offer reasonable benefits. It could also be the year when the state requires employees to contribute to the retirement system as opposed to the employer funding the entire retirement system contribution. In addition there is the possibility of reduced health benefits. Recognizing the limited availability of state funds, FIU supports policies and funding that will ensure FIU's faculty and staff are compensated appropriately.

**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

December 9, 2010

Subject: Ratification of the Wage Article of the 2007-2010 Collective Bargaining Agreement between the Florida International University Board of Trustees and the Dade County Police Benevolent Association

Proposed Board Action:

Ratify the changes in the Wage Article of the 2007-2010 Collective Bargaining Agreement between the Florida International University Board of Trustees and the Dade County Police Benevolent Association as specified in the Board materials.

Background Information:

The Florida International University Board of Trustees (the BOT) and the Dade County Police Benevolent Association (PBA) 2007-2010 Collective Bargaining Agreement (the Agreement) contained a provision whereby the parties would reopen the Agreement and negotiate the 2009-2010 wages (referred to as the Wage Reopener). Based on the negotiations, the parties agreed to a 0.75% across-the board payment and a merit (i.e., performance) bonus of 0.75% for the 2009-2010 wages to the PBA unit members. Neither payment will be added to the base pay. The parties also agreed that a committee comprised of members of the PBA and University be formed to create a merit pay evaluation form tailored to law enforcement. All changes for which the BOT's approval is required are redlined in the attached Article 9 Wages of the FIU-PBA 2007-2010 Collective Bargaining Agreement.

Florida Board of Governors Regulation 1.001 provides that each board of trustees shall act as the sole public employer with regard to all public employees of its university for the purposes of collective bargaining, and shall serve as the legislative body for the resolution of impasses with regard to collective bargaining matters.

Supporting Documentation:

Article 9: Wages of the FIU-PBA 2007-2010 Collective Bargaining Agreement

Operational Excellence Award Form *For University Police Officers*

Facilitators/Presenters:

Albert Maury, *Finance and Audit Committee Chair*

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ARTICLE 9 WAGES

9.1 General Wage Increases.

- A. There will be no wage increase for fiscal year 2007-08 (0%).
- B. Each eligible bargaining unit employee shall receive a general across the board wage increase of two percent (2%) of their base rate of pay for fiscal year 2008-09, effective July 1, 2008. Eligible employees shall have successfully passed their initial probationary period and are meeting performance standards/expectations. If an employee has a current performance evaluation of "Below or Consistently Below 9.2

Additional Wages Increases.

- A. In the event the Florida Legislature or other fiscal sources provide for a different or additional funding of wages or wage increases, the University and the Union agree that such increases will be administered in accordance with the applicable appropriation language. Any general across the board wage increase provided by the Legislature during fiscal year 2008-09 of this Agreement shall count as credit towards the across the board increase described in paragraph 9.1 above.

- B. Nothing contained herein shall prevent University from providing salary increases beyond the increases specified above. These increases may be provided for market equity considerations, including verified counteroffers and compression/inversion; increased duties and responsibilities; special achievements; litigation/settlements; and similar special situations.

Expectations" in effect on the date of ratification, the employee shall not receive a general wage increase. To be eligible, the employee must have been employed on or before July 1, 2007. In addition, the employee must be continuously employed through joint ratification of this Agreement.

9.3 For contract year 2009-10 the parties agree to reopen only this Wages Article.

Pursuant to the reopener, the following revisions shall be implemented upon ratification:

- A. Effective upon ratification of the reopener, all bargaining unit members employed as of July 1, 2010 shall receive a one-time bonus of 0.75% of their salary. Said bonus shall not change bargaining unit members' base rate of pay.

B. Effective upon ratification of the reopener, 0.75% of the total salaries of all members of the rank and file law enforcement collective bargaining unit shall be pooled and distributed in accordance with the “Operational Excellence award, University Police. For University Police Officers form, attached to this Agreement, that was ratified during the reopener. The pooled money shall be distributed only to bargaining unit members and shall be distributed as a one-time bonus. Bargaining unit members receiving proceeds from the pooled 0.75% shall not have the distribution change their base rate of pay.

OPERATIONAL EXCELLENCE AWARD

University Police

For University Police Officers



OFFICER NAME _____

OFFICER ID # _____

CLASS TITLE _____

POSITION NUMBER _____

DIVISION/DEPARTMENT _____

SALARY SOURCE E&G _____ AUX _____ C&G _____

AWARD \$ _____

Purpose: The Operational Excellence Award is established to recognize officers for exceptional performance and to promote FIU's Institutional Values.

Eligibility Criteria: All covered officers who have passed probation. Officers on probation at time of approval and established effective date are not eligible.

CRITERIA	MET EXPECTATIONS	FREQUENTLY EXCEEDED EXPECTATIONS	CONSISTENTLY EXCEEDED EXPECTATIONS	NUMERICAL PERFORMANCE RATING
Rating	1	2	3	
Providing Service to University community (Citizens: Students, colleagues, and the university community and response to their needs).	Attentive to the citizens' needs. Asked questions to identify service needs and expectations.	Actively explored the citizens' needs and exceeded their expectations. Responded promptly for requests for service. Interactions are often courteous and professional.	Anticipated the citizens' needs and provided a level of service that elicited favorable responses. Interactions are always courteous and professional.	
Diversity and Respect (Treatment of people who are different from him/herself).	Aware of individual differences. Sensitive to own behavior and its impact on others before acting. Understands value of these differences.	Confronted behavior that did not value differences in an appropriate and nonjudgmental manner; puts him/herself in "another's position" and demonstrates consideration for others.	Contributed to an environment where differences were valued and encouraged; understood all points of view with empathy. Supported building a diverse community.	
Commitment to Excellence (Constancy of purpose toward improvement by meeting pre-determined goals).	Demonstrated accuracy, thoroughness and professionalism.	Implemented suggestions and ideas that improved quality and overall effectiveness.	Broke down barriers between departments; was known as a team player who responded strategically to address departmental and/or institutional goals.	

Adaptability/Attitude (Response to change, criticism and new ideas).	Able to adjust easily to a new environment or different conditions; acceptance of feedback without defensiveness.	Saw departmental changes as opportunities; responded favorably to developmental feedback and sometimes altered behavior.	Sought opportunities to try new approaches; actively solicited developmental feedback and made appropriate changes in behavior.	
Teamwork and Cooperation (Willingness to develop partnerships with others).	Established rapport with ease; sought others for support and involvement. Gave and welcomed feedback.	Pursued opportunities to work as part of a team; willingly shared resources. Established mutual relationships to achieve objectives.	Actively sought partnerships; built strong relationships with people at all levels and across units. Contributed to building a positive team spirit.	
Initiative (Personal credibility/bias for action).	Played a role in the accomplishment of an assignment or project. Took responsibility for work product.	Willingly to take on projects beyond his/her normal scope. Reacted well under pressure.	Volunteered for challenging assignments and expanded scope of contribution. Showed courage to take action.	
Innovation and Achievement Creativity used to improve job productivity and efficiency, including new ideas and suggestions.	Has made suggestions for improving methods and procedures. Kept abreast of developments of police work.	Frequently sought potential beneficial changes and improvements; contributed to a departmental improvement effort or program. Exhibited ability to learn and apply new skills.	Very innovative; suggested and implemented a significant contribution to improve operations or programs. Pursued development opportunities.	
Knowledge Base (day-to-day) (Understands policing and community-oriented policing).	Understands operations and often carries them out with professionalism. Officer is knowledgeable of applicable policies, laws and statutes.	Officer is proactive and a problem solver. Often seeks to handle situations with respect and dignity for all parties involved.	Understands and seeks the power of partnerships with the University community. Works toward collaborative relationships that enhance the security and safety of all citizens.	
FOR SERGEANTS ONLY: Leadership/Initiative (Personal credibility/bias for action).	Played a role in the accomplishment of an assignment or project. Took responsibility for work product.	Mobilized others to complete an assignment or project without being asked; willingly took on projects beyond his/her normal scope. Reacted well under pressure.	Inspired others to perform at a higher level than they believed possible; volunteered for challenging assignments and expanded scope of contribution. Showed courage to take action.	
			Total Score	0

RANGE AMOUNTS: Determined by Departments

RATING SCORE - Officers

0 - 8 = Meritorious
9 - 16 = Superior
17 - 24 = Excellent

RATING SCORE - Sergeants

0 - 9 = Meritorious
10 - 18 = Superior
19 - 27 = Excellent

REQUIRED COMMENTS:

The following justifies and elaborates on the employee's outstanding performance and contributions to operational excellence:

Completed by: _____
Immediate Supervisor Signature Print Name Date

REQUIRED COMMENTS:

The following supports or disagrees with the immediate supervisor's assessment.

Recommended by: _____
Lieutenant/Captain Print Name Date

Recommended by: _____
Deputy Chief/Chief Print Name Date

Approved by: _____
Vice President Print Name Date

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**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

December 9, 2010

Subject: Test Preparation Fee

Proposed Board Action:

Adopt a test preparation fee that will apply only to those students who, as part of their graduation requirements, are expected to obtain specific preparation for a practice-based examination.

Background Information

Florida State 1009.24 (15) (a) provides for Florida Board of Governors approval of proposals from a university board of trustees to implement new student fees. Florida Board of Governors regulation 7.003, Fees, Fines and Penalties, defines the process that must be followed in establishing new student fees.

The Test Preparation Fee, as part of a degree program request, is proposed to increase the accessibility of students to test preparation courses and to lower the cost of the preparation courses through negotiated contracts. Additionally, by including the test preparation course fee as part of the degree requirements, students may be eligible to pay for the course through financial aid.

The Test Preparation Fee will be at cost.

Supporting Documentation: Test Preparation Fee—BOG New Fee Request Form

Facilitator/Presenter: Albert Maury, *Finance and Audit Committee Chair*

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**State University System
Florida Board of Governors
Request to Implement a New Fee - Regulation 7.003(23)**

University: FLORIDA INTERNATIONAL UNIVERSITY

Date	
University Board of Trustees approval date:	December 9, 2010
Proposed fall implementation date (year):	2011
Description	
New fee title:	Test Preparation Fee
Amount of new fee (per credit hour if applicable):	Varies; Fee will be at cost
Proposed new fee as a percentage of tuition: ¹	Less than 10 percent of total tuition over the entire program
Purpose	
<p>Describe the purpose to be served or accomplished with this fee:</p> <p>The purpose of the fee is to increase accessibility to test preparation courses in programs where students are expected to obtain specific preparation for a practice-based examination. Additionally, the fee is anticipated to lower the total cost to students who complete examination preparation courses by negotiating a contract rate that is significantly less than what is available through private, for-profit providers. It is anticipated that the fee will be eligible for financial aid, providing another benefit to students.</p>	
Demonstrable Student-Based Need / Involvement	
<p>Describe the student-based need for the fee that is currently not being met through existing services, operations, or another fee:</p> <p>Students routinely desire to take test preparation courses where examination passage is required in order to be licensed in their profession. Often, students cannot afford the high costs of these test preparation courses offered through private, for-profit providers. Given the lower cost and the opportunity for all or part of the total cost to be covered by financial aid, we believe students will be strongly supportive.</p>	
<p>Describe the process used to assure substantial student input or involvement:</p>	

¹ If a student is required to pay this fee as a part of registration for a course, the fee shall not exceed 10 percent of tuition. See Regulation 7.003(23)(b).

**State University System
Florida Board of Governors
Request to Implement a New Fee - Regulation 7.003(23)**

There have been informal focus-group discussions with students on the desirability of the test preparation fee and the results have been very positive.

Student Impact

Explain the financial impact of the fee on students, including those with financial need:

Students with the greatest need will be positively impacted since the fee is anticipated to be covered by financial aid.

Restrictions / Limitations

Identify any proposed restrictions, limitations, or conditions to be placed on the new fee:

None identified.

Revenues / Expenditures

Annual estimated revenue to be collected:

Varies; fee is simply at cost. No mark-up.

Describe the service or operation to be implemented and estimated expenditures (attach operating budget expenditure form).

None to the university. The lower fee will be paid to the contract provider.

Accountability Measures

Indicate how the university will monitor the success of the new fee. Provide specific performance metrics that will be used.

The university will track passage rates for our students in order to improve program content.

Other Information

**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

December 9, 2010

Subject: Market Rate Tuition for Master of Arts in Global Governance

Proposed Board Action:

Approve the Market Rate Tuition for the Master of Arts in Global Governance

Background Information:

Florida State 1009.24 (15) (a) provides for Florida Board of Governor's approval of proposals from a university board of trustees to implement market tuition rates for graduate-level online courses or graduate-level courses offered through a university's continuing education program. Florida Board of Governors regulation 7.001, Tuition and Associated Fees, defines the process that must be followed in establishing market tuition rates.

The Florida International University Board of Trustees approved market tuition rates for several programs at its June 4, 2010 meeting. The Master of Arts in Global Governance degree program was also approved at this meeting. However, because the Master of Arts in Global Governance was not an existing program, it was not included in the request for market tuition rates at that time.

The Market Rate Tuition, totaling \$32,000 for the two-year program, will be effective Fall 2011.

Supporting Documentation: N/A

Facilitator/Presenter: Albert Maury, *Finance and Audit Committee Chair*

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**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

December 9, 2010

SUBJECT: Florida International University 2010 Annual Report to the Florida Board of Governors

Proposed Board Action:

Submit the 2010 Annual Report to the Florida Board of Governors for approval as provided in the Board materials.

Background Information:

Pursuant to the Florida Board of Governors Regulation 2.002 University Work Plans and Annual Reports, each university's work plans and annual reports shall reflect the institution's distinctive mission and focus on core institutional strengths within the context of State University System goals and regional and statewide needs. Each board of trustees shall submit to the Board of Governors a university annual report that describes progress against articulated goals and summarizes other key data, with accompanying narrative to highlight or explain information, when applicable.

Supporting Documentation:	2010 Florida International University Annual Report
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Facilitator/Presenter:	S. Lawrence Kahn, III, <i>Academic Policy and Student Affairs Committee Chair</i>
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STATE
UNIVERSITY
SYSTEM
of FLORIDA
Board of Governors

2010 Annual Report

Volume I

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Florida International University

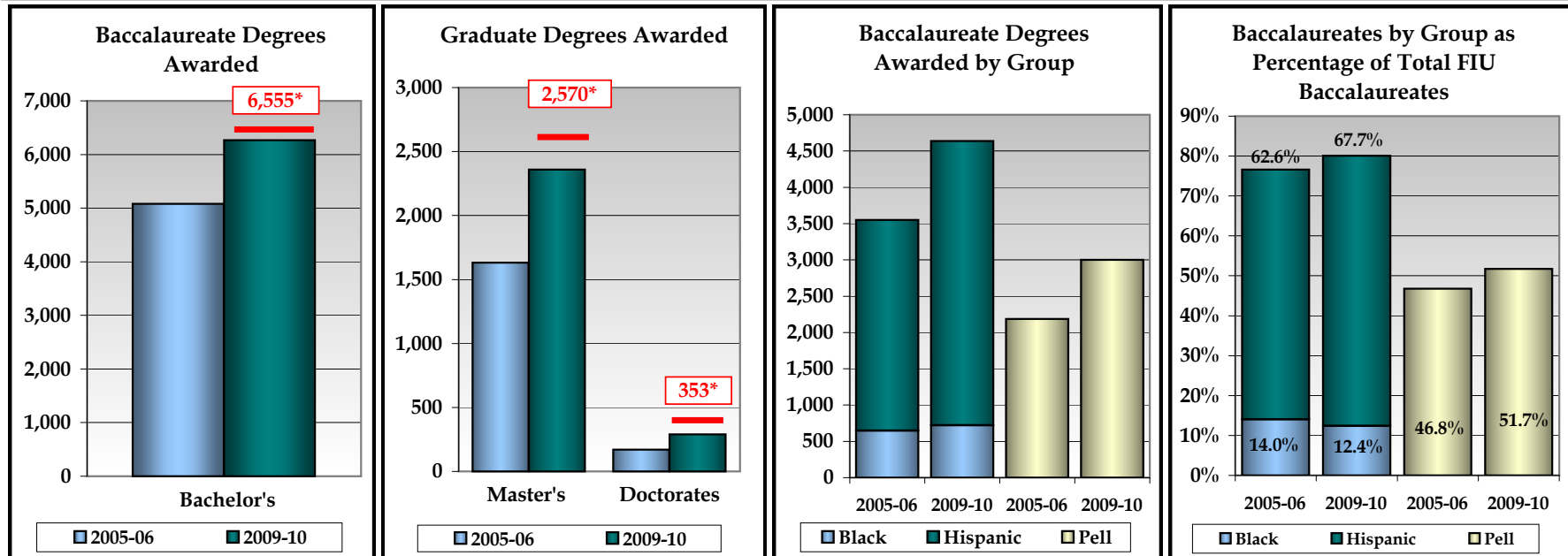
Data definitions are provided in the Appendices.

Note concerning data accuracy: The Office of the Board of Governors believes that the accuracy of the data it collects and reports is paramount to ensuring accountability in the State University System. Thus, the Board Office allows university resubmissions of some data to correct errors when they are discovered. This policy can lead to changes in historical data.

Florida International University 2010 Annual Report

Sites and Campuses			University Park Campus, Biscayne Bay Campus, Pines Center Site		
Enrollments	Headcount	%	Degree Programs Offered (As of Spr. 10)		Carnegie Classification
TOTAL (Fall 2009)	40,455	100%	TOTAL	174	Undergraduate Instructional Program: Professions plus arts & sciences, high graduate coexistence
Black	4,910	12%	Baccalaureate	65	Graduate Instructional Program: Comprehensive doctoral (no medical/veterinary)
Hispanic	24,094	60%	Master's & Specialist's	78	
White	6,299	16%	Research Doctorate	28	Enrollment Profile: High undergraduate
Other	5,152	13%	Professional Doctorate	3	Undergraduate Profile: Medium full-time four-year, selective, lower transfer-in
Full-Time	24,074	60%	Faculty (Fall 2009)	Full-Time	Size and Setting: Large four-year, primarily nonresidential
Part-Time	16,381	40%		Part-Time	
Undergraduate	30,927	76%	TOTAL	871	Basic: Research Universities (high research activity)
Graduate	7,299	18%	Tenure/T. Track	633	
Unclassified	2,229	6%	Other Faculty/Instr.	238	
					Elective Classification: N/A

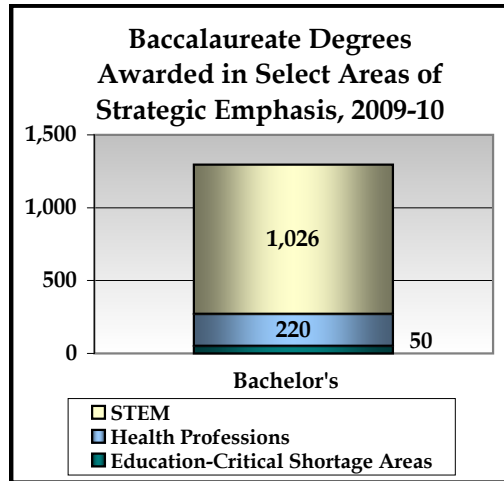
BOARD OF GOVERNORS - STATE UNIVERSITY SYSTEM GOAL 1: ACCESS TO AND PRODUCTION OF DEGREES



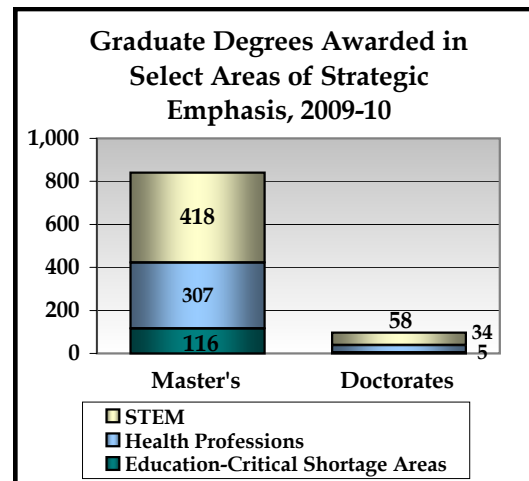
***2012-13 Targets for Degrees Awarded.**
Note: All targets are based on 2010 University Workplans.

[2012-13 Targets for Baccalaureates By Group
Reported in Volume II - Table 4I].

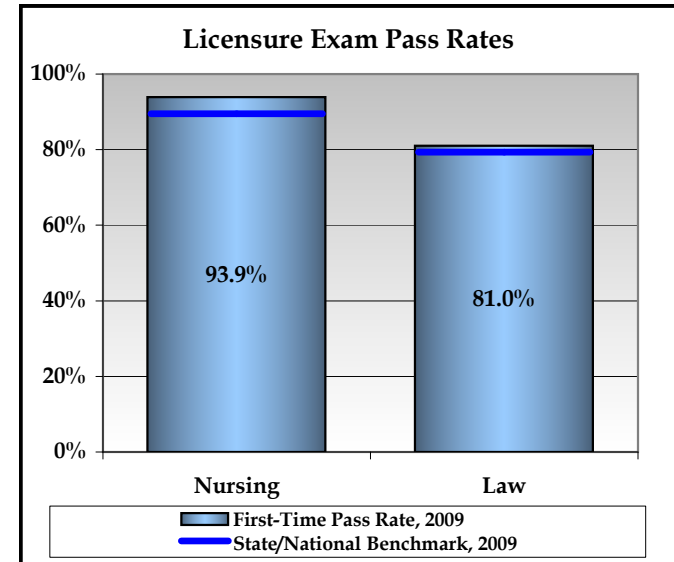
**BOARD OF GOVERNORS - STATE UNIVERSITY SYSTEM GOAL 2:
MEETING STATEWIDE PROFESSIONAL AND WORKFORCE NEEDS**



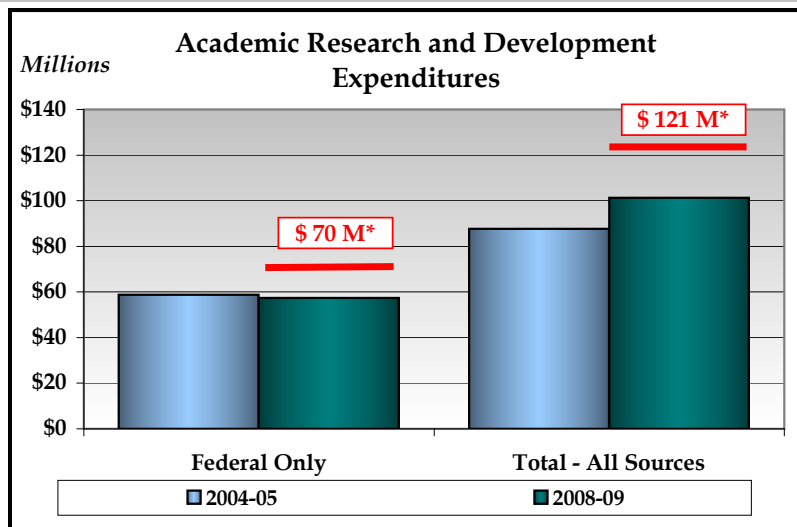
2012-13 Target: Increase
(2008-09 Baseline: 1,186 Total)



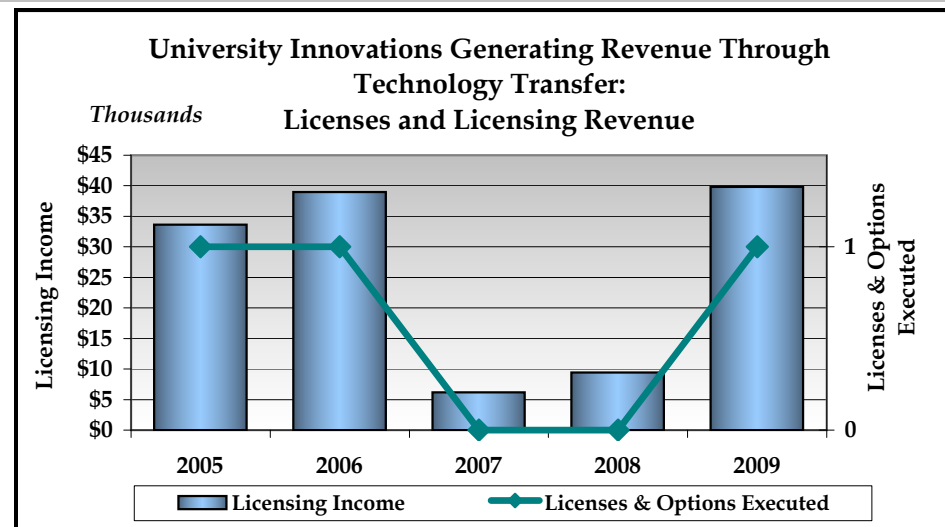
2012-13 Target: Increase
(2008-09 Baseline: 995 Total)



**BOARD OF GOVERNORS - STATE UNIVERSITY SYSTEM GOAL 3:
BUILDING WORLD-CLASS ACADEMIC PROGRAMS AND RESEARCH CAPACITY**



***2011-12 Targets for Research & Development Expenditures.**



2011-12 Targets: Licenses - Increase (2008 Baseline = 0)
Licensing Revenue - Increase (2008 Baseline = \$9,423)

Key University Achievements

► Student awards/achievements

1. FIU's College of Law team finished fourth in the 2010 Robert Orseck Memorial Moot Court Competition.
2. FIU's team, composed of students from the College of Architecture + the Arts and the College of Engineering and Computing, was one of 20 teams in the world selected to participate in the 2010-2011 Department of Energy Solar Decathlon.
3. Majelissa Luna '07, MIB '10, Heidi Smith and Miryam Rodriguez '10 received Fulbright awards for 2010-2011.

► Faculty awards/achievements

1. Dr. Nezih Pala, professor in the Department of Electrical Engineering, and Dr. Vagelis Hristidis, assistant professor in the School of Computing and Information Sciences, received National Science Foundation CAREER awards.
2. Dr. Vagelis Hristidis, assistant professor in the School of Computing and Information Sciences, received a Google Research Award.

► Program awards/achievements

1. América Economía, the leading business magazine in Latin America, ranked FIU Chapman Graduate School 26th among U.S. business schools and 44th in the world.

2. FIU's International Undergraduate Business Program ranked in top 15 in U.S. News and World Report for the seventh year in a row.
3. FIU's Latin American and Caribbean Center and the University of Miami's Center for Latin American Studies formed the Miami Consortium for Latin American and Caribbean Studies in 2009. The U.S. Department of Education awarded a \$1 million Title VI National Resource Center grant to the consortium.

► Research awards/achievements

1. Dr. Joe Leigh Simpson, Executive Associate Dean in the College of Medicine, received a \$1.4 million grant from the Department of Defense for his research in Mass Scale Biosensor Threat Diagnostic for In-Theater Defense Utilization.
2. The Howard Hughes Medical Institute awarded FIU's Department of Physics \$1 million to expand its unique approach of teaching physics education.
3. Rebecca Vega-Thurber, FIU assistant professor of biology in the School of Environment and Society (SEAS), was awarded a three-year, \$600,000 grant from the National Science Foundation (NSF) to study viruses in coral reefs around the world.

► Institutional awards/achievements

1. FIU's Biscayne Bay Campus was designated as an Arbor Day Foundation "Tree Campus USA." It's the first campus in Florida to receive the designation.

**BOARD OF GOVERNORS - STATE UNIVERSITY SYSTEM OF FLORIDA GOAL 4:
MEETING COMMUNITY NEEDS AND FULFILLING UNIQUE INSTITUTIONAL RESPONSIBILITIES**

FIU enhanced several of its community foci under the leadership of President Mark B. Rosenberg. In response to the earthquake that struck Haiti on January 12, 2010, President Rosenberg created a task force of university leaders who were charged with coordinating University efforts and forming a unified FIU response to the Haiti disaster. Highlights of the task force's efforts include the development of a memorandum of understanding with the University of Haiti to ensure a successful and sustained collaboration between FIU and the University of Haiti; the creation and use of a Creole interpreter database made up of more than 200 volunteers from the community; and fundraising efforts that included a student campaign, as well as staff and alumni efforts to collect money to assist in Haiti's recovery. Additionally, FIU received a Title V grant to rescue the patrimony of Haiti by expanding the Digital Library of the Caribbean.

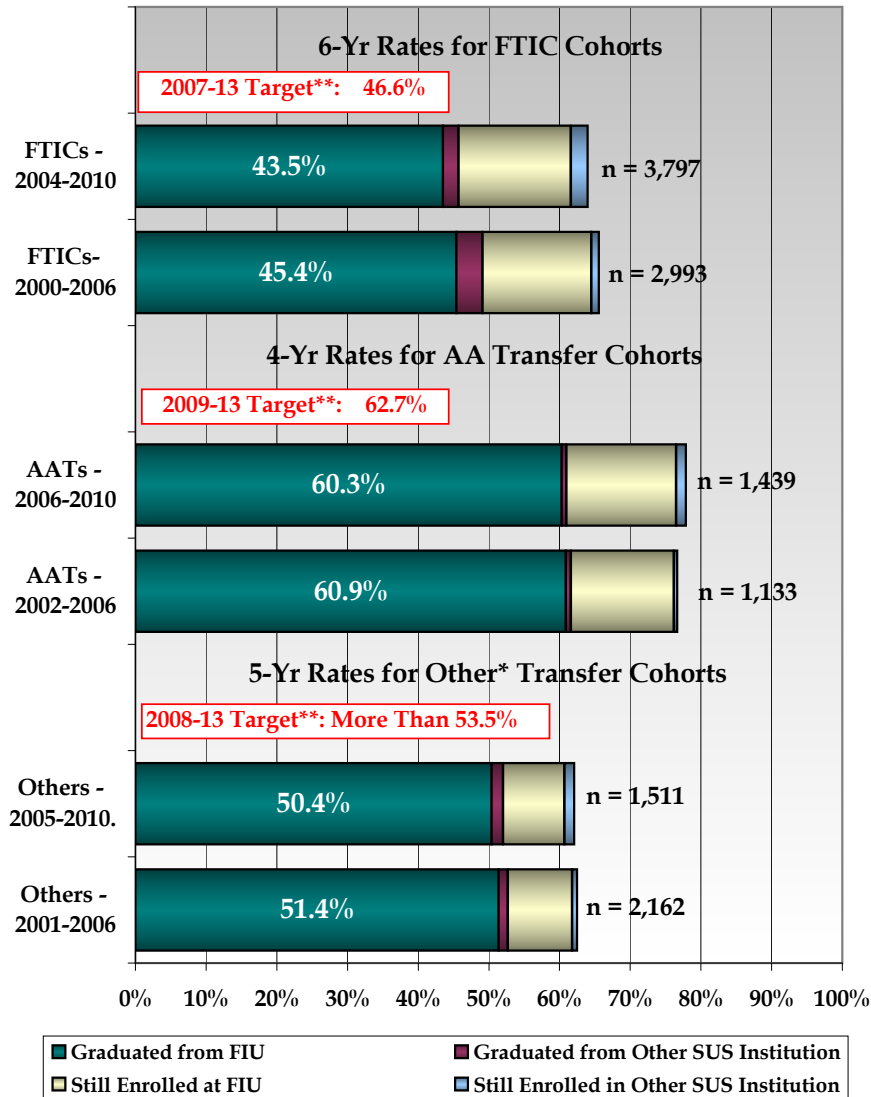
Recognizing its international/global focus, FIU selected as its quality enhancement program (QEP) Initiative for its recent Southern Association of Colleges and Schools (SACS) reaffirmation Global Learning for Global Citizenship. With many of its students already citizens of the world and international cultures, courses have been developed, refined, and approved through University procedures to further broaden students' knowledge of other cultures and diversity.

Florida International University's Center for Leadership designed a Principals Leadership Development Program to teach proven business practices based on groundbreaking research by FIU on management and leadership. The program was developed through an endowment from the John S. and James L. Knight Foundation. In summer 2010, over 20 high school principals from the Miami-Dade County Public Schools participated in a weeklong intensive training. The program strives to prepare and improve the ability of school leaders to effectively build the positive school culture and climate required to increase teacher retention and improve student achievement in today's urban schools.

FIU College of Law's clinical programs have expanded with the launch of Investor Advocacy Clinic, Green Family NeighborhoodHELP™ Clinic (inter-disciplinary collaboration), and an Environmental Clinic.

RESOURCES, EFFICIENCIES, AND EFFECTIVENESS

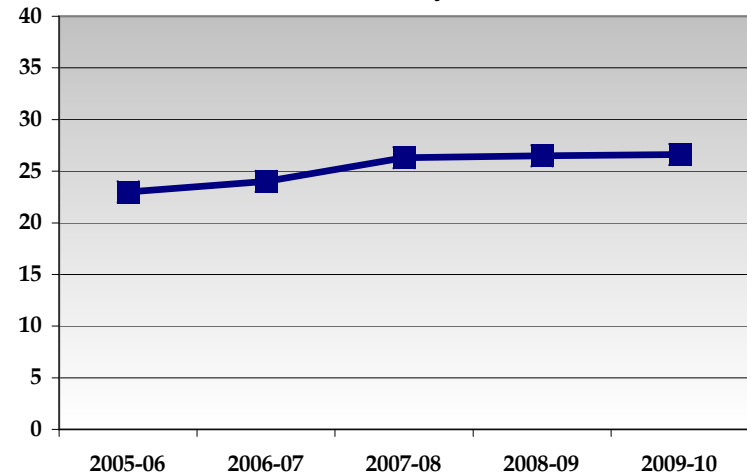
Undergraduate Retention and Graduation Rates



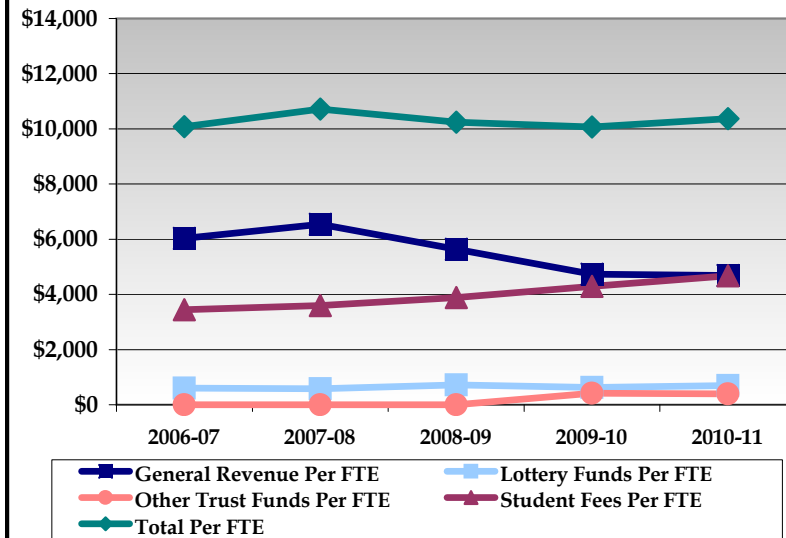
* The composition of "Other Transfer" cohorts may vary greatly by institution and by year.

**Graduation Rate from SAME Institution.

Student-to-Faculty Ratio



Appropriated Funding Per Actual Student FTE**



** FTE for this metric uses the standard IPEDS definition of FTE, equal to 30 credit hours for undergraduates and 24 for graduates.

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INTRODUCTION

Florida International University (FIU) has been following its current Millennium Strategic Plan, which concludes at the end of the 2010 calendar year. With the arrival in August of 2009 of FIU's fifth president, Dr. Mark Rosenberg, the University began with new initiatives focusing on the President's "Hit the Ground Running" action paper cited in the University's 2010 Work Plan:

- Revitalize and expand the financial base,
- Achieve results-oriented student-centered academic excellence,
- Enhance quality and impact of research and creative initiatives, and
- Engage the community locally and globally.

In 2009-2010, the University participated in a very successful SACS (Southern Association of Colleges and Schools) accreditation site visit which demonstrated the excellence of FIU's faculty, staff, and programs.

Mission

Florida International University is an urban multi-campus, public research university serving its students and the diverse population of South Florida.

Vision

Florida International University will be a leading urban public research university that focuses on student learning and provides leadership in local and global engagement.

Building on its historical foundation and the guiding principles of its fifth president, the University, with broad representation from its many constituencies, has spent much of the year completing the Worlds Ahead Strategic Plan. The link is <http://stratplan.fiu.edu>. The plan, to be approved by the Board of Trustees in December 2010, centers the University on its mission as an urban, multi-campus, public research university serving its students and the diverse population of South Florida. FIU will provide high-quality teaching, engage in state-of-the-art research and creative activity, and enhance the educational, cultural, and economic vitality of the local and global community.

The Worlds Ahead Strategic Plan describes specific initiatives FIU will undertake to fulfill its mission and goals. These initiatives include the following: (1) achieve enhanced student learning and academic excellence; (2) enhance the quality, quantity, and impact of research and creative initiatives; (3) engage with the community in collaborative problem solving; and (4) revitalize and expand FIU's infrastructure and financial base.

FIU has identified four themes for strategic investment: arts, environment, globalization, and health. In the arts, FIU builds on strengths in its College of Architecture + the Arts and its two accredited museums: the Patricia and Philip Frost Art Museum and the Wolfsonian-FIU. In the environment, FIU has just established a School of the Environment, Arts, and

Society. In globalization FIU's School of International and Public Affairs (SIPA) will move into its new building in January 2011.

FIU also used the opportunity of its positive SACS reaffirmation of accreditation site visit to develop a QEP (Quality Enhancement Plan) initiative, Global Learning for Global Citizenship, which is transforming its curriculum to place greater emphasis on preparing students for success in a global environment. In Health, FIU is creating an Academic Health Center that will encourage interdisciplinary approaches to teaching and research.

BOARD OF GOVERNORS - STATE UNIVERSITY SYSTEM GOAL 1: ACCESS TO AND PRODUCTION OF DEGREES

During the academic year 2009-10, FIU enrolled over 39,000 students in 179 degree programs from 180 countries. Seventy-seven percent of FIU's students are minority students. FIU's most defining feature is this diversity and the University's success in producing an educated workforce with leadership capabilities for South Florida, the state, the country, and the world.

FIU continues to expand its access to the residents of Florida. In the last five academic years, FIU has increased its degree production by just over 28%. During the 2009-10 academic year, FIU awarded over 9,200 total degrees. Of those, just over 6,600 were at the baccalaureate level, and 92% of those were granted to residents of the state of Florida. During this time of growth, FIU has maintained its commitment to access and diversity by awarding 73% of its

total degrees to minority students. Additionally, 51% of FIU's baccalaureate degrees are awarded to Pell-Grant recipients, the largest percentage in the state, and one of the largest in the nation. During the 2009-10 year, FIU continued to serve first-generation students with 7,089 of such students receiving financial aid.

FIU's commitment to access and production of degrees is also demonstrated through FIU's focus on strengthening its strategic alignments with the P-12 community and truly building a P-20 model in South Florida for student success. One of the exciting initiatives that began last year was the partnership with Miami-Dade Public Schools that enables the system's top students to take classes on FIU's campus. Students at the Academy for Advanced Academics (AAA) take all of their classes at the Modesto A. Maidique Campus and build class schedules based on their academic interests. By the time the students graduate from high school, they will have completed up to two full years of college. Currently, FIU has 97 AAA students on campus and has already graduated 19 students.

FIU has also renewed its commitment to access to degrees by focusing on its partnership with one of the largest school systems in the nation. Leaders from Miami-Dade County Public Schools and Florida International University have formed a task force to identify and leverage each organization's strengths for the benefit of students and families throughout Miami-Dade County. Currently, FIU and the public schools are involved in more than 50 collaborative projects that directly impact more than 25,000 students annually. FIU President Mark Rosenberg and Miami-Dade Public Schools Superintendent Alberto Carvalho, along with Miami Dade College representatives, also participated in two

public town hall meetings over the past year discussing the future of P-20 education in the county.

**BOARD OF GOVERNORS – STATE UNIVERSITY
SYSTEM GOAL 2: MEETING STATEWIDE
PROFESSIONAL AND WORKFORCE NEEDS**

Continuing efforts to increase the number of healthcare professionals for the region and the state, FIU nursing, physical therapy, and other health programs awarded 975 degrees in the 2009-2010 year. Student internships required for certification in these disciplines resulted in tens of thousands of hours to these professions in the community.

FIU's second-year medical students began visiting families who are medically underserved as part of the Green Family NeighborhoodHELP™ program, a component of the innovative Green Family Medicine and Society curriculum of the Herbert Wertheim College of Medicine. The program pairs every medical student with a household in North Miami-Dade, including areas of the cities of Miami Gardens and Opa-locka and unincorporated Miami-Dade. Medical students will visit the households regularly during the last three years of their medical education along with colleagues from social work and nursing, under the supervision of a faculty member. The student-household relationship is expected to help improve health indicators in the area, while giving students a unique first-hand learning experience. Depending on the needs of a household, students from public health, law, education, business, and other disciplines may join the team in the future.

The MBA in Healthcare Management, offered through FIU's Alvah H. Chapman Jr. Graduate School of Business, is an 18-month program geared toward individuals with at least four years of professional experience. The program has been designed to put all the pieces of the complex healthcare picture together. In addition to taking nine core MBA courses and five courses specific to healthcare, students network with senior executives of hospitals, physician groups, clinics, and HMOs. Many of their professors serve on boards of the area's prominent healthcare organizations, enabling them to bring real-world insights on current issues directly to the classroom.

**BOARD OF GOVERNORS – STATE UNIVERSITY
SYSTEM GOAL 3: BUILDING WORLD-CLASS
ACADEMIC PROGRAMS AND RESEARCH CAPACITY**

The 2009-2010 fiscal year represented a milestone in the long-term upward trajectory of research growth at FIU. During that 12-month period, FIU faculty obtained over \$100 million in total research awards. Not only does this represent a 13% increase from the previous fiscal year, but it is also the first time FIU exceeded \$100 million in research awards during a single fiscal year. Moreover, this increase comes on the heels of a 22% increase in research funding during the 2008-2009 fiscal year. This tremendous achievement reflects the commitment, effort, and creativity of FIU's faculty, students, and staff. This accomplishment is made all the more remarkable by the challenging economic and funding climate experienced during this period.

During this past year, FIU faculty members have been awarded several Major Research Instrumentation awards, which will enhance FIU's existing research infrastructure and

stimulate future research and creative activities. Several prestigious NSF CAREER awards were obtained by faculty in the College of Engineering and Computing, as well as the College of Arts and Sciences. In addition, faculty from across the University successfully competed for large grants awards to support undergraduate and graduate student research and education. Examples include the \$4 million NIH grant awarded to RISE (Research Initiative for Scientific Enhancement), the continuing NSF award to CHEPREO for \$1.6 million, the recent \$3.5 million dollar Title V grant to the College of Arts and Sciences, the Howard Hughes Medical Institute's \$1 million award to the Physics Education Program, numerous individual awards totaling \$3.4 million to the College of Education in the area of special education, and the \$2 million PIRE (Partnership for International Research and Education) grant.

In STEM education and student success, the University received several key grant awards, and expects additional ones in the next fiscal year. The University received a \$3.5 million, 5-year Title V Grant from the U.S. Department of Education focusing on undergraduate student success in secondary teacher education.

In areas pertaining to FIU's Globalization focus, the U.S. Department of Education awarded a \$1 million Title VI National Resource Center grant to Florida International University, in partnership with the University of Miami (UM). Last year, FIU's Latin American and Caribbean Center and UM's Center for Latin American Studies formed the Miami Consortium for Latin American and Caribbean Studies. This is the Consortium's first federally funded project. The four-year Title VI grant will enable FIU and UM to expand Latin American and Caribbean educational and training

opportunities. This includes new course offerings in Portuguese and Haitian Creole, expansion of the universities' library collections, travel funding for faculty, and greater support of K-12 outreach programming.

The Global Water for Sustainability (GLOWS) program is a consortium financed by the United States Agency for International Development (USAID) working to increase social, economic, and environmental benefits to people of the developing world. The GLOWS Consortium is led by Florida International University and includes CARE, WaterAid America, Winrock International, World Vision, and the World Wildlife Fund (WWF). The program was awarded a new \$32 million grant to develop an initiative in West Africa (WA). This WA Water, Sanitation, and Hygiene (WA-WASH) Program will be conducted simultaneously in four countries (Ghana, Mali, Niger, and Burkina Faso). FIU will be the lead institution, and the entire four-year program will be coordinated from Miami and a regional office located in Ouagadougou, Burkina Faso. This program will allow for hiring of new faculty across several disciplines (law, public health, environmental sciences, and engineering), which will create unique expertise at FIU in this area of research.

In areas pertaining to sustainable communities and the environment, FIU and the Miami-Dade Expressway Authority (MDX) signed an agreement for up to \$500,000 to fund research at the FIU Lehman Center for Transportation Research leading the development of an advanced bus transportation system running from the Miami International Airport and across the county. In other areas pertaining to the environment, faculty in the newly formed School of Environment, Arts, and Society (SEAS) received a large NSF grant for Major Research Instrumentation, which will support

the School's future research endeavors, and another significant grant to study diseases of the coral reefs.

There were two other notable new grant awards pertaining to the environment. One grant for \$1 million, from the U.S. Department of Energy, will supplement FIU's Wall of Wind (WoW), which is part of the state-funded Center of Excellence. FIU researchers also received \$1.6M funding for research pertaining to climate change in tropical and arctic environments.

In April 2010, the U.S. Department of Energy announced the selection of a team of students and faculty advisors from FIU's College of Architecture + The Arts and the College of Engineering and Computing as one of twenty teams to compete in the 2011 Solar Decathlon on the Washington Mall. The Department of Energy contributed seed funding of nearly \$100,000 to support the project.

The Center for Children and Families, which focuses on treatments for Attention Deficit and Hyperactivity Disorders, received \$5.7 million in funding from the NIH. HIV/AIDS researchers from the Herbert Wertheim College of Medicine received a \$2.5 million NIH grant to develop magnetic nano-carriers to deliver medication to the brain. Researchers in the Robert Stempel College of Public Health and Social Work received \$2.5 million to study interactions between HIV/AIDS, alcoholism, and liver disease, and an award of \$1.8 million to study factors associated with racial disparities in HIV survival rates. The faculty from the Robert Stempel College of Public Health and Social Work and the Herbert Wertheim College of Medicine also received a \$1.6 million dollar award from NIH focusing on breast cancer research, as

well as \$2 million for genetic and environmental factors associated with cancer.

BOARD OF GOVERNORS - STATE UNIVERSITY SYSTEM GOAL 4: MEETING COMMUNITY NEEDS AND FULFILLING UNIQUE INSTITUTIONAL RESPONSIBILITIES

FIU enhanced several of its community foci under the leadership of President Mark B. Rosenberg. In response to the earthquake that struck Haiti on January 12, 2010, President Rosenberg created a task force of university leaders who were charged with coordinating university efforts and forming a unified FIU response to the Haiti disaster. Highlights of the task force's efforts include the development of a memorandum of understanding with the University of Haiti to ensure a successful and sustained collaboration between FIU and the University of Haiti; the creation and use of a Creole interpreter database made up of more than 200 volunteers from the community; and fundraising efforts that included a student campaign, as well as staff and alumni efforts to collect money to assist in Haiti's recovery. Additionally, FIU received a Title V grant to rescue the patrimony of Haiti by expanding the Digital Library of the Caribbean.

Recognizing its international/global focus, FIU selected as its quality enhancement program (QEP) Initiative for its recent Southern Association of Colleges and Schools (SACS) reaffirmation Global Learning for Global Citizenship. With many of its students already citizens of the world and international cultures, courses have been developed, refined, and approved through university procedures to further broaden students' knowledge of other cultures and diversity.

Florida International University's Center for Leadership designed a Principals Leadership Development Program to teach proven business practices based on groundbreaking research by FIU on management and leadership. The program was developed through an endowment from the John S. and James L. Knight Foundation. In summer 2010, over 20 high school principals from the Miami-Dade County Public Schools participated in a week-long intensive training. The program strives to prepare and improve the ability of school leaders to effectively build the positive school culture and climate required to increase teacher retention and improve student achievement in today's urban schools.

FIU College of Law's clinical programs have expanded with the launch of Investor Advocacy Clinic, Green Family NeighborhoodHELP™ Clinic (inter-disciplinary collaboration), and an Environmental Clinic.

PROGRESS ON PRIMARY INSTITUTIONAL GOALS AND METRICS AS OUTLINED IN THE UNIVERSITY WORK PLAN

The University is making progress on the three goals identified in the work plan.

Support strategic priorities in teaching and research

The University hired over 40 new faculty for the 2010-2011 year, exceeding the goal of 31 faculty. In the 2009-2010 academic year, the University exceeded \$100 million in external funding and awarded 114 research doctorates and 176 professional doctorates.

Improve Academic Success

The University was able to complete two of the three metrics in this goal during the fall 2010 semester by hiring 11 advisors and converting 20 adjuncts into full-time lecturers. Twelve classrooms will undergo modernization during summer 2011.

Expand Community Partnerships

The Office of Engagement has been established with Vice President Divina Grossman providing strategic direction. The University has submitted its application for the Carnegie designation of Community Engagement. Additionally, the Green Family NeighborhoodHELP™ program has expanded to include faculty and students from the College of Nursing and Health Sciences and the School of Social Work. With funding recently received from the National Institutes of Health, FIU will be able to expand the Green Family NeighborhoodHELP™ program into Little Haiti.

The family practice plan, FIU Health Care Network was established.

ADDITIONAL INFORMATION ON QUALITY, RESOURCES, EFFICIENCIES, AND EFFECTIVENESS

Academic Success in Mathematics

FIU won a Wal-Mart Foundation grant for the success of First Generation (FG) students in gateway Mathematics courses with peer learning assistants (LAs) in Summer

2009. The program has shown significant success improving passing rates for first generation students. Passing rates in College Algebra were 78% for FG students in the program compared to 34% for the FG control group. The programs preliminary results for intermediate Algebra show similar success (65% compared to 46%).

Energy Conservation

FIU has implemented various initiatives to help reduce the consumption of energy on all campuses. Some of these projects are the following: installation of motion sensing switches and energy management controls; monitoring of chill-water temperature; use of water-efficient urinals; standardization of the use of energy saving lights; replacement of metal halide bulbs in Parking Garage 5 with fluorescent bulbs; and the MMC residence halls have upgraded network systems for air-conditioning to be better able to respond to energy concerns.

Recycling

FIU students took on this initiative as their own. The students adopted a national program for re-cycling. As a result, recycling bins have been added across FIU's campuses. Additionally, they have put together a movie festival highlighting the go-green initiative.

Renegotiation of Construction and Maintenance Contracts

To maximize efficiencies, the University renegotiated minor construction contracts resulting in lower overhead percentages as well as lower profit for contractors; used the State University System's risk insurance contract

negotiated by FAU at a reduced cost; and renegotiated lower rates in Landscaping and Uniforms Contracts.

Implementing Technology

The graduation and certification process is on-line. The Office of Orientation developed a fully online transfer orientation module.

Imaging technology continues to be implemented across campus. Most recently, Human Resources and the Office of Records and Registration digitized all paper records to increase efficiencies in record recovery, space utilization, and employee access time.

ADDITIONAL RESOURCES

Institutional Peers

Criteria - Public, Part-time greater than 10%, Urban, Carnegie High Research or Very High Research with comparable levels of research expenditures and doctoral degree production.

George Mason University
University of Louisville
Georgia State University
University of Houston – University Park

Aspirational Institutional Peers

Criteria - Institutions are urban, public research universities in the Carnegie Very High Research Classification.

Arizona State University
Wayne State University
University of Cincinnati
University of New Mexico

Strategic Plan

<http://stratplan.fiu.edu/docs/msp.pdf>

Voluntary System of Accountability College Portrait

<http://www.collegeportraits.org/FL/FIU>

Common Data Set

<http://w3.fiu.edu/irdata/portal/cds.htm>

College Navigator

<http://nces.ed.gov/collegenavigator/?q=florida+international+university&s=all&id=133951>

Office of Planning and Institutional Research

<http://w3.fiu.edu/irdata/portal/>



STATE
UNIVERSITY
SYSTEM
of FLORIDA
Board of Governors

2010 Annual Report

Volume II

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2010 Annual Report

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Florida International University

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Note concerning data accuracy: The Office of the Board of Governors believes that the accuracy of the data it collects and reports is paramount to ensuring accountability in the State University System. Thus, the Board Office allows university resubmissions of some data to correct errors when they are discovered. This policy can lead to changes in historical data.

Section 1 – Financial Resources

TABLE 1A. University Education and General Revenues

	2006-07 Actual	2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-11 Estimates
Recurring State Funds (GR & Lottery)	\$215,004,391	\$221,172,448	\$206,029,070	\$180,520,031	\$184,025,962
Non-Recurring State Funds (GR & Lottery)	\$ 2,502,189	\$ 12,784,585	\$ 9,587,997	\$ 1,202,411	\$ 2,496,924
Tuition (Resident & Non-Resident)	\$121,088,321	\$122,206,561	\$128,413,296	\$128,089,012	\$138,980,693
Tuition Differential Fee	\$ 0	\$ 0	\$ 2,566,323	\$ 7,428,377	\$ 11,880,422
Other Revenues (Includes Misc. Fees & Fines)	\$ 2,453,429	\$ 2,478,005	\$ 2,640,819	\$ 2,914,805	\$ 3,376,107
Phosphate Research Trust Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Federal Stimulus Funds	\$ 0	\$ 0	\$ 0	\$ 14,250,535	\$ 13,635,669
TOTAL	\$341,048,330	\$358,641,599	\$349,237,505	\$334,405,171	\$354,395,777

TABLE 1B. University Education and General Expenditures

	2006-07 Actual	2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-11 Estimates
Instruction/Research	\$182,584,783	\$190,058,978	\$192,502,152	\$191,817,340	\$229,595,693
Institutes and Research Centers	\$ 807,777	\$ 2,219,037	\$ 1,190,150	\$ 689,914	\$ 679,161
PO&M	\$ 32,957,519	\$ 34,478,199	\$ 33,195,211	\$ 35,425,984	\$ 34,768,723
Administration and Support Services	\$ 42,797,098	\$ 46,159,437	\$ 41,085,034	\$ 47,261,433	\$ 44,205,805
Radio/TV	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Library/Audio Visual	\$ 16,332,904	\$ 16,579,532	\$ 16,259,156	\$ 15,859,075	\$ 16,354,672
Museums and Galleries	\$ 3,158,294	\$ 3,081,449	\$ 3,102,438	\$ 2,997,019	\$ 3,016,172
Agricultural Extension	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Student Services	\$ 21,450,686	\$ 21,999,030	\$ 20,751,117	\$ 21,874,231	\$ 25,280,546
Intercollegiate Athletics	\$ 496,734	\$ 493,112	\$ 497,435	\$ 496,487	\$ 495,005
TOTAL	\$300,585,795	\$315,068,774	\$308,582,693	\$316,421,483	\$354,395,777

The table reports the actual and estimated amount of expenditures from revenues appropriated by the Legislature for each fiscal year. The expenditures are classified by Program Component (i.e., Instruction/Research, PO&M, Administration, etc.) for activities directly related to instruction, research and public service. The table does not include expenditures classified as non-operating expenditures (i.e., to service asset-related debts), and therefore excludes a small portion of the amount appropriated each year by the Legislature. Also, the table does not include expenditures from funds carried forward from previous years.

Section 1 – Financial Resources (continued)

TABLE 1C. State Funding per Full-Time Equivalent (FTE) Student

	2006-07 Actual	2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-11 Estimates
Appropriated Funding per FTE					
General Revenue per FTE	\$ 6,030	\$ 6,539	\$ 5,638	\$ 4,731	\$ 4,684
Lottery Funds per FTE	\$ 600	\$ 583	\$ 720	\$ 621	\$ 698
Tuition & Fees per FTE	\$ 3,450	\$ 3,599	\$ 3,885	\$ 4,291	\$ 4,671
Other Trust Funds per FTE	\$ 0	\$ 0	\$ 0	\$ 420	\$ 393
Total per FTE	\$ 10,080	\$ 10,720	\$ 10,243	\$ 10,063	\$ 10,369
Actual Funding per FTE					
Tuition & Fees per FTE	\$ 3,766	\$ 3,796	\$ 4,082	\$ 4,077	\$ 4,450
Total per FTE	\$ 10,396	\$ 10,918	\$ 10,439	\$ 9,848	\$ 10,225

Notes: (1) FTE is based on actual FTE, not funded FTE; (2) does not include Health-Science Center funds or FTE; (3) FTE for these metrics uses the standard IPEDS definition of FTE, equal to 30 credit hours for undergraduates and 24 for graduates; and (4) actual funding per student is based on actual tuition and E&G fees (does not include local fees) collected.

TABLE 1D. University Other Budget Entities

	2006-07 Actual	2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-11 Estimates
Auxiliary Enterprises					
Revenues	\$ 113,975,806	\$ 111,658,167	\$ 108,899,206	\$ 148,386,976	\$ 131,984,961
Expenditures	\$ 87,588,536	\$ 100,479,217	\$ 103,433,291	\$ 114,372,229	\$ 119,503,390
Contracts & Grants					
Revenues	\$ 111,600,702	\$ 80,720,524	\$ 80,759,342	\$ 88,864,089	\$ 95,291,350
Expenditures	\$ 81,403,393	\$ 78,256,135	\$ 82,736,070	\$ 83,468,637	\$ 94,982,558
Local Funds					
Revenues	\$ 96,132,538	\$ 103,545,990	\$ 108,121,083	\$ 135,314,838	\$ 147,365,267
Expenditures	\$ 88,759,738	\$ 93,748,434	\$ 105,405,591	\$ 134,813,829	\$ 150,475,415

Notes: Revenues do not include transfers. Expenditures do not include non-operating expenditures.

TABLE 1E. University Total Revenues and Expenditures

	2006-07 Actual	2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-11 Estimates
Total Revenues	\$ 662,757,376	\$ 654,566,280	\$ 647,017,136	\$ 706,971,074	\$ 729,037,355
Total Expenditures	\$ 558,337,462	\$ 587,552,560	\$ 600,157,645	\$ 649,076,178	\$ 719,357,140

Section 1 – Financial Resources (continued)

TABLE 1F. Voluntary Support of Higher Education					
	2004-05	2005-06	2006-07	2007-08	2008-09
Endowment Market Value (Thousand \$)	\$ 74,396	\$ 80,283	\$ 91,876	\$ 97,064	\$ 82,555
Annual Gifts Received (\$)	\$ 14,483,986	\$ 13,891,812	\$ 10,873,175	\$ 18,796,862	\$ 17,741,253
Percentage of Graduates Who are Alumni Donors	3.4 %	1.8 %	4.4 %	4.7 %	6.5 %

TABLE 1G. University Federal Stimulus Dollars (ARRA)		
	2009-10 Actual	2010-11 Estimates
Jobs Saved/ Created	\$ 11,723,001	\$ 5,535,459
Scholarships	\$ 0	\$ 0
Library Resources	\$ 0	\$ 0
Building Repairs/ Alterations	\$ 2,128,202	\$ 6,987,961
Motor Vehicles	\$ 0	\$ 0
Printing	\$ 0	\$ 0
Furniture & Equipment	\$ 0	\$ 0
Information Technology Equipment	\$ 333,075	\$ 841,410
Financial Aid to Medical Students	\$ 0	\$ 0
Other	\$ 932,662	\$ 1,130,083

Section 1 – Financial Resources (continued)

TABLE 1A. Medical School Education and General Revenues					
	2006-07 Actual	2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-11 Estimates
Recurring State Funds (GR & Lottery)	\$ 0	\$ 5,272,250	\$ 11,465,084	\$ 21,410,785	\$ 24,173,458
Non-Recurring State Funds (GR & Lottery)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,000,000
Tuition (Resident & Non-Resident)	\$ 0	\$ 0	\$ 0	\$ 1,162,500	\$ 2,292,006
Tuition Differential Fee	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Revenues (Includes Misc. Fees & Fines)	\$ 0	\$ 0	\$ 42,350	\$ 58,424	\$ 120,000
Federal Stimulus Funds	\$ 0	\$ 0	\$ 0	\$ 866,405	\$ 859,244
TOTAL	\$ 0	\$ 5,272,250	\$ 11,507,434	\$ 23,498,114	\$ 28,444,708

TABLE 1B. Medical School Education and General Expenditures					
	2006-07 Actual	2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-11 Estimates
Instruction/Research	\$ 0	\$ 5,031,611	\$ 6,668,490	\$ 15,034,872	\$ 22,504,350
Institutes and Research Centers	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
PO&M	\$ 0	\$ 4,200	\$ 0	\$ 0	\$ 0
Administration and Support Services	\$ 0	\$ 77,355	\$ 2,161,089	\$ 3,199,046	\$ 4,286,772
Radio/TV	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Library/ Audio Visual	\$ 0	\$ 0	\$ 735,925	\$ 928,007	\$ 1,108,749
Museums and Galleries	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Agricultural Extension	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Student Services	\$ 0	\$ 0	\$ 1,242,530	\$ 0	\$ 0
Intercollegiate Athletics	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 0	\$ 5,113,166	\$ 10,808,034	\$ 19,161,925	\$ 27,899,871

The table reports the actual and estimated amount of expenditures from revenues appropriated by the Legislature for each fiscal year. The expenditures are classified by Program Component (i.e., Instruction/Research, PO&M, Administration, etc.) for activities directly related to instruction, research and public service. The table does not include expenditures classified as non-operating expenditures (i.e., to service asset-related debts), and therefore excludes a small portion of the amount appropriated each year by the Legislature. Also, the table does not include expenditures from funds carried forward from previous years.

Section 1 – Financial Resources (continued)

TABLE 1D. Medical School Other Budget Entities					
	2006-07 Actual	2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-11 Estimates
Auxiliary Enterprises					
Revenues	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contracts & Grants					
Revenues	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Local Funds					
Revenues	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Notes: Revenues do not include transfers. Expenditures do not include non-operating expenditures. All Contracts & Grants activities (for E&G, Health-Science Centers and IFAS) are managed and reported by each institution's Division of Sponsored Research, and are all reported in the University Other Budget Entities table.					

TABLE 1E. Medical School Total Revenues and Expenditures					
	2006-07 Actual	2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-11 Estimates
Total Revenues	\$ 0	\$ 5,272,250	\$ 11,507,434	\$ 23,498,114	\$ 28,444,708
Total Expenditures	\$ 0	\$ 5,113,166	\$ 10,808,034	\$ 19,161,925	\$ 27,899,871

Section 2 – Personnel

TABLE 2A. Personnel Headcount										
	Fall 2005		Fall 2006		Fall 2007		Fall 2008		Fall 2009	
	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
Total Tenure/ Tenure-track Faculty	596	10	606	9	656	3	646	8	633	18
Total Non- Tenure Track Faculty	146	27	134	27	172	6	171	5	191	9
Instructors Without Faculty Status	15	635	19	596	24	680	37	685	47	656
Total Graduate Assistants/ Associates	0	851	0	922	0	1,036	0	985	0	990
Total Executive/ Administrative/ Managerial	484	22	518	0	517	3	571	6	608	7
Total Other Professional	820	0	914	20	960	35	1,028	32	1,072	30
Total Non- Professional	801	30	783	26	962	32	954	29	965	25

Section 3 – Enrollment

TABLE 3A. University Full-Time Enrollment (FTE)						
	2008-09		2009-10		2010-11	
	Funded	Actual	Funded	Actual	Funded	Estimated
FLORIDA RESIDENTS						
Lower	8,160	7,564	8,160	7,602	8,160	8,176
Upper	11,682	11,490	11,682	11,911	11,682	12,032
Grad I	2,962	3,100	2,473	2,964	2,473	2,717
Grad II	311	340	818	892	818	842
Total	23,115	22,494	23,133	23,369	23,133	23,767
NON-FLORIDA RESIDENTS						
Lower		464		446		503
Upper		679		649		726
Grad I		656		643		698
Grad II		258		306		300
Total	2,136	2,057	2,138	2,044	2,138	2,227
TOTAL FTE						
Lower		8,028		8,048		8,679
Upper		12,169		12,560		12,758
Grad I		3,756		3,607		3,415
Grad II		598		1,199		1,142
Total FTE (FL Definition)	25,251	24,551	25,271	25,414	25,271	25,994
Total FTE (US Definition)	33,668	32,735	33,695	33,956	33,695	34,659
Headcount for Medical Doctorates						
Florida Residents	0	0	40	34	80	76
Non-Residents	0	0	0	9	0	7
Total	0	0	40	43	80	83
Notes: Florida definitions of FTE (Undergraduate FTE = 40 and Graduate FTE = 32 credit hours per FTE) are used for all items except the row named Total FTE (US Definition), which is based on an Undergraduate FTE = 30 and Graduate FTE = 24 credit hours. Actual Medical headcounts (includes Medicine, Dentistry, and Veterinary programs) are based on Fall enrollment data.						

Section 3 – Enrollment (continued)

TABLE 3B. Enrollment by Location			
	2008-09 Actual	2009-10 Actual	2010-11 Estimated
MODESTO MAIDIQUE CAMPUS			
Lower	6,034	6,022	6,632
Upper	8,127	8,015	8,756
Grad I	2,926	2,624	2,634
Grad II	565	1,161	1,061
BISCAYNE BAY CAMPUS			
Lower	910	802	1,015
Upper	1,867	1,760	1,950
Grad I	204	251	196
Grad II	6	9	12
PINES CENTER SITE			
Lower	49	40	53
Upper	285	287	313
Grad I	216	221	223
Grad II	23	18	59
OTHER			
Lower	1,035	1,184	979
Upper	1,890	2,498	1,739
Grad I	410	565	362
Grad II	4	11	10

Section 4 – Undergraduate Education

TABLE 4A. Baccalaureate Degree Program Changes in AY 2009-2010					
Title of Program	Six-digit CIP Code	Degree Level	Date of UBOT Action	Starting or Ending Term	Comments
New Programs					
Terminated Programs					
Chemical Engineering	14.0701	Bachelor's	08/11/2009	FALL 2009	
Foreign Languages Teacher Ed	13.1306	Bachelor's	06/12/2009	FALL 2009	
Home Economics Teacher Ed (Voc)	13.1308	Bachelor's	08/11/2009	FALL 2009	
Trade and Industrial Teacher Ed	13.1320	Bachelor's	08/11/2009	FALL 2009	
Suspended Programs					
New Programs Considered By University But Not Approved					
Note: This table does not include new majors or concentrations added under an existing degree program CIP Code. This table reports the program changes between May 5, 2009 and May 4, 2010. New Programs are proposed new degree programs that have been completely through the approval process at the university, and if appropriate, the Board of Governors. Terminated Programs are degree programs for which the entire CIP Code has been terminated and removed from the university's inventory of degree programs. Suspended Programs are degree programs for which enrollments have been temporarily suspended for the entire CIP Code, but the program CIP Code has not been terminated.					

TABLE 4B. First-Year Persistence Rates					
Term of Entry	Fall 2004	Fall 2005	Fall 2006	Fall 2007	Fall 2008
Cohort Size Full-time FTIC	3,381	3,978	3,891	3,234	3,107
From Same University					
% Still Enrolled	86%	81.3%	84%	82.7%	84.2%

Section 4 – Undergraduate Education

TABLE 4C. Federal Definition - Undergraduate Progression and Graduation Rates for Full-Time First-Time-in-College (FTIC) Students					
Term of Entry	Fall 2000	Fall 2001	Fall 2002	Fall 2003	Fall 2004
Cohort Size Full-time FTIC	2,607	2,482	2,828	3,047	3,381
6 – Year Rates					
From Same University					
% Graduated	47.7%	48.7%	48.3%	46.3%	45.4%
% Still Enrolled	14.8%	13.6%	14.3%	14.9%	15.6%
% Success Rate	62.5%	62.3%	62.6%	61.2%	61.0%
Notes: (1) Cohorts are based on undergraduate students who enter the institution in the Fall term (or Summer term and continue into the Fall term); (2) Success Rate measures the percentage of an initial cohort of students who have either graduated or are still enrolled; (3) since degrees can be awarded after the last semester of coursework, the most recent year of data in this table provides preliminary graduation rate data that may change with the addition of "late degrees". Late degrees reported in conjunction with the IPEDS Graduation Rate Survey due in mid-April will be reflected in the following year.					

Section 4 – Undergraduate Education (continued)

TABLE 4D. SUS Definition - Undergraduate Progression and Graduation Rates for First-Time-in-College (FTIC) Students					
Term of Entry	Fall 2000	Fall 2001	Fall 2002	Fall 2003	Fall 2004
Cohort Size <i>Full- & Part-time</i>	2,993	2,703	3,109	3,287	3,797
4 – Year Rates					
<i>From Same University</i>					
% Graduated	18%	20.3%	18.6%	18.6%	17.9%
% Still Enrolled	49.8%	47.6%	49.2%	48%	48.3%
<i>From Other SUS University</i>					
% Graduated	1.3%	1.7%	1.3%	1.2%	1%
% Still Enrolled	2.8%	2.7%	2.7%	3.8%	2.5%
<i>From State University System</i>					
% Graduated	19.3%	22%	19.9%	19.8%	18.9%
% Still Enrolled	52.6%	50.4%	51.9%	51.7%	50.9%
% Success Rate	71.9%	72.4%	71.8%	71.5%	69.7%
6 – Year Rates					
<i>From Same University</i>					
% Graduated	45.4%	47.2%	46%	44.8%	43.5%
% Still Enrolled	15.4%	14.1%	14.8%	15.6%	15.9%
<i>From Other SUS University</i>					
% Graduated	3.7%	4%	3.1%	4%	2.2%
% Still Enrolled	1.1%	1.3%	1.3%	1.7%	2.4%
<i>From State University System</i>					
% Graduated	49.1%	51.2%	49.1%	48.8%	45.7%
% Still Enrolled	16.6%	15.4%	16.1%	17.3%	18.3%
% Success Rate	65.7%	66.5%	65.2%	66.1%	64%
Notes: (1) Cohorts are based on undergraduate students who enter the institution in the Fall term (or Summer term and continue into the Fall term); (2) Success Rate measures the percentage of an initial cohort of students who have either graduated or are still enrolled; (3) since degrees can be awarded after the last semester of coursework, the most recent year of data in this table provides preliminary graduation rate data that may change with the addition of “late degrees”. Late degrees reported in conjunction with the IPEDS Graduation Rate Survey due in mid-April will be reflected in the following year.					

Section 4 – Undergraduate Education (continued)

TABLE 4E. SUS Definition - Undergraduate Progression and Graduation Rates for AA Transfer Students					
Term of Entry	Fall 2002	Fall 2003	Fall 2004	Fall 2005	Fall 2006
Cohort Size <i>Full- & Part-time</i>	1,133	1,196	1,317	1,231	1,439
2 – Year Rates					
<i>From Same University</i>					
% Graduated	23.8%	22.9%	22.5%	20.8%	19.7%
% Still Enrolled	61.7%	62.3%	63.4%	64.1%	66.6%
<i>From Other SUS University</i>					
% Graduated	0.3%	0.4%	0.3%	0.2%	0.3%
% Still Enrolled	0.8%	1.1%	1.6%	1.4%	0.8%
<i>From State University System</i>					
% Graduated	24.1%	23.3%	22.8%	21.0%	20.1%
% Still Enrolled	62.5%	63.4%	65.0%	65.5%	67.5%
% Success Rate	86.6%	86.7%	87.8%	86.4%	87.6%
4 – Year Rates					
<i>From Same University</i>					
% Graduated	60.9%	62.5%	60.7%	60.7%	60.3%
% Still Enrolled	14.6%	13.0%	15.1%	13.3%	15.5%
<i>From Other SUS University</i>					
% Graduated	0.7%	1.4%	1.9%	1.5%	0.7%
% Still Enrolled	0.5%	0.7%	1.1%	0.6%	1.4%
<i>From State University System</i>					
% Graduated	61.6%	64.0%	62.6%	62.1%	61.0%
% Still Enrolled	15.1%	13.6%	16.2%	13.9%	16.9%
% Success Rate	76.7%	77.6%	78.8%	76.0%	77.9%
Notes: (1) Cohorts are based on undergraduate students who enter the institution in the Fall term (or Summer term and continue into the Fall term); (2) Success Rate measures the percentage of an initial cohort of students who have either graduated or are still enrolled; (3) since degrees can be awarded after the last semester of coursework, the most recent year of data in this table provides preliminary graduation rate data that may change with the addition of “late degrees”. Late degrees reported in conjunction with the IPEDS Graduation Rate Survey due in mid-April will be reflected in the following year.					

Section 4 – Undergraduate Education (continued)

TABLE 4F. SUS Definition - Undergraduate Progression and Graduation Rates for Other Transfer Students					
Term of Entry	Fall 2001	Fall 2002	Fall 2003	Fall 2004	Fall 2005
Cohort Size <i>Full- & Part-time</i>	2,162	2,237	2,010	1,621	1,511
5 – Year Rates					
<i>From Same University</i>					
% Graduated	51.4%	53.1%	50.3%	53.5%	50.4%
% Still Enrolled	9.1%	9.5%	10.0%	9.1%	8.7%
<i>From Other SUS University</i>					
% Graduated	1.3%	1.6%	1.6%	1.7%	1.6%
% Still Enrolled	0.7%	0.7%	0.9%	0.9%	1.4%
<i>From State University System</i>					
% Graduated	52.7%	54.7%	51.9%	55.2%	52.0%
% Still Enrolled	9.8%	10.2%	10.9%	9.9%	10.1%
% Success Rate	62.5%	64.9%	62.8%	65.1%	62.0%
Notes: (1) Cohorts are based on undergraduate students who enter the institution in the Fall term (or Summer term and continue into the Fall term); (2) Success Rate measures the percentage of an initial cohort of students who have either graduated or are still enrolled; (3) since degrees can be awarded after the last semester of coursework, the most recent year of data in this table provides preliminary graduation rate data that may change with the addition of “late degrees”. Late degrees reported in conjunction with the IPEDS Graduation Rate Survey due in mid-April will be reflected in the following year.					

TABLE 4G. Baccalaureate Degrees Awarded					
	2005-06	2006-07	2007-08	2008-09	2009-10
Baccalaureate Degrees	5,080	5,324	5,497	5,663	6,267

TABLE 4H. Baccalaureate Degrees Awarded in Areas of Strategic Emphasis					
	2005-06	2006-07	2007-08	2008-09	2009-10
Education	71	53	56	41	50
Health Professions	278	207	205	211	220
Science, Technology, Engineering, and Math	968	987	987	934	1,026
Security and Emergency Services	262	261	261	269	298
Globalization	626	798	753	808	859

Section 4 – Undergraduate Education (continued)

TABLE 4I. Baccalaureate Degrees Awarded to Underrepresented Groups					
	2005-06	2006-07	2007-08	2008-09 <small>BASILINE YEAR</small>	2009-10
Non-Hispanic Black					
Number of Baccalaureate Degrees	648	650	711	682 <i>Increase*</i>	720
Percentage of All Baccalaureate Degrees	14.0%	13.1%	13.6%	12.8% <i>Maintain*</i>	12.4%
Hispanic					
Number of Baccalaureate Degrees	2,903	3,169	3,369	3,555 <i>Increase*</i>	3,919
Percentage of All Baccalaureate Degrees	62.6%	63.8%	64.6%	66.5% <i>Increase*</i>	67.7%
Pell-Grant Recipients					
Number of Baccalaureate Degrees	2,186	2,276	2,546	2,606 <i>Increase*</i>	3,002
Percentage of All Baccalaureate Degrees	46.8%	45.7%	48.6%	48.4% <i>Increase*</i>	51.7%
Note: Pell-Grant recipients are defined as those students who have received a Pell grant from any SUS Institution within six years of graduation. This does not include degrees awarded to students whose race/ethnicity code is missing (or not reported) or for students who are non-resident aliens. <i>Note*: Directional goals for the 2012-13 year as reported in the 2010 University Workplan.</i>					

TABLE 4J. Baccalaureate Completion Without Excess Credit Hours					
	2005-06	2006-07	2007-08	2008-09	2009-10
% of Total Baccalaureate Degrees Awarded Within 110% of Hours Required for Degree	40.7%	42.2%	45.2%	47.6%	47.5%

TABLE 4K. Undergraduate Course Offerings					
	Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009
Number of Course Sections	2,567	2,667	2,688	2,518	2,371
Percentage of Undergraduate Course Sections by Class Size					
Fewer than 30 Students	49.3%	49.6%	53.1%	50.3%	46.9%
30 to 49 Students	30.0%	30.0 %	28.6%	30.5%	32.2%
50 to 99 Students	16.6%	16.2%	15.0%	15.4%	16.1%
100 or More Students	4.2%	4.2%	3.2%	3.8%	4.9%

Section 4 – Undergraduate Education (continued)

TABLE 4L. Faculty Teaching Undergraduates					
	2005-06	2006-07	2007-08	2008-09	2009-10
Percentage of Credit Hours Taught by:					
Faculty	57.7%	59.7%	61.2%	63.4%	59.9%
Adjunct Faculty	34.5%	32.6%	30.1%	28.3%	31.5%
Graduate Students	5.8%	5.8%	5.6%	5.7%	6.3%
Other Instructors	2.1%	2%	3.1%	2.6%	2.2%
Note: The definition of faculty varies for Tables 4L, 4M and 4N. For Faculty Teaching Undergraduates, the definition of faculty is based on pay plans 01, 02, and 22.					

TABLE 4M. Undergraduate Instructional Faculty Compensation					
	2005-06	2006-07	2007-08	2008-09	2009-10
Average Salary and Benefits for Faculty Who Teach at Least One Undergraduate Course	\$ 82,215	\$ 86,630	\$ 92,391	\$ 84,509	\$ 93,469
Note: The definition of faculty varies for Tables 4L, 4M and 4N. For Undergraduate Instructional Faculty Compensation, the definition of faculty is based on pay plan 22.					

TABLE 4N. Student/Faculty Ratio					
	2005-06	2006-07	2007-08	2008-09	2009-10
Student-to-Faculty Ratio	23	24	26.3	26.5	26.6
Note: The definition of faculty varies for Tables 4L, 4M and 4N. For Student/Faculty Ratio, the definition of faculty is consistent with Common Data Set reporting (which counts full-time equivalent instructional faculty as full-time faculty plus 1/3 part-time faculty).					

TABLE 4O. Professional Licensure Exams - Undergraduate Programs					
	2005-06	2006-07	2007-08	2008-09	2009-10
Nursing: National Council Licensure Examination for Registered Nurses					
Examinees	155	195	176	181	165
Pass Rate	95.5%	90.3%	84.7%	89.0%	93.9%
National Benchmark	86.7%	88.3%	86.4%	87.5%	89.5%

Section 4 – Undergraduate Education (continued)

TABLE 4P. Tuition Differential Fee			
	2008-09	2009-10	2010-11 Projected
Total Revenues Generated By the Tuition Differential	\$ 2,566,323	\$ 7,428,377	\$ 11,880,422
Unduplicated Count of Students Receiving Financial Aid Award Funded by Tuition Differential Revenues	3,670	3,844	
Average Amount of Awards Funded by Tuition Differential Revenues (per student receiving an award)	350	545	
Number of Students Eligible for FSAG	8,686	11,175	
Number of FSAG-Eligible Students Receiving a Waiver of the Tuition Differential	0	0	
Value of Tuition Differential Waivers Provided to FSAG-Eligible Students	0	0	

Section 5 – Graduate Education

TABLE 5A. Graduate Degree Program Changes in AY 2009-2010

Title of Program	Six-digit CIP Code	Degree Level	Date of UBOT Action	Starting Or Ending Term	Date of Board of Governors Action	Comments
New Programs						
Terminated Programs						
Elementary Teacher Ed	13.1202	Master's	08/11/2009	FALL 2009		
Home Economics Teacher Ed (Voc)	13.1308	Master's	08/11/2009	FALL 2009		
Trade and Industrial Teacher Ed	13.1320	Master's	08/11/2009	FALL 2009		
Suspended Programs						
New Programs Considered By University But Not Approved						
Note: This table does not include new majors or concentrations added under an existing degree program CIP Code. This table reports the program changes between May 5, 2009 and May 4, 2010. New Programs are proposed new degree programs that have been completely through the approval process at the university, and if appropriate, the Board of Governors. Terminated Programs are degree programs for which the entire CIP Code has been terminated and removed from the university's inventory of degree programs. Suspended Programs are degree programs for which enrollments have been temporarily suspended for the entire CIP Code, but the program CIP Code has not been terminated.						

TABLE 5B. Graduate Degrees Awarded

	2005-06	2006-07	2007-08	2008-09	2009-10
Masters and Specialist	1,632	1,933	2,172	2,255	2,359
Research Doctoral	88	100	122	127	114
Professional Doctoral	82	86	90	123	176
a) Medicine	0	0	0	0	0
b) Law	82	86	90	123	144
c) Pharmacy	0	0	0	0	0
Note: The total number of Professional Doctoral degrees includes other programs that are not specifically identified in lines a, b, and c.					

Section 5 – Graduate Education (continued)

TABLE 5C. Graduate Degrees Awarded in Areas of Strategic Emphasis

	2005-06	2006-07	2007-08	2008-09	2009-10
Education	79	140	76	113	121
Health Professions	199	223	284	285	341
Science, Technology, Engineering, and Math	402	479	501	587	476
Security and Emergency Services	36	18	41	28	42
Globalization	87	112	142	124	189

TABLE 5D. Professional Licensure Exams - Graduate Programs

Law: Florida Bar Exam					
	2006	2007	2008	2009	2010
Examinees	84	82	83	116	136
Pass Rate	81%	87.8%	88%	81%	80.9%
State Benchmark	77.1%	81.3%	84.2%	79.3%	79.3%

Section 6 – Research and Economic Development

TABLE 6A. Research and Development					
	2004-05	2005-06	2006-07	2007-08	2008-09
R&D Awards					
Federally Funded Awards (Thousand \$)					\$ 63,988
Total Awards (Thousand \$)					\$88,785
R&D Expenditures					
Federally Funded Expenditures (Thousand \$)	\$ 58,718	\$ 58,158	\$ 62,366	\$ 60,045	\$ 57,371
Total Expenditures (Thousand \$)	\$ 87,720	\$ 84,697	\$ 108,015	\$ 107,025	\$ 101,322
Total R&D Expenditures Per Full-Time, Tenured, Tenure-Earning Faculty Member (\$)	\$ 139,682	\$ 145,864	\$ 178,243	\$ 163,148	\$ 160,066
Technology Transfer					
Invention Disclosures	15	20	13	18	16
Total U.S. Patents Issued	0	0	0	0	1
Patents Issued Per 1,000 Full-Time, Tenure and Tenure-Earning Faculty	0	0	0	0	0
Total Number of Licenses/ Options Executed	1	1	0	0	1
Total Licensing Income Received (\$)	\$ 33,640	\$ 38,992	\$ 6,166	\$ 9,423	\$ 39,819
Total Number of Start-Up Companies	0	0	0	0	0
Note: Awards and Expenditures are based on the National Science Foundation's annual Survey of R&D Expenditures at Universities and Colleges (data include Science & Engineering and non-Science & Engineering awards). Technology Transfer data are based on the Association of University Technology Managers Annual Licensing Survey.					

Section 6 – Research and Economic Development (continued)

TABLE 6B. Centers of Excellence			
Name of Center:	Center of Excellence for Hurricane Damage Mitigation and Product Development	Cumulative (since inception to June 2010)	Fiscal Year 2009-10
Year Created:	2008		
Research Effectiveness <i>Only includes data for activities directly associated with the Center. Does not include the non-Center activities for faculty who are associated with the Center.</i>			
Number of Competitive Grants Applied For	29	13	
Value of Competitive Grants Applied For (\$)	\$10,772,474	\$6,306,381	
Number of Competitive Grants Received	22	14	
Value of Competitive Grants Received (\$)	\$6,431,188	\$2,661,953	
Total Research Expenditures (\$)	\$5,673,101	\$2,797,216	
Number of Publications in Refereed Journals From Center Research	5	5	
Number of Invention Disclosures	0	0	
Number of Licenses/Options Executed	0	0	
Licensing Income Received (\$)	\$0	\$0	
Collaboration Effectiveness <i>Only reports on relationships that include financial or in-kind support.</i>			
Collaborations with Other Postsecondary Institutions	6	3	
Collaborations with Private Industry	28	20	
Collaborations with K-12 Education Systems/Schools	0	0	
Undergraduate and Graduate Students Supported with Center Funds	21	10	
Economic Development Effectiveness			
Number of Start-Up companies <i>with a physical presence, or employees, in Florida</i>	0	0	
Jobs Created By Start-Up Companies Associated with the Center	5	0	
Specialized Industry Training and Education	0	0	
Narrative Comments [Most Recent Year]:			
The construction of the Wall of Wind testing facility was delayed because of noise issues at the selected location. This delay continues to limit research in the areas of hurricane damage mitigation and development of partnerships with industry. The Facility is planned for completion in Summer 2011.			

Section 6 – Research and Economic Development (continued)

TABLE 6C. State University Research Commercialization Assistance Grants		
Project Name by Type of Grant	Cumulative	
	Awards	Expenditures
Phase I Grants		
Tech Transfer Enhancing Biomedical Technology	\$ 50,000	\$ 50,000
Phase II Grants		
Phase III Grants		
Total for all SURCAG Grants	\$50,000	\$50,000
Narrative Comments: For each project, provide a brief update on (1) the project's progress towards completing its key milestones/deliverables; and (2) the project's return on investment for the university and state.		
<p>Progress towards completing its key milestones/deliverables (deliverables are italicized): Through our marketing, as semi-finalists in B-plan competitions, and as presenters at investor showcases, we have been able to achieve the following deliverables:</p> <ul style="list-style-type: none"> Increased contacts with interested investors and potential licensees Accepted to technology transfer showcases Established additional relationships with investors, serial entrepreneurs, and research organizations throughout Florida, to assist in the movement of technologies to the marketplace Improved external outreach and follow up on technology transfer and commercialization leads <p>By having additional resources for marketing and assessment (e.g. the purchase of market intelligence and tech transfer software), we have been able to achieve the following deliverables:</p> <ul style="list-style-type: none"> Implement a more streamlined and consistent disclosure assessment process Enhance and improve the technology management database Enhance our data on expert reviewers and consultants for technology reviews <p>Given that the following deliverables directly reflect SURCAG's intent of leading to the commercialization of products and services developed from the research conducted at state universities, below are the specific details for the following deliverables:</p> <p>Develop at least one business opportunity for submission as a SURCAG Phase II proposal: We have been able to do much with our Phase I support (i.e., having preliminary business plans), therefore we are looking at more than one business opportunity for submission to the SURCAG Phase II and Phase III programs.</p> <p>Identify at least two potential products stemming from the targeted technologies: We have identified three potential products: (1) A percutaneous artificial valve that has the beneficial properties of a natural tissue valve while lacking the negative properties of a mechanical valve; (2) A catheter delivery system that can be used with any percutaneous valve; (3) A hand-held optical probe based imaging system.</p>		

Section 6 – Research and Economic Development (continued)

TABLE 6C. State University Research Commercialization Assistance Grants
Narrative Comments (continued):
<p>Return on investment for the Florida International University and the State of Florida:</p> <p>We were able to market, showcase, network around the technology, and promote technology developed in the State of Florida: BIO (The Biotechnology Association) (2009), Life Sciences Summit (2009), Florida angel groups (2008, 2010) (two separate ones), Southeast Bio (SEBIO) (2008 and future 2010), TechConnect Showcase (2009), World's Best Technologies (2009).</p> <p>The SURCAG support has also enhanced our ability to serve as an effective resource to the FIU community through the following: Identification and assessment of promising university technologies, Business plan development/market assessment support, Commercialization strategies, Partnership development, Linking faculty researchers to individuals with business expertise, Introduction to funding sources including venture capital and angel investors.</p> <p>This SURCAG award has been instrumental in our efforts to promote and garner interest in technologies developed through research conducted at Florida International University.</p>

TABLE 6D. 21st Century World Class Scholars Program						
World Class Scholar(s)	Scholar's Field	Grant Dollars		Report the cumulative activity since each scholar's award.		
		Amount Awarded (Thousand \$)	Cumulative Amount Expended (Thousand \$)	External Research Awards (Thousand \$)	Patents Filed / Issued	Licensing Revenues Generated (\$)
Joe Leigh Simpson M.D	Medical Genetics	\$ 1,000	\$ 376	\$ 1,637	0	\$ 0
TOTAL		\$ 1,000	\$ 376	\$ 1,637	0	\$ 0
Narrative Comments						
<p>External Research Award include amounts awarded from:</p> <p>a) The Department of Defense for Mass Scale Biosensor Threat Diagnostic for In-Theater Defense Utilization - \$1.4M</p> <p>b) Health Resources and Services Administration (HRSA) for lab equipment \$235,620</p> <p>The FIU College of Medicine was fortunate that its aggressive research agenda led to the awarding of several grants that were leveraged to support numerous activities that might otherwise have been supported by the 21st Century Scholars award. In all of our research endeavors we attempt to secure funding from non-state sources, which allows for the expansion and increases the ability to sustain programs. In other words, the College of Medicine is now in a position to optimize the 21st Century Scholars award toward the next level of genetics research. Moreover, while waiting for laboratory renovations and equipment purchases, the funds provided were not fully expended even though other awards were tapped to engage genetics researchers who would ultimately be in a position to access the 21st Century Scholars funds. Indeed numerous construction projects were underway on the FIU campus that led to the extension of the completion date of several laboratory renovations. The shipping time on several equipment items was much longer than anticipated. However, the FIU College of Medicine and the FIU Division of Research continued to develop research initiatives in genetics that were preparing the institution for maximizing the 21st Century Scholars Award. The funds should be expended by the end of March 2012.</p>						

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**State University System of Florida
2010 Annual Report Data Definitions**

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2010 Annual Report Data Definitions

Section 1 - Financial Resources

Table 1A. E&G Revenues

Recurring State Funds *REVISED	Definition: State recurring funds include general revenue and lottery education and general appropriations and any administered funds provided by the state. This does not include technical adjustments or transfers made by Universities after the appropriation. Source: Final Amendment Package (Total E&G & Lottery minus Non-Recurring – see below)
Non-Recurring State Funds *REVISED	Definition: State non-recurring funds include general revenue and lottery education and general appropriations and any administered funds provided by the state. This does not include technical adjustments or transfers made by Universities after the appropriation. Source: Non-Recurring Appropriations Section of annual Allocation Summary document and all other Non-Recurring Budget Amendments allocated later in the fiscal year.
Tuition (Resident / Non-Resident)	Definition: Actual tuition revenues collected from resident and non-resident students. Source: Operating Budget, Report 625 – Schedule I-A
Tuition Differential Fee	Definition: Actual tuition differential revenues collected from undergraduate students. Source: Operating Budget, Report 625 – Schedule I-A
Other Fees	Definition: Other revenue collections include items such as application fees, late registration fees, library fines, miscellaneous revenues. This is the total revenue from Report 625 minus tuition and tuition differential fee revenues. This does not include local fees. Source: Operating Budget, Report 625 – Schedule I-A
Phosphate Research Trust Fund	Definition: State appropriation for the Institute of Phosphate Research at the University of South Florida. For UF-IFAS and UF-HSC, actual revenues from the Incidental Trust Fund and Operations & Maintenance Trust Fund are provided by the University of Florida and included as ‘Other Operating Trust Funds’ Source: Final Amendment Package
Federal Stimulus Funds	Definition: Non-recurring American Recovery and Reinvestment Act funds appropriated by the state. Source: Final Amendment Package

Table 1B. E&G Expenditures

The table reports the actual and estimated amount of expenditures from revenues appropriated by the legislature for each fiscal year. The expenditures are classified by Program Component (i.e., Instruction/Research, PO&M, Administration, etc...) for activities directly related to instruction, research and public service. The table does not include expenditures classified as non-operating expenditures (i.e., to service asset-related debts), and therefore excludes a small portion of the amount appropriated each year by the legislature. Also, the table does not include expenditures from funds carried forward from previous years.

Instruction & Research	Definition: Includes expenditures for state services related to the instructional delivery system for advanced and professional education. Includes functions such as; all activities related to credit instruction that may be applied toward a postsecondary degree or certificate; non-project research and service performed to maintain professional effectiveness; individual or project research;
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	academic computing support; academic source or curriculum development. Source: Operating Budget Summary - Expenditures by Program Activity (or Report 645).
Institutes & Centers	Definition: Includes state services related to research organizations designed for mission-oriented, fundamental, and applied research projects. Source: Operating Budget Summary - Expenditures by Program Activity (or Report 645).
PO&M	Definition: Plant Operations & Maintenance expenditures related to the cleaning and maintenance of existing grounds, the providing of utility services, and the planning and design of future plant expansion and modification Source: Operating Budget Summary - Expenditures by Program Activity (or Report 645).
Administration & Support Services	Definition: Expenditures related to the executive direction and leadership for university operations and those internal management services which assist and support the delivery of academic programs. Source: Operating Budget Summary - Expenditures by Program Activity (or Report 645).
Radio/TV	Definition: Services related to the operation and maintenance of public broadcasting which is intended for the general public. Source: Operating Budget Summary - Expenditures by Program Activity (or Report 645).
Library/Audio Visual	Definition: Expenditures include state services related to collecting, cataloging, storing, and distributing library materials. Source: Operating Budget Summary - Expenditures by Program Activity (or Report 645).
Museums & Galleries	Definition: Expenditures related to the collection, preservation, and exhibition of historical materials, art objects, scientific displays and other objects at the UF Florida State Museum & Harn Museum; FSU Ringling Museum; FAMU Black Archives Museum; USF Contemporary Art Museum; FIU Wolfsonian Museum; and UWF Historic Preservation Board. Source: Operating Budget Summary - Expenditures by Program Activity (or Report 645).
Student Services	Definition: Includes resources related to physical, psychological, and social well being of the student. Includes student service administration, social and cultural development, counseling and career guidance, financial aid, and student admissions and records. Source: Operating Budget Summary - Expenditures by Program Activity (or Report 645).
Teaching Hospitals & Allied Clinics	Definition: Includes resources related to services that benefit patients directly through faculty physicians, or indirectly through consulting, laboratory, or other services usually performed by a hospital or clinic. Includes only the clinical portions of a teaching hospital or veterinary clinic, and does not include instruction, research, or administration. Source: Operating Budget Summary - Expenditures by Program Activity (or Report 645).
Intercollegiate Athletics	Definition: Includes expenditures associated with Title IX activities and compliance. Source: Operating Budget, manual submission.

Table 1C. State Funding per Student	
Appropriated Funding per FTE	<p>Definition: Education & General appropriations (includes the tuition and fees <u>budget authority</u> appropriated by the Legislature) are divided by total actual FTE students. Only state-fundable credit hours are used. To allow for national comparisons, FTE students for this metric uses the standard IPEDS definition of a FTE student, equal to 30 credit hours for undergraduate students and 24 for graduate students. This does not include appropriations for special units (i.e., IFAS, Health Science Centers, and Medical Schools). Tuition and fee revenues include tuition and tuition differential fee and E&G fees (i.e., application, late registration, and library fees/fines). Other local fees that do not support E&G activities are not included here (see Board of Governors Regulation 7.003).</p> <p>Sources: Education & General Appropriations (for revenue), SUS Student Instruction File (for FTE enrollment)</p>
Actual Funding per FTE *NEW	<p>Definition: This data is the same as the above appropriated funding per FTE with the exception that this includes the tuition and fees <u>actually collected</u> (rather than budget authority).</p> <p>Sources: Education & General Appropriations (for revenue), SUS Student Instruction File (for FTE enrollment), and Operating Budget, Report 625 – Schedule I-A</p>

Table 1D. Other Budget Entities

Contracts & Grants	<p>Definition: Resources received from federal, state or private sources for the purposes of conducting research and public service activities. Revenues do not include transfers. Expenditures do not include non-operating expenditures.</p> <p>Source: Operating Budget, Report 615.</p>
Auxiliary Enterprises	<p>Definition: Resources associated with auxiliary units that are self supporting through fees, payments and charges. Examples include housing, food services, bookstores, parking services, health centers. Revenues do not include transfers. Expenditures do not include non-operating expenditures.</p> <p>Source: Operating Budget, Report 615.</p>
Local Funds	<p>Definition: Resources associated with student activity (supported by the student activity fee), student financial aid, concessions, intercollegiate athletics, and technology fee. Revenues do not include transfers. Expenditures do not include non-operating expenditures.</p> <p>Source: Operating Budget, Report 615. (Self Insurance is a manual submission and has not been included).</p>

Table 1E. Total Revenues and Expenditures

Total Revenues and Expenditures	This is a sum of all revenues and expenditures for each university, health-science center and IFAS.
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Table 1F. Voluntary Support for Higher Education

Endowment Market Value	<p>Definition: Endowment value at the end of the fiscal year, as reported in the annual NACUBO Endowment Study (changed to the NACUBO-Common Fund Study of Endowments in 2009).</p> <p>Source: NACUBO Endowment Study (or using NACUBO definitions for institutions that do not participate in that survey)</p>
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Annual Gifts Received	<p>Definition: As reported in the Council for Aid to Education's Voluntary Support of Education (VSE) survey in the section entitled "Gift Income Summary," this is the sum of the present value of all gifts (including outright and deferred gifts) received for any purpose and from all sources during the fiscal year, excluding pledges and bequests. (There's a deferred gift calculator at www.cae.org/vse.) The present value of non-cash gifts is defined as the tax deduction to the donor as allowed by the IRS.</p> <p>Source: Voluntary Support of Education survey (or using VSE definitions for institutions that do not participate in that survey)</p>
Percentage of Alumni Who Are Donors	<p>Definition: As reported in the Council for Aid to Education's Voluntary Support of Education (VSE) survey in the section entitled "Additional Details," this is the number of alumni donors divided by the total number of alumni, as of the end of the fiscal year. "Alumni," as defined in this survey, include those holding a degree from the institution as well as those who attended the institution but did not earn a degree.</p> <p>Source: Voluntary Support of Education survey (or using VSE definitions for institutions that do not participate in that survey)</p>

Section 2 - Personnel

Tenure/ Tenure-Track Faculty	<p>Definition: All tenured and all tenure-track faculty (including medical schools) for the combined instruction, research, and public service functional categories.</p> <p>Source: IPEDS Human Resources Survey, online title "Full- and part-time medical and non-medical staff by faculty status and primary function/occupational activity"</p>
Not on Tenure Track Faculty	<p>Definition: All non-tenure-track faculty (including medical school) for the combined instruction, research, and public service functional. This includes adjunct faculty and faculty on multi-year contracts.</p> <p>Source: IPEDS Human Resources Survey, online title "Full- and part-time medical and non-medical staff by faculty status and primary function/occupational activity"</p>
Without Faculty Status *NEW	<p>Definition: All personnel without faculty status (including medical school) for all functional categories: Primary instruction + Instruction/ research/public service + Primarily research + Primarily public service). Individuals hired as a staff member primarily to do research on a 3-year contract without tenure eligibility should be reported as Primarily research in the Not on tenure track column. A postdoctoral research associate, because they do not have faculty status, would be reported as Primarily research in the Without faculty status.</p> <p>Source: IPEDS Human Resources Survey, online title "Full- and part-time medical and non-medical staff by faculty status and primary function/occupational activity"</p>
Graduate Assistants/ Associates	<p>Definition: Total graduate assistants</p> <p>Source: IPEDS Human Resources Survey, online title "Full- and part-time medical and non-medical staff by faculty status and primary function/occupational activity"</p>
Executive/ Administrative/ Managerial	<p>Definition: Total executive/administrative and managerial positions regardless of faculty status</p> <p>Source: IPEDS Human Resources Survey, online title "Full- and part-time medical and non-medical staff by faculty status and primary function/occupational activity"</p>

Other Professional	Definition: Total other professional positions (support/service) regardless of faculty status Source: IPEDS Human Resources Survey, online title "Full- and part-time medical and non-medical staff by faculty status and primary function/occupational activity"
Non-Professional	Definition: Total non-professional positions Source: IPEDS Human Resources Survey, online title "Full- and part-time medical and non-medical staff by faculty status and primary function/occupational activity"
Section 3 – Enrollment & Space	
Table 3A . University Full-time Enrollment (FTE)	
Table 3A . FTE Enrollment - Funded	Definition: This metric reports the funded enrollment as reported in the General Appropriations Act and set by the legislature. Note: FTE in this instance uses the Florida definition of FTE, equal to 40 credit hours for undergraduates and 32 for graduates. Source: General Appropriations Act (with Graduate detail provided in annual Allocation Summary document – Section: Instruction and Research. Link: http://www.flbog.org/about/budget/allocation_summary.php)
Table 3A . FTE Enrollment - Actual	Definition: This metric reports the actual enrollment as reported by Universities to the Board of Governors in the Student Instruction File (SIF). Note: FTE in this instance uses the Florida definition of FTE, equal to 40 credit hours for undergraduates and 32 for graduates. Source: SUS Student Instruction File
Table 3A . FTE Enrollment - Estimated	Definition: This metric reports the estimated enrollment as reported by Universities to the Board of Governors in their Enrollment Plans. Note: FTE in this instance uses the Florida definition of FTE, equal to 40 credit hours for undergraduates and 32 for graduates. Source: SUS Enrollment Plans
Table 3B. Enrollment by Location	
Table 3B. FTE Enrollment - Actual	Definition: This metric reports the actual enrollments for each distinct location (main, branch, site, regional campus) with more than 150 FTE (state fundable credit hours) as reported by Universities to the Board of Governors in the Student Instruction File (SIF). Source: SUS Student Instruction File
Table 3B. FTE Enrollment - Estimated	Definition: This metric reports the estimated enrollments for each distinct location (main, branch, site, regional campus) with more than 150 FTE (state fundable credit hour) as reported by Universities to the Board of Governors in their Enrollment Plans. Source: SUS Enrollment Plans
Table 3C. Space Utilization	
Table 3C. Instructional Space Utilization Rate *SCHEDULED FOR THE 2011 REPORT	UPDATE: Board of Governors and university staff are currently conducting an analysis of how space utilization is calculated. Until the analysis is complete, no space utilization data will be included in the Annual Report.
Section 4 - Undergraduate Education Data	
Table 4A. Baccalaureate Degree Program Changes in AY 2009-10	New Programs – Proposed new degree programs that have been completely through the approval process at the university, and if appropriate, the Board of Governors. Do not include new majors or concentrations added under an existing degree program CIP Code.

	<p>Terminated Programs – Degree programs for which the entire CIP Code has been terminated and removed from the university's inventory of degree programs. Do not include majors or concentrations terminated under an existing degree program CIP Code if the code is to remain active on the academic degree inventory.</p> <p>Suspended Programs – Degree programs for which enrollments have been temporarily suspended for the entire CIP Code, but the program CIP Code has not been terminated. Do not include majors or concentrations suspended under an existing degree program CIP Code if the code is to remain active on the academic degree inventory and new enrollments in any active major will be reported.</p> <p>New Programs Considered by University, But Not Approved – Include any programs considered by the university board of trustees, or any committee of the board, but not approved for implementation. Also include any programs that were returned prior to board consideration by the university administration for additional development, significant revisions, or re-conceptualization; regardless of whether the proposal was eventually taken to the university board for approval. Count the returns once per program, not multiple times the proposal was returned for revisions, unless there is a total re-conceptualization that brings forward a substantially different program in a different CIP Code. Do not include new majors or concentrations added under an existing degree program CIP Code. Source: University Submission. This table reports the program changes between May 5, 2009 and May 4, 2010.</p>
Table 4B. First-Year Persistence Rates	<p>Definition: The percentage of a full-time, first-time-in-college (FTIC) undergraduate cohort (entering in fall term or summer continuing to fall) that is still enrolled or has graduated from the <u>same</u> institution in the second year. Source: SUS Retention File</p>
Table 4C. Federal Undergraduate Progression and Graduation Rates for FTIC Students *NEW	<p>Definition: Includes all full-time, first-time degree/certificate-seeking undergraduate students entering the institution either during the fall term or students enrolled in the fall term who attended college for the first time in the prior summer term. The federal rate does <u>not</u> include students who originally enroll as part-time students, or who transfer into the institution. This metric complies with the requirements of the Student Right to Know Act that requires institutions to report the completion status at 150% of normal time. Source: SUS Retention file</p>
Table 4D. SUS Undergraduate Progression and Graduation Rates for FTIC Students	<p>Definition: First-time-in-college (FTIC) cohort is defined as undergraduates entering in fall term (or summer continuing to fall) with fewer than 12 hours earned since high school graduation. The rate is the percentage of the initial cohort that has either graduated or is still enrolled in the fourth or sixth academic year. Both full-time and part-time students are used in the calculation. PharmD students are removed from the cohorts if still enrolled or graduated in the fourth year or later. Source: SUS Retention File</p>
Table 4E. SUS Undergraduate Progression and Graduation Rates for AA Transfer Students	<p>Definition: AA Transfer cohort is defined as undergraduates entering in the fall term (or summer continuing to fall) and having earned an AA degree from an institution in the Florida College System. The rate is the percentage of the initial cohort that has either graduated or is still enrolled in the second or fourth academic year. Both full-time and part-time students are used in</p>

		the calculation. PharmD students are removed from the cohorts if still enrolled or graduated in the second year or later. Source: SUS Retention File
Table 4F. SUS Undergraduate Progression and Graduation Rates for Other Students		Definition: Other Transfer cohort is defined as undergraduates entering in fall term or summer continuing to fall who are not FTICs or AA transfers. The rate is the percentage of this initial cohort that has graduated or is still enrolled in the fifth academic year. Both full-time and part-time students are used in the calculation. PharmD students are removed from the cohorts if still enrolled in the fifth year or later. Source: SUS Retention File
Table 4G. Baccalaureate Degrees		Definition: This is a count of baccalaureate degrees granted. Students who earn two distinct degrees in the same term are counted twice – whether their degrees are from the same six-digit CIP code or different CIP codes. Students who earn only one degree are counted once – even if they completed multiple majors or tracks. Technical note: Within SUDS, there are two scenarios in which a student is considered to have been awarded two degrees within the same term: <ul style="list-style-type: none"> Two degree records are reported for one student, and both degrees have a Major Indicator (field #02015) equal to one; One degree record is reported for a student, but that degree has a Fraction of Degree Granted (field #01083) greater than one. Source: SUS Degrees Awarded
Table 4H. Baccalaureate Degrees Awarded in Areas of Strategic Emphasis		Definition: This is a count of baccalaureate majors for specific areas of strategic emphasis, as determined by the Board of Governors staff with consultation with business and industry groups and input from universities. So, a student who has multiple majors in the subset of targeted Classification of Instruction Program codes will be double-counted (i.e., double-majors are included). Technical notes: This metric counts every record with a value greater than zero in the Fraction of Degree (field #01083) regardless of whether the Major Indicator (field #02015) is one, two, or three. If the Fraction of Degree is greater than one, then the record will count as two degrees within that particular six-digit CIP code. Source: SUS Degrees Awarded
Table 4I. Baccalaureate Degrees Awarded to Underrepresented Groups		
Table 4I. Non-Hispanic Black Students & Hispanic Students	Number of Baccalaureate Degrees	Definition: These metrics count the number of baccalaureate degrees granted to non-Hispanic black students and Hispanic students. These metrics do not include students classified as Non-Resident Alien or students with a missing race code. Students who earn two distinct degrees in the same term are counted twice – whether their degrees are from the same six-digit CIP code or different CIP codes. Students who earn only one degree are counted once – even if they completed multiple majors or tracks. Technical note: Within SUDS, there are two scenarios in which a student is considered to have been awarded two degrees within the same term: <ul style="list-style-type: none"> Two degree records are reported for one student, and both degrees have a Major Indicator (field #02015) equal to one; One degree record is reported for a student, but that degree has a Fraction of Degree Granted (field #01083) greater than one. Source: SUS Degrees Awarded

	Percentage of All Baccalaureate Degrees	Definition: The number of baccalaureate degrees awarded to non-Hispanic black students divided by the total degrees awarded, excluding those awarded to non-resident aliens and unreported. Source: SUS Degrees Awarded
Table 4I. Pell Recipients *REVISED	Number of Baccalaureate Degrees	Definition: The number of baccalaureate degrees granted to Pell recipients, financial aid award code “001”. A Pell recipient is defined as a student who received Pell from <u>any</u> SUS institution within six years of graduation. This metric does not include students classified as Non-Resident Alien (#01044). Students who earn two distinct degrees in the same term are counted twice – whether their degrees are from the same six-digit CIP code or different CIP codes. Students who earn only one degree are counted once – even if they completed multiple majors or tracks. Technical note: Within SUDS, there are two scenarios in which a student is considered to have been awarded two degrees within the same term: <ul style="list-style-type: none"> Two degree records are reported for one student, and both degrees have a Major Indicator (field #02015) equal to one; One degree record is reported for a student, but that degree has a Fraction of Degree Granted (field #01083) greater than one. Source: SUS Degrees Awarded File and Student Financial Aid File
	Percentage of All Baccalaureate Degrees	Definition: The number of baccalaureate degrees awarded to Pell recipients as listed above is divided by the total degrees awarded excluding those awarded to non-resident aliens, who are not eligible for Pell grants. Source: SUS Student Instruction File and Student Financial Aid File
Table 4J. % of Total Baccalaureate Degrees Awarded Within 110% of Hours Required for Degree		Definition: This table reports the percentage of baccalaureate degrees awarded within 110% of the hours required for a degree. Excluding students with dual majors, this metric computes total academic credit as a percentage of catalog hours required for the students major (excluding remedial coursework). For the purposes of calculating excess hours, remedial credit hours includes up to 10 foreign language credit hours that are excluded for transfer students in Florida. This metric is aligned with the calculation used in past legislative accountability reports and performance funding calculations. Source: SUS Hours to Degree File
Table 4K. Number of Undergraduate Course Sections		Definition: The Common Data Set (CDS) definition will be used. According to CDS, a “class section is an organized course offered for credit, identified by discipline and number, meeting at a stated time or times in a classroom or similar setting, and not a subsection such as a laboratory or discussion session. Undergraduate class sections are defined as any sections in which at least one degree-seeking undergraduate student is enrolled for credit. Exclude distance learning classes and noncredit classes and individual instruction such as dissertation or thesis research, music instruction, or one-to-one readings. Exclude students in independent study, co-operative programs, internships, foreign language taped tutor sessions, practicums, and all students in one-on-one classes. Each class section should be counted only once and should not be duplicated because of course catalog cross-listings.” Certain portions of the CDS were summed to create groupings of less than 30 students, between 31 and 50 students, between 51 and 100 students, and more than 100 students. Source: Common Data Set

Table 4L. Faculty Teaching Undergraduates	Definition: The total number of undergraduate credit hours taught will be divided by the undergraduate credit hours taught by each instructor type to create a distribution of the percentage taught by each instructor type. Four instructor types are defined as faculty (pay plans 01, 02, and 22), OPS faculty (pay plan 06), graduate student instructors (pay plan 05), and others (all other pay plans). If a course has more than one instructor, then the university's reported allocation of section effort will determine the allocation of the course's total credit hours to each instructor. Source: Instruction and Research Data File
Table 4M. Undergraduate Instructional Faculty Compensation	Definition: Average salary and benefits for all instructors of undergraduate courses who are on pay plan 22. This amount is based on fall term data only, and to make it more meaningful to the reader we annualize (to a fall + spring amount) the fall-term salary and benefits. It is limited to faculty who taught at least one undergraduate course in the fall term and is reported as employed for at least 0.1 person year in the fall term. Source: Instruction and Research Data File
Table 4N. Student-Faculty Ratio	Definition: This definition will be consistent with Common Data Set (CDS) reporting. This is the Fall ratio of full-time equivalent students (full-time plus 1/3 part time) to full-time equivalent instructional faculty (full-time plus 1/3 part time). In the ratio calculations, exclude both faculty and students in stand-alone graduate or professional programs such as medicine, law, veterinary, dentistry, social work, business, or public health in which faculty teach virtually only graduate-level students. Do not count undergraduate or graduate student teaching assistants as faculty. Source: Common Data Set
Table 4O. Professional Licensure Exams - Undergraduate Programs	
Nursing: NCLEX	Definition: Pass rate for first-time examinees for the National Council Licensure Examination for Registered Nurses (NCLEX-RN) are based on the performance of graduates of baccalaureate nursing programs. National benchmark data is based on Jan-Dec NCLEX-RN results for first-time examinees from students in US-educated baccalaureate degree programs as published by the National Council of State Boards of Nursing. Sources: Florida Department of Health: http://www.doh.state.fl.us/mqa/nursing/nur_edu_info.html ; National Council of State Boards of Nursing: https://www.ncsbn.org/1237.htm
Teaching: FTCE - Professional Education Exam *SCHEDULED FOR THE 2011 REPORT	Definition: Average pass rate for first-time examinees on the Florida Teacher Certification Examination (FTCE) - Professional Education Examination are based on the performance of cohorts of students in state-approved initial educator preparation programs. Results are based on scores earned in the senior year or up to one year after graduating. State benchmark data is based on Jan-Dec FTCE-Professional Education exam results for all first-time examinees. Source: Florida Department of Education
Teaching: FTCE - Subject Area Exams (Aggregated) *SCHEDULED FOR THE 2011 REPORT	Definition: Average pass rate for first-time examinees on the Florida Teacher Certification Examination (FTCE) - Subject Area Examinations are based on the performance of cohorts of students in state-approved initial educator preparation programs. Results are based on scores earned in the senior year or up to one year after graduating. State benchmark data is based on Jan-Dec FTCE-Professional Education exam results for all first-time examinees. Source: Florida Department of Education

Table 4P. Tuition Differential Fee	
Total Revenues Generated By the Tuition Differential	Definition: Actual tuition differential revenues collected from undergraduate students. Source: Operating Budget, Report 625 - Schedule I-A
Unduplicated Count of Students Receiving Financial Aid Award Funded by Tuition Differential Revenues *NEW	Definition: This reports the number of unduplicated students who have received a financial aid award that was funded by tuition differential revenues. Source: Tuition Differential Proposals as submitted to the Board of Governors.
Average Amount of Awards Funded by Tuition Differential Revenues (per student receiving an award) *NEW	Definition: This reports the arithmetic mean for the amount each student (as defined above) received in awards funded by tuition differential revenues. Source: Tuition Differential Proposals as submitted to the Board of Governors.
Number of Prepaid Tuition Scholarship Recipients *NEW	Definition: Total annual unduplicated count of undergraduates at the institution who purchased a Prepaid Tuition Scholarship. Source: Prepaid College Board (We plan to include a flag in the data provided to Universities.)
Number of Students Eligible for FSAG	Definition: Total annual unduplicated count of undergraduates at the institution who are eligible for FSAG in the academic year, whether or not they received FSAG awards. Source: University submits this data based on their Student Financial Aid files.
Number of FSAG-Eligible Students Receiving a Waiver of the Tuition Differential	Definition: Annual unduplicated count of FSAG-eligible students receiving a waiver, partial or full, of the tuition differential fees at the institution during the academic year, regardless of the reason for the waiver. Source: University submits this data based on their Student Financial Aid files.
Value of Tuition Differential Waivers Provided to FSAG-Eligible Students	Definition: Value of all tuition differential fee waivers received by FSAG-eligible undergraduates at the institution during the academic year, regardless of the reason for the waiver. Source: University submits this data based on their Student Financial Aid files.
Section 5 - Graduate Education Data	
Table 5A. Graduate Degree Program Changes in AY 2009-10	<p>New Programs - Proposed new degree programs that have been completely through the approval process at the university, and if appropriate, the Board of Governors. Do not include new majors or concentrations added under an existing degree program CIP Code.</p> <p>Terminated Programs - Degree programs for which the entire CIP Code has been terminated and removed from the university's inventory of degree programs. Do not include majors or concentrations terminated under an existing degree program CIP Code if the code is to remain active on the academic degree inventory.</p> <p>Suspended Programs - Degree programs for which enrollments have been temporarily suspended for the entire CIP Code, but the program CIP Code has not been terminated. Do not include majors or concentrations suspended</p>

	<p>under an existing degree program CIP Code if the code is to remain active on the academic degree inventory and new enrollments in any active major will be reported.</p> <p>New Programs Considered by University, But Not Approved – Include any programs considered by the university board of trustees, or any committee of the board, but not approved for implementation. Also include any programs that were returned prior to board consideration by the university administration for additional development, significant revisions, or re-conceptualization; regardless of whether the proposal was eventually taken to the university board for approval. Count the returns once per program, not multiple times the proposal was returned for revisions, unless there is a total re-conceptualization that brings forward a substantially different program in a different CIP Code. Do not include new majors or concentrations added under an existing degree program CIP Code.</p> <p>Source: University Submission. This table reports the program changes between May 5, 2009 and May 4, 2010.</p>
Table 5B. Graduate Degrees Awarded	<p>Definition: These are degrees granted as reported for data element 01081. Due to changes in IPEDS, the doctoral and first professional degree categories no longer exist. Now they are classified as doctoral research and doctoral professional with the doctoral professional including additional categories that had not previous been included in the first professional category. The universities reviewed their programs and made the classifications of their programs. The professional doctoral category will include all degrees in this category. Medicine, Law, and Pharmacy degrees will be reported as a sub-category of professional doctoral degrees.</p> <p>Source: SUS Student Instruction File, element #01081 ("Degree-Level Granted")</p>
Table 5C. Graduate and Professional Degrees Awarded in Areas of Strategic Emphasis	<p>Definition: Graduate degrees as reported above by six-digit Classification of Instruction Program. The areas of strategic emphasis were selected by the Board of Governors staff with consultation with business and industry groups and input from universities. These counts may be duplicated if a student earns degrees in more than one strategic area (i.e, double-majors are included).</p> <p>Source: SUS Student Instruction File, and Board of Governors list of Areas of strategic Emphasis, available at the link here.</p>
Table 5D. Professional Licensure Exams - Graduate Programs	
Law: Florida Bar Exam *NEW	<p>Definition: Average pass rate for first-time examinees on the Florida Bar Exam. Cohorts are examinees who sit for both Parts A and B of the examination. Data is organized by Calendar Year, which includes first-time examinees for the February and July test administrations. State Benchmark data is based on the subtraction of first-time examinees from non-Florida law schools from the Total first-time examinees.</p> <p>Source: Florida Board of Bar Examiners http://www.floridabarexam.org/</p>
Medicine: USMLE Exams *NEW	<p>Definition: Average pass rate for first-time examinees on the US Medical Licensing Examinations (USMLE). Cohorts for the Part I exam are second-year MD students. Cohorts for the Part II exams are fourth-year MD students. National benchmark data is based on Jan-Dec (for Step 1 exam) and July-June (for both Step 2 exams) results for first-time examinees from students in US and Canadian medical schools as published in the National Board of Medical Examiners Annual Report.</p>

	Source: University Data Submission; Benchmark: NBME's USMLE Performance Data: http://www.usmle.org/Scores_Transcripts/performance/2008.html
Dentistry: NDBE Exams *NEW	<p>Definition: Average pass rate for first-time examinees on the National Dental Board Examination (NBDE). Cohorts for the Part I exam are second-year Dental students. Cohorts for the Part II exam are fourth-year Dental students. Note: The Dental Board Exam is a national standardized examination not a licensure examination. Students also take the Florida Licensure Examination if they wish to practice in Florida. Please note that 2007 was the first year the NDBE was administered after significant revisions to the test.</p> <p>Source: University of Florida.</p>
Veterinary Medicine: NAVLE Exam *NEW	<p>Definition: Average pass rate for first-time examinees on the North American Veterinary Licensing Examination (NAVLE) for graduates or senior veterinary students taking. National benchmark data is based on Fall & Spring results for first-time examinees (criterion group) for senior students in accredited veterinary schools as published by the National Board of Veterinary Medical Examiners' annual NAVLE Candidate Performance Data report.</p> <p>Source: University of Florida; NBVME: http://www.nbvme.org/?id=82</p>
Pharmacy: NAPLEX Exam *NEW	<p>Definition: Average pass rate for first-time examinees on the North American Pharmacist Licensure Examination (NAPLEX). Cohorts are graduates from Accreditation Council for Pharmacy Education-accredited schools and colleges of pharmacy. National benchmark data is based on Jan-Dec results for first-time examinees that are graduates from ACPE-accredited United States schools and colleges of pharmacy as published by the National Association of Boards of Pharmacy.</p> <p>Source: National Association of Boards of Pharmacy (NABP) http://www.nabp.net/programs/examination/naplex/school-pass-rate/</p>
Ed. Leadership: FELE Exam *SCHEDULED FOR THE 2011 REPORT	<p>Definition: Average pass rate for first-time examinees on the Florida Education Leadership Examination (FELE).</p> <p>Source: Florida Department of Education</p>
Section 6 - Research and Economic Development	
Table 6A. Research and Development	
Federally Funded Awards (Thousands of Dollars) *NEW	<p>Definition: Federally funded awards for research; excludes awards for instruction, outreach, public service, or other sponsored activities; excludes sub-awards institution received as a sub-recipient. Dollars in thousands.</p> <p>Source: NSF Survey of R&D Expenditures at Universities and Colleges. Old format: Item 4, Line 2010 and 2020. New format: Question 20 (A+B).</p>
Total Awards (Thousands of Dollars) *NEW	<p>Definition: Total awards for research; excludes awards for instruction, outreach, public service, or other sponsored activities; excludes sub-awards institution received as a sub-recipient. Dollars in thousands.</p> <p>Source: NSF Survey of R&D Expenditures at Universities and Colleges. Old format: Item 4, Line 2000. New format: Question 20D.</p>
Federally Financed Expenditures (Thousands of Dollars)	<p>Definition: Federally funded expenditures for all research activities (including non-science and engineering activities). Dollars are in thousands.</p> <p>Source: NSF Survey of R&D Expenditures at Universities and Colleges, Old format: Item 2A, Line 2000. New Format: Question 1A.</p>

Total Expenditures (Thousands of Dollars)	Definition: Total expenditures for all research activities (including non-science and engineering activities). Dollars are in thousands. Source: NSF Survey of R&D Expenditures at Universities and Colleges. Old format: Item 2A (Line 2000). New format: Question 1G.
Total Research and Development Expenditures Per Full-Time, Tenured, Tenure-Earning Faculty Member	Definition: Total R&D expenditures are divided by fall, full-time tenured/tenure-track faculty as reported to IPEDS. (For FGCU, the ratio will be based on both tenured/tenure-track and non-tenure/track faculty.) The fall faculty year used will align with the beginning of the fiscal year, so that (e.g.) 2007 FY R&D expenditures are divided by fall 2006 faculty. Sources: NSF, Webcaspar database (R&D expenditures) and IPEDS (faculty)
Invention Disclosures Received	Definition: Disclosures, no matter how comprehensive, that are made in the fiscal year. Source: AUTM Licensing Survey (or using AUTM definitions for institutions that do not participate in that survey)
Total U.S. Patents Issued	Definition: U.S. patents issued or reissued in the fiscal year. Source: AUTM Licensing Survey (or using AUTM definitions for institutions that do not participate in that survey)
Patents Issued Per 1,000 Full-Time, Tenure and Tenure Earning Faculty	Definition: Total U.S. patents issued in the fiscal year divided by the Full-time, Tenure and Tenure Earning Faculty from the Fall term. Sources: AUTM Licensing Survey or comparably defined data from institutions (patents) and IPEDS (full-time faculty)
Total Number of Licenses/Options Executed	Definition: Licenses/options executed in the fiscal year for all technologies. Each agreement is counted separately. Source: AUTM Licensing Survey (or using AUTM definitions for institutions that do not participate in that survey)
Total Licensing Income Received	Definition: License issue fees, payments under options, annual minimums, running royalties, termination payments, amount of equity received when cashed-in, and software and biological material end-user license fees of \$1,000 or more, but not research funding, patent expense reimbursement, valuation of equity not cashed-in, software and biological material end-user license fees of less than \$1,000, or trademark licensing royalties from university insignia. Source: AUTM Licensing Survey (or using AUTM definitions for institutions that do not participate in that survey)
Number of Start-Up Companies *NEW	Definition: The number of start-up companies that were dependent upon the licensing of University technology for initiation. Source: AUTM Licensing Survey (or using AUTM definitions for institutions that do not participate in that survey)
Table 6B. Centers of Excellence	
Centers of Excellence *REVISED	Definition: These data only includes activities directly associated with the Center. The non-Center activities for faculty who are associated with the Center are not included. Collaboration effectiveness metrics only report on relationships that include financial, or in-kind, support. Source: Universities submit this data for the annual report.
Table 6C. State University Research Commercialization Assistance Grants	
State University Research Commercialization Assistance Grants *REVISED	This table summarizes the activities associated with the one-time grants provided by the State University Research Commercialization Assistance Grant Program as established by The 21st Century Technology, Research, and Scholarship Enhancement Act (1004.226, F.S.). Note: the 2010 Annual Report will only include grants awarded in 2007-08. The 2011 Annual

	Report will include grants awarded in 2010-11. Source: Universities submit this data for the annual report.
Table 6D. 21st Century World Class Scholars Program	
21st Century World Class Scholars Program *NEW	This table summarizes the activities associated with the one-time grants provided by the 21st Century World Class Scholars Program as established by The 21st Century Technology, Research, and Scholarship Enhancement Act (1004.226, F.S.). Note: the 2010 Annual Report will only include grants awarded in 2006-07. Source: Universities submit this data for the annual report.

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**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

December 9, 2010

Subject: Florida International University Worlds Ahead 2010-2015 Strategic Plan

Proposed Board Action:

Adopt the Florida International University Worlds Ahead 2010-2015 Strategic Plan.

Background Information:

Pursuant to Board of Governors Regulation 1.001, subsection (3)(c) - University Board of Trustees Powers and Duties, each board of trustees shall adopt a strategic plan in alignment with the Board of Governors' system wide strategic plan and regulations, and the university's mission. University strategic plans shall be submitted to the Board of Governors for approval.

Supporting Documentation: FIU Worlds Ahead 2010-2015 Strategic Plan

Facilitator/Presenter: S. Lawrence Kahn, III, *Academic Policy and Student Affairs
Committee Chair*

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WORLDS AHEAD
FLORIDA INTERNATIONAL UNIVERSITY
2010-2015 STRATEGIC PLAN

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Worlds Ahead

Florida International University

2010-2015 Strategic Plan

The second decade of the twenty-first century ushers in major challenges for institutions of higher education in the United States. In the midst of significant levels of unemployment, political debate over the appropriate role for government, and a growing concern for educational competitiveness at all levels, public universities are being called upon to foster greater levels of innovation, job creation, and economic development. Florida International University is poised to make a substantive contribution to address the challenges ahead. Our leadership, research and creative expertise, and sense of urgency give us the opportunity and responsibility to engage locally and globally in the development of high-quality education, ethical and well-prepared global citizens, quality living environments, and enhanced economic and social well-being. FIU embraces our role as an anchor institution in Greater Miami and the Caribbean Basin.

As Florida International University launches our 2010-2015 Worlds Ahead strategic plan, we have much to build on, and much to build. As South Florida's only public research university, we are proud of our record of service to the South Florida community and to our students. In the next five years, we will continue to graduate more Hispanic students than any other university in the nation. We will build on our faculty's research and creative energies to form a strong foundation for competitiveness in the twenty-first century knowledge economy, and will engage with local and global communities in collaborative problem solving.

In the past decade FIU has added two major professional schools—a law school and a medical school—and expanded enrollment by 28 percent. In the next five years we will continue to provide a full range of degree programs for regional, national, and international students. During this period, we plan to increase enrollment by 25 percent and research expenditures by 36 percent. These striking increases will require us to rethink every aspect of our academic enterprise: our approaches to teaching, learning, and research; our student support services; and the size and configuration of our physical and technological infrastructure.

To solidify our position as worlds ahead, in the next five years FIU will mobilize our strengths in key collaborative content areas. Our arts facilities and programs enrich campus life, enhance community involvement, and support our quest for excellence. Our cross-disciplinary strength in environmental fields positions our faculty to propose innovative solutions to local and global environmental problems. Our founding commitment to foster international understanding takes on new meaning as global networks of communication and trade create unprecedented integration of economies, societies, and cultures. The Robert Stempel College of Public Health and Social Work, the College of Nursing and Health Sciences, and the new Herbert Wertheim College of Medicine form the core of an academic health center that will facilitate interdisciplinary approaches to solving health care problems in the region and the nation.

As we launch our strategic plan, we must respond to new realities. The financial crisis that began in 2007 had its strongest impact on regions—including South Florida—that had been experiencing the most explosive growth. As a public institution, FIU has not been immune from the forces of change, but we must be a leader in our regional recovery. In the next five years, as we transition from a state-supported to a state-assisted institution, we will have an even greater imperative to seek efficiencies and diversify funding beyond traditional state sources. Our strategic plan will provide us with guidelines to make the difficult choices that lie ahead.

FLORIDA INTERNATIONAL UNIVERSITY DESCRIPTION

Florida International University is a multi-campus public research university offering a broad array of undergraduate, graduate, and professional programs. The university has two main campuses, the 344-acre Modesto A. Maidique campus in western Miami-Dade County, and the 200-acre Biscayne Bay Campus in northeast Miami-Dade County. Through eleven colleges and schools, FIU offers more than 175 baccalaureate, master's professional, and doctoral degree programs and conducts basic and applied research. Interdisciplinary centers and institutes conduct collaborative research to seek innovative solutions to economic, technological, and social problems. With more than 42,000 students, 814 full-time instructional faculty, and over 8,000 degrees awarded annually, FIU is the largest university in South Florida.

Chartered by the Florida Legislature in 1965, Florida International University opened its doors in 1972 to the largest opening-day enrollment in the history of American higher education. Initially a two-year, upper-division school with limited graduate programs, FIU added lower-division classes in 1981 and received authority to begin offering degree programs at the doctoral level in 1984. Ninety-seven percent of our full-time tenured or tenure-track instructional faculty hold doctorates or the highest degree attainable in their fields. FIU is the only urban public university in the state to be a member of Phi Beta Kappa, the nation's oldest scholarly honorary society. The Carnegie Foundation for the Advancement of Teaching classifies FIU as a Research University/High Research Activity. Our annual research expenditures exceed \$100 million.

Committed to both high quality and access, FIU meets the educational needs of full-time and part-time undergraduate and graduate students, and lifelong learners. Reflecting the vibrant ethnic diversity of South Florida, 77 percent of FIU students are Hispanic, black, or other minorities. We take pride in the impact our graduates make upon the nation and the world.

CORE FLORIDA INTERNATIONAL UNIVERSITY DOCUMENTS

FIU MISSION

Florida International University is an urban, multi-campus, public research university serving its students and the diverse population of South Florida. We are committed to high-quality teaching, state-of-the-art research and creative activity, and collaborative engagement with our local and global communities.

FIU VISION

Florida International University will be a leading urban public research university focused on student learning, innovation, and collaboration.

FIU VALUES

Florida International University is committed to the following core values:

- Truth—in the pursuit, generation, dissemination, and application of knowledge
- Freedom—of thought and expression
- Respect—for diversity and the dignity of the individual
- Responsibility—as stewards of the environment and citizens of the world
- Excellence—in intellectual, personal, and operational endeavors

FIU GOALS

Our goals are:

1. To educate undergraduate students

- who become critical thinkers empowered to learn and to integrate their understanding in a variety of areas of knowledge, creativity, entrepreneurship, and accomplishment;
- who possess the intellectual and personal competencies needed to excel in their fields throughout the world;
- who understand their culture and the cultures of others and appreciate the complexities and diversity of our global society;
- who understand and commit to their civic responsibilities.

2. To educate graduate and professional students

- who demonstrate an ability to synthesize knowledge and practice in ways that produce new insights;
- who add to the existing body of knowledge in their disciplines;
- who understand the obligation of the holders of advanced degrees to apply their knowledge and critical intellectual abilities in an ethical manner.

3. To build a distinguished faculty and staff

- who create a learning environment for students and each other;
- who give students a foundation of knowledge and understanding that will lead to success in their chosen fields and their lives;
- who give students the habits of mind of life-long learning and responsible global citizenship;
- who generate research results and creative contributions recognized both nationally and internationally;
- who collaborate with each other and with community leaders to explore creative solutions to local, regional, national, and global problems;
- who pursue research activities and provide additional federal and corporate research funding to the university.

4. To build an excellent student support system

- that provides academic, personal, and financial support;
- that adopts best practices across all services;
- that creates a culture of clear and consistent communication across all internal constituencies.

5. To build an excellent financial base

- that maximizes impact by carefully stewarding and enhancing resources;
- that applies information technology to enhance and streamline operations;
- that encourages external contracts and grants funding;
- that benefits from alumni and community support;
- that increases the university endowment.

6. To build an excellent physical and technological infrastructure

- that is student-centered and conducive to learning;
- that is appropriate to FIU's size and aspirations to research excellence;
- that is accessible and sustainable;
- that applies technology efficiently to conserve resources.

7. To build collaborative university/community relationships

- that employ the intellectual capital of the university to solve community problems;
- that encourage alumni to continue their association with and contribution to the university;
- that create university affinity and social well-being through cultural programming and athletic events;
- that enhance the intellectual development of the community through life-long learning opportunities.

THE STRATEGIC PLANNING PROCESS

The current cycle of strategic planning at Florida International University began with the installation of FIU's fifth president, Mark B. Rosenberg, in August 2009. His initial statement of guiding principles, *Hit the Ground Running*, laid the foundation for a series of conversations on the strategic direction of the university, followed by a formal strategic planning process.

The provost commissioned four committees charged with identifying major issues and beginning a dialogue with the university community. The committees examined the three components of FIU's mission (teaching, research, and engagement), and our operational and financial base.

Each committee produced a white paper that defined FIU's current position and described the opportunities that lay ahead. During fall 2009 the president took those white papers to university town halls, and held conversations with members of the local community and community leaders.

In late fall 2009 the president charged the provost with the formal implementation of the strategic planning process. The provost formed seven committees with representation from faculty, staff, students and community members. Three committees focused on foundations for success at FIU: Finance, Infrastructure, and Student Success. Four committees focused on collaborative content areas in which FIU has strategic strengths: Arts, Environment, Globalization, and Health.

In the late summer 2010, each of these committees submitted a draft report to the provost, who was then charged with creating an institutional strategic plan based on the work of the seven committees.

A FIVE-YEAR PLAN TO PURSUE FIU'S MISSION AND GOALS

During the next five years, Florida International University will pursue specific initiatives to achieve our mission and goals.

1. Achieve enhanced student learning and academic excellence.
 - Expand minority pre-college programs to ensure readiness for FIU.
 - Improve access by increasing enrollment by 2,000 academically qualified students per year.
 - Encourage interdisciplinary teaching, advanced pedagogical approaches in the classroom, and expanded state-of-the-art online learning.
 - Develop the curriculum and curricular offerings to produce degree programs that reflect the strategic direction of the university and prepare graduates for success in the twenty-first century.
 - Enhance learning opportunities through undergraduate research, study abroad, service learning, and student internships.
 - Define and communicate expectations for students at each level of their academic progress.
 - Raise the six-year graduation rate with special emphasis on retention and early identification of appropriate major.
 - Develop and expand student-support services, programs, and activities that enhance student achievement.
2. Enhance the quality, quantity and impact of research and creative initiatives.
 - Retain and recruit a world-class faculty.
 - Increase and expand research funding in fields where FIU has strategic assets and competitive advantages.
 - Establish and enhance multidisciplinary and multi-college research centers focused on emerging issues.
 - Facilitate commercialization of FIU-initiated research.
 - Link research to local economic development and problem-solving.
3. Engage with the community in collaborative problem solving.
 - Tie instructional and creative initiatives to local needs and community priorities.
 - Collaborate with major educational, environmental, arts, health, and community organizations.
 - Partner in the creation of a public-private high-tech corridor focused on biomedical advances and sustainability.
 - Facilitate life-long learning and professional development opportunities.
4. Revitalize and expand FIU's infrastructure and financial base
 - Build and improve the physical and technological infrastructure.
 - Improve efficiency, accountability, and compliance and take advantage of shared services.
 - Launch a four-front funding offensive: private, state, federal, and local.
 - Energize, grow, and focus the alumni network around fund-raising and student placement.
 - Expand need-based financial aid to ensure affordability, access, and graduation.
 - Recruit and retain outstanding staff.
 - Enhance student spirit and alumni affinity through cultural programming and athletics.

APPLYING THE PLAN TO COLLABORATIVE CONTENT AREAS

In pursuit of our mission and goals, Florida International University will leverage our strengths in four collaborative content areas. Each of these areas has a relation to our mission, has the potential for significant and sustained growth, and involves engagement at the local and global levels.

THE ARTS

The Arts are essential to Florida International University's life of the mind. They inform the way we think, create, discern, solve problems, and adapt to a rapidly changing world. The creative and academic activities of FIU's faculty, curatorial staff, and students in our colleges, schools, and museums support our quest for excellence and are an important strategic asset.

FIU's location in the vibrant, cosmopolitan South Florida region creates opportunities for the FIU community to explore and appreciate different artistic and cultural traditions and modes of artistic expression, recognize the interplay of culture and artistic expression, and celebrate diversity. Concerts, exhibitions, performances, and public lectures enrich the cultural life of FIU's students, faculty, staff, and the South Florida community. FIU's two museums, the Frost Art Museum and The Wolfsonian-FIU, and our outstanding academic programs in music, art, and theater offer unique academic and professional experiences.

To leverage FIU's strength in the arts, in the next five years FIU will make strategic investments in the following initiatives:

1. Maximize local, national, and international opportunities to showcase FIU through the arts.
2. Develop and strengthen partnerships with local theaters and musical organizations, national venues, and international organizations for the performing arts.
3. Develop partnerships to strengthen the role of the arts in the Miami-Dade public schools.
4. Encourage research in the arts and creative work produced across the disciplines.
5. Create new degree programs to attract new students and ensure competitiveness of graduates in arts fields.
6. Provide financial resources for the arts through the Capital Campaign and continuing Annual Campaigns funding
7. Strengthen the synergy of the arts and allied disciplines across the university by establishing a humanities center.

ENVIRONMENT

Florida International University has a history of excellence in research, education, and engagement in environmental fields. FIU's location in Miami, one of the largest cities in the country, positions us to take a leadership position in urban environmental research. Miami's location between the ocean and the Everglades provides opportunities for further development of our research strengths in wetlands, estuarine, and coastal ecology. Our location at the gateway to Latin America has led to our prominence in new world tropical ecological research.

Our faculty and staff expertise is a strategic asset that enhances our reputation and generates substantial research funding. Development of our strength in environmental studies will ensure that our students are trained for jobs

in the new green economy, and will establish FIU as a leader in explaining the dynamics of environmental systems and in developing solutions to environmental challenges locally, nationally, and around the world.

Environmental knowledge is intrinsically interdisciplinary. It relies on basic and applied sciences, and engineering to explain the dynamics of environmental processes; technology, planning, and management disciplines to develop and implement effective and efficient improvement strategies; and the humanities to clarify values and attitudes toward the environment. As Miami's only public research university, FIU is committed to providing the intellectual leadership needed to create a sustainable future for the South Florida region, and to make significant contributions in the environmental arena globally.

To leverage FIU's strength in environmental fields, in the next five years FIU will make strategic investments in the following initiatives:

1. Consolidate and expand environmental research and teaching and infrastructure at our Biscayne Bay Campus to serve as a focus for the College of Arts and Sciences and for interdisciplinary environmental research.
2. Enhance interactions with management agencies, K-12 institutions, and the public.
3. Modify the First Year Experience course to ensure that undergraduate students have a basic understanding of local and global environmental issues.
4. Create new undergraduate degree programs to ensure competitiveness of graduates in environmental fields.
5. Develop new interdisciplinary graduate degrees in environmental science, policy, and management to enhance interdisciplinary graduate training and research in environmental fields.
6. Enhance FIU's environmental stewardship and develop plans to adapt to the impacts of climate change on our campuses and throughout our local and global communities.

GLOBALIZATION

Florida International University's founding mission to foster international understanding takes on new meaning in the twenty-first century age of globalization, as networks of communication and trade foster unprecedented integration of economies, societies, and cultures. FIU's efforts in the international sphere are supported by our geographic location; the cultural and ethnic diversity of the South Florida community; the continued globalization of regional and national economies; and Florida's desire to be a global leader in economic development in the twenty-first century. Our commitment to fostering an interdisciplinary, global perspective is a strategic asset that will ensure that our students will be prepared for jobs in the global economy.

FIU's focus on global awareness prompted the choice of Global Learning for Global Citizenship as the topic of our 2010 quality enhancement plan, which was prepared as a condition of reaffirmation of accreditation by the Southern Association of Colleges and Schools. Beginning in fall 2011, global learning courses will be a graduation requirement for every FIU undergraduate.

To leverage FIU's strength in interdisciplinary global study and research, in the next five years FIU will make strategic investments in the following initiatives:

1. Enhance and create interdisciplinary and regional areas studies programs with a global focus.
2. Support and strengthen the QEP, Global Learning for Global Citizenship.
3. Enroll more international students.

4. Encourage interdisciplinary research on global issues such as disaster mitigation, security, and governance.
5. Hire faculty with a global focus.
6. Expand collaborative research with universities around the globe.
7. Seek global partnerships to expand the financial base.

HEALTH

As Miami's only public research university, Florida International University is committed to addressing the health challenges that face the South Florida region. FIU has a distinguished record of research on health disparities, drug and alcohol use, abuse and dependency and HIV/AIDS. The Herbert Wertheim College of Medicine, the College of Nursing and Health Sciences, and the Robert Stempel College of Public Health and Social Work serve the community by educating health professionals and conducting applied research in health fields. By embedding engagement activities with teaching and research, FIU provides students with unique learning opportunities and improves health care in the South Florida region.

FIU's strength in health fields is a strategic asset that provides invaluable service to the South Florida region, and makes us a national and international model in integrated health care education. Health research is a fertile area for federally funded research and clinical trials which will bolster FIU's financial standing and increase our national visibility.

To leverage FIU's strength in health care instruction and research, FIU will make strategic investments in the following initiatives:

1. Develop an academic health center to encourage interdisciplinary approaches to teaching and research.
2. Invest in faculty hires in health fields in which FIU has existing strengths such as HIV/AIDS; child-adolescent and family behavioral health; and substance use, abuse, and dependence.
3. Modify undergraduate, graduate, and professional curricula to enhance interdisciplinary teaching, research, and engagement opportunities for students, creating a new approach to health-related education.
4. Create new degree programs to attract new students and ensure competitiveness of graduates in health fields.
5. Enhance both the amount and visibility of health-related research.
6. Increase involvement of students, faculty and staff in community engagement focused on health needs.
7. Strengthen partnerships with local and global community and governmental agencies, public entities, hospitals, health care and social service agencies/providers.
8. Develop training opportunities in health for local and international professionals.

APPLYING THE PLAN TO FIU'S INFRASTRUCTURE AND FINANCIAL SYSTEMS

In support of our mission and goals, Florida International University will improve our physical, technological, and student-support infrastructure, and will stabilize and diversify our financial base.

INFRASTRUCTURE

Florida International University's infrastructure includes physical facilities; a technological infrastructure; and a diverse set of programs, services, and activities that support teaching and learning, student life, and interactions between the university and the South Florida community.

As of 2010, FIU operates and maintains 120 permanent buildings encompassing over 7 million gross square feet on five sites in Miami-Dade County. Projects to be completed within the next five years will add 0.4 million gross square feet. The growth of our physical infrastructure is guided by the BOT-approved FIU master plan, which is updated every five years through a process that includes input from the diverse constituents of the university. Most of FIU's facility expansions are approved and funded by the state's Public Education Capital Outlay program. The university also solicits private donations and is allowed to issue bonds to finance the construction of new buildings.

FIU's infrastructure promotes campus life by supporting student housing facilities, dining facilities, retail outlets, two student health and wellness centers, a learning center, two student unions, two recreation centers, outdoor recreation facilities, athletic facilities (including an indoor arena and a football stadium), an aquatics center (BBC), and parking garages with over 4,800 spaces.

Despite limited financial resources, FIU's infrastructure must grow to provide services for FIU's changing and growing student population, especially in regard to residential life, public safety, disability resources, international student services, health care, counseling, and childcare. To accomplish this, we must streamline internal processes to increase the efficiency, and remove obstacles that impede operations—especially in areas that directly impact faculty research productivity and creative activity and student learning.

To ensure that the quality of learning and the student experience are maintained as FIU grows, over the next five years we will revitalize, revamp, and strategically expand our physical and technological infrastructure and enhance our student-support services by making strategic investments in the following initiatives:

1. Expand housing and student-service facilities to accommodate enrollment growth and foster student success.
2. Design and develop an adaptable classroom infrastructure aligned with teaching methods.
3. Design and develop flexible spaces for students to congregate, study, practice, exhibit, and perform.
4. Increase library space.
5. Increase flexible research space through redesign and new construction.
6. Develop a central communication strategy to deliver key messages and announce events to the campus community and beyond.
7. Promote a user-driven service approach for all administrative processes.
8. Integrate technology into every facet of FIU's operational structure.
9. Establish a comprehensive approach to risk mitigation.
10. Develop parking, transportation, and sustainable access solutions.

11. Encourage pedestrian traffic by building protected walkways, installing benches, and improving signage.
12. Adopt flexible and sustainable design criteria to minimize capital improvements and maintenance.
13. Support campus expansion efforts through the exploration of land acquisition opportunities.

FINANCE

Over the last decade, state funding to support Florida's educational and research objectives has been reduced by almost 25 percent. The decline in state support was well under way even before the recent nationwide financial crisis, which has been particularly severe in high-growth regions of the country like Florida. The percentage of FIU's total operating budget funded from Florida's general revenue and lottery appropriations has dropped from 44 percent in 2000-2001 to 28 percent in 2009-2010, effectively changing FIU's funding model from state supported to state assisted.

To prosper as a state-assisted institution, Florida International University must stabilize and diversify our financial base by aggressively pursuing new revenue streams from multiple sources, including state, federal, and local governments; tuition; private gifts; funded research; and other enterprise functions. Diversification of funding sources is a way to stabilize FIU's financial systems by freeing them from large, cyclical variations tied to economic expansions and contractions. An additional way to stabilize the financial base is to pursue internal cost-saving strategies, including improving institutional efficiency, accountability, and shared services.

To diversify and stabilize our financial base, in the next five years FIU will make strategic investments in the following initiatives:

1. Launch a \$750 million capital campaign that engages the alumni base and aligns donors with institutional needs.
2. Increase tuition revenues by expanding enrollment by 25 percent (2,000 students per year); increasing the percentage of non-resident and graduate students; and increasing offerings of online, market-based, and non-credit programs.
3. Introduce tuition pricing flexibility for various academic programs based on real costs of program delivery and student demand.
4. Draw on FIU's strengths, location, constituency, and access to specific populations to maximize research efforts, commercialization, and intellectual property revenues.
5. Align FIU's strategic priorities with state, federal, and local funding opportunities.
6. Increase contract and grants activity by providing additional support for principal investigators.
7. Improve operational efficiency by encouraging shared platforms, resources, and best practices across colleges and units.
8. Expand the FIU Healthcare Network of the Academic Health Center to generate revenue through service lines, including the onsite faculty group practice for employees and students, the ambulatory care center, practice-management services, and clinical trials.
9. Generate licensing revenue by expanding the FIU Research Foundation to provide the necessary framework to assist in the creation of new enterprises.

APPENDIX: FALL 2015 TARGETS

STUDENT BODY

TOTAL ENROLLMENT: GROW BY 2,000 ACADEMICALLY QUALIFIED STUDENTS PER YEAR

<u>Target</u>	<u>Current</u>
52,000	42,320

ENROLLMENT BY LEVEL: GRADUAL SHIFT TO A HIGHER PERCENTAGE OF GRADUATE AND FIRST PROFESSIONAL STUDENTS

	<u>Target</u>	<u>Current</u>
Undergraduate	40,560 [78%]	80.3%
Graduate	10,400 [20%]	18.1%
First professional	1,040 [2%]	1.6%

FULL-TIME/PART-TIME STUDENTS: GRADUAL SHIFT TO A HIGHER PERCENTAGE OF FULL-TIME STUDENTS

	<u>Target</u>		<u>Current</u>
	<u>Full-time</u>	<u>Part-time</u>	
Lower Division	78%	22%	76% and 24%
Upper Division	58%	42%	56% and 44%
Grad 1	58%	42%	56% and 44%
Grad 2	62%	38%	59% and 41%

INSTRUCTIONAL DELIVERY MODE: INCREASE IN ONLINE WITH REDUCTIONS IN BOTH FACE TO FACE AND HYBRID

	<u>Target</u>	<u>Current</u>
Face to face	75%	78.4%
Fully online	20%	13.6%
Hybrid delivery	5%	8.0%

RESIDENT/NONRESIDENT STUDENTS: GRADUAL SHIFT TO MORE OUT-OF-STATE AND INTERNATIONAL STUDENTS

	<u>Target</u>	<u>Current</u>
Florida resident	45,760 [88%]	36,631 [90%]
Florida nonresident	6,240 [12%]	3,824 [10%]
<i>Out of State</i>	<i>2,080 [4%]</i>	<i>1,269 [3%]</i>
<i>International</i>	<i>4,160 [8%]</i>	<i>2,555 [7%]</i>

HOUSING: ADD ONE MORE RESIDENCE HALL TO MAINTAIN CURRENT RESIDENT TO COMMUTING STUDENT RATIOS.

	<u>Target</u>	<u>Current</u>
Commuter student	48,200 [93%]	93%
Housing student	3,800 [7%]	7%

DEGREES AWARDED: BASED ON ENROLLMENT GROWTH AND PROJECTED RETENTION AND GRADUATION

Growth in professional doctorates primarily due to new DNP and DPT degrees

	<u>Target</u>	<u>Current</u>
Baccalaureate	7,308	5,663
Master's and specialist	2,874	2,255
Research doctorates	177	127
Professional doctorates	303	123

GRADUATION RATES: INCREASE BOTH FTIC AND AA TRANSFER GRADUATION RATES

	<u>Target</u>	<u>Current</u>
FTIC – 6 Year	48%	44.8%
AA Transfer – 4 Year	65%	60.7%

FACULTY

FULL-TIME AND PART-TIME: GROW FACULTY COMMENSURATE WITH ENROLLMENT GROWTH
TO MAINTAIN STUDENT-FACULTY RATIO AND SAME FULL-TIME TO PART-TIME RATIO

	<u>Target</u>	<u>Current</u>
Full-time faculty		
(Tenured/tenure-earning/Instructor)	1086	814
Part-time faculty	1076	784

RATIOS: MAINTAIN CURRENT STUDENT/FACULTY RATIO; IMPROVE STUDENT/ADVISOR RATIO
TO NATIONAL NORM

	<u>Target</u>	<u>Current</u>
Student/faculty	27:1	27:1
Student/advisor	300:1	555:1

Research

INCREASE TOTAL BY 36% WITH FASTER GROWTH IN FEDERAL FUNDING

	<u>Target</u>	<u>Current</u>
Federal Academic R & D expenditures	\$87,000,000	\$60,239,000
Total Academic R & D expenditures	\$143,000,000	\$105,000,000

**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

December 9, 2010

Subject: Status Reports, Board Committees

Proposed Board Action:

None. Information only.

Background Information:

These Committees met prior to the regular Board meeting: Finance and Audit; Academic Policy and Student Affairs; External Relations; Athletics. Summaries of the Committee meetings are being submitted for Board of Trustees review.

Supporting Documentation:

Finance and Audit Committee Meeting Summary

Academic Policy and Student Affairs Committee Meeting
Summary

External Relations Committee Meeting Summary

Athletics Committee Meeting Summary

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Finance and Audit Committee Summary

Thursday, December 2, 2010

Agenda and materials available online [here](#)

The FIU Board of Trustees Finance and Audit Committee met on Thursday, December 2, 2010. Committee Chair Albert Maury welcomed Trustee Michael M. Adler and thanked him for his willingness to serve as a member of the Committee. Chair Maury also recognized other Committee members and non-members in attendance. The minutes from the September 8, 2010 meeting were approved as presented and Chair Maury proceeded to review the action items, reports and presentations.

Action items accepted and recommended for Board of Trustees approval:

- 1) **Debt Management Guidelines.** On September 16, 2010, the Florida Board of Governors (the BOG) adopted revised Debt Management Guidelines to provide clarification and better written guidance to universities to ensure that each board of trustees engages in sound debt management practices for the issuance, sale and management of university and direct support organization debt. The BOG requires each board to adopt the Debt Management Guidelines.
- 2) **FIU Direct Support Organizations Financial Audits, 2009-2010.** Each year the University's Direct Support Organizations are required to submit independently conducted financial audits of their respective accounts and records to the Board of Trustees for approval:
 - A. FIU Foundation, Inc.
 - B. FIU Research Foundation, Inc.
 - C. FIU Athletics Finance Corporation
 - D. FIU Herbert Wertheim College of Medicine Health Care Network

Sr. Vice President from Administration and Chief Financial Officer Kenneth A. Jessell presented the audited financial statements to the Committee and explained that they were also presented in detail by the auditors to the respective Direct Support Organizations Boards where they were subsequently approved. Each of these statements was prepared in accordance with Government Auditing Standards and each received an unqualified opinion by the auditors.

- 3) **Signature Authority - Authorization to Sign Checks for the University.** Sr. Vice President from Administration and Chief Financial Officer Kenneth A. Jessell presented this item to request approval for Cecilia Hamilton, the University's new Associate Vice President and University Controller, to sign checks to pay the legal obligations of the University from any and all designated University depositories.

Finance and Audit Committee Summary

Thursday, December 2, 2010

- 4) **Ratification of the Wage Article of the 2007-2010 Collective Bargaining Agreement between the Florida International University Board of Trustees and the Dade County Police Benevolent Association (PBA).** Vice President for Student Affairs Rosa L. Jones presented this item for Committee review, noting that the parties revisited the Agreement to negotiate the 2009-2010 wages. Based on the negotiations, the parties agreed to a 0.75% across-the board payment and a merit bonus of 0.75% for the 2009-2010 wages to the PBA unit members. Neither payment will be added to the base pay. The parties also agreed that a committee comprised of members of the PBA and University be formed to create a merit pay evaluation form, tailored to law enforcement.
- 5) **Test Preparation Fee.** Sr. Vice President from Administration and Chief Financial Officer Kenneth A. Jessell presented the item for Committee review as part of a degree program request which will increase the accessibility of students to test preparation courses and lower the cost of the preparation courses through negotiated contracts. Additionally, by including the test preparation course fee as part of the degree requirements, students may be eligible to pay for the course through financial aid.
- 6) **Market Rate Tuition for Master or Arts in Global Governance.** Sr. Vice President from Administration and Chief Financial Officer Kenneth A. Jessell presented this item for Committee review, noting that on June 4, 2010 the Florida International University Board of Trustees approved market tuition rates for several programs. The Master of Arts in Global Governance degree program was also approved at this meeting. However, because the Master of Arts in Global Governance was not an existing program, it was not included in the request for market tuition rates at that time. The two-year program, totaling \$32,000, will be effective Fall 2011.

Other:

Allen Vann, Director of Internal Audit, provided the Internal Audit Status Report. The report covered several audits and investigations recently completed by the Internal Audit office, including the Audit of the Herbert Wertheim College of Medicine, Audit of the University Housing and Residential Life Department and Cash Counts at the Modesto A. Maidique Campus (MMC) and the Biscayne Bay Campus (BBC).

Liane Martinez, Associate Vice President for Business & Finance, presented the Budget Variance Analysis for the first quarter of 2010. She provided the highlights of University revenues and expenditures. In terms of E&G expenses, the University is experiencing savings of approximately \$7 million due to vacant positions. Also, Auxiliaries continue to drive revenue growth and can be attributed to factors such as FIU Online enrollment growth, increases in food and retail sales in addition to higher occupancy than expected in Housing.



Finance and Audit Committee Summary

Thursday, December 2, 2010

Sr. Vice President from Administration and Chief Financial Officer Kenneth A. Jessell provided the state budget update and he indicated that collections for the month of October were above the August 2010 estimate but the YTD net revenue is two percent under the August 2010. Lower sales tax and corporate income tax account for the total revenue being under estimate.

Lastly, the Committee met with Senior Management without the presence of staff members from the Office of Internal Audit as mandated by the Finance & Audit Committee Charter.

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Academic Policy and Student Affairs Committee Summary

Thursday, December 2, 2010

Agenda and materials available online [here](#)

The FIU Board of Trustees Academic Policy and Student Affairs Committee met on Thursday, December 2, 2010. Committee Chair S. Lawrence Kahn, III welcomed all Trustees, faculty, staff and students to the meeting. Trustees Claudia Puig, Thomas A. Breslin and Helena Ramirez were in attendance. Committee Vice Chair Cesar L. Alvarez was traveling and participated telephonically. Trustee Michael M. Adler was excused.

Committee Chair Kahn recognized Dr. Delia Garcia who was recently appointed as Dean of the College of Education and Dr. Mike Hampton as Dean of the School of Hospitality and Tourism Management.

No changes or corrections to the minutes of the meeting held on September 8, 2010 were requested and no follow-up items were presented.

Action Items:

Action Item 1: The Tenure as a Condition of Employment nominations for Professors Atorod Aziznamini, Ranu Jung, Sakhrat Khizroev and Carolyn D. Runowicz were accepted by the Committee and recommended for Board of Trustees approval.

Action Item 2: The proposal to terminate the Bachelor of Science in Environmental and Urban Systems program within the College of Engineering and Computing was accepted and recommended for Board of Trustees approval.

Action Item 3: The Patricia & Phillip Frost Art Museum's formal policy on managing its collection to ensure proper stewardship of valued assets according to State and accreditation requirements was accepted and recommended for Board of Trustees approval.

Action Item 4: The 2010 Annual Report to the Florida Board of Governors was accepted and recommended for submission by the Board of Trustees.

Action Item 5: The FIU Worlds Ahead 2010-2015 Strategic Plan was accepted and recommended for Board of Trustees approval.

During the discussion, FIU Foundation, Inc. Board of Directors (BOD) member Gerald C. Grant, Jr. recommended that the University administration consider increasing the involvement and outreach of professional alumni by inviting them to the classrooms as



Academic Policy and Student Affairs Committee Summary

Thursday, December 2, 2010

guest speakers. He noted that this would continue to engage the University's alumni base, while exposing students to expertise and leadership skills that extend beyond the classroom. Provost and Executive Vice President Douglas Wartzok agreed to further discuss and explore this recommendation with the academic Deans.

Action Item 6: The Student Financial Aid FIU Regulation 1310, which provides a framework for the administration, distribution and use of student financial aid as required by the Board of Governors was accepted and recommended for Board of Trustees approval.

Reports:

BOD liaison Gerald C. Grant, Jr. provided an oral update on the activities of the Foundation Board. He reported that to date, \$4.73 million has been raised in new cash gifts and pledges. He noted that the **First Generation Matching Grant Program** brings a university education within reach to many talented students and encouraged all those in attendance to support this innovative program. He also provided an update on the Capital Campaign, noting that seven (7) Annual Giving Development Officers joined the University as they will offer the critical and continued support efforts for the campaign as well as build the base for future donors. Finally, Director Grant reported that investment returns to date are approximately 10.68%, or \$13.1 million, down roughly 0.3% in the month of November.

No further questions or discussion was requested on the Reports included in the Agenda packets. The Undergraduate Education, Graduate Education, Research, Enrollment Services, Student Affairs, and University Technology Services Reports were all accepted as written.

Professor William E. Pelham, Jr. provided a brief overview of the University's Center for Children and Families and introduced a video from NBC6 News which featured the Center's award-winning and comprehensive Summer Treatment Program.

Without any new business the meeting was adjourned.



External Relations Committee Summary

Thursday, December 2, 2010

Agenda and materials available online [here](#)

The FIU Board of Trustees External Relations Committee met on Thursday, December 2, 2010. Committee Co-Chair Claudia Puig welcomed Committee members Sukrit Agrawal, Jorge L. Arrizurieta and Marcelo Claire (participated by phone) and thanked them for their participation. Committee Co-Chair Puig also welcomed Committee Liaisons: Vice Chair of the FIU Foundation, Inc. Board of Directors T. Gene Prescott; President's Council member Monica Rabassa; and Vice President of the Alumni Association Board of Directors Gonzalo A. Acevedo. The minutes from the May 19, 2010 meeting were approved as presented.

Foundation Report

FIU Foundation Inc. Board of Directors Vice Chair T. Gene Prescott presented the Foundation Report and provided an update on the Capital Campaign, noting that key positions have been hired including seven (7) Annual Giving Development Officers who are critical to bringing in unrestricted dollars that will support continued development efforts for the campaign as well as build the base for future donors. He also presented a fundraising update and provided an update on investments.

Action item accepted and recommended for Board of Trustees approval:

- 1) **Priorities for the 2011 Legislative Session.** The FIU Board of Trustees (BOT) adopts priorities for each Legislative Session. The BOT is being asked to adopt the following Priorities for the 2011 Legislative Session:
 1. *Sustain the State's Investment in University Operations*
 2. *FIU College Of Medicine*
 3. *New Florida*
 4. *Fixed Capital Outlay Priorities*
 5. *Major Gifts Matching Program*
 6. *Faculty and Staff Salaries*

Discussion Items

Office of Engagement Update

Vice President for Engagement Divina Grossman provided an update on the activities of the University's Office of Engagement. The Office of Engagement successfully submitted the Carnegie Community Engagement Classification on September 1, 2010. The completed application and the required partnership grid, containing the university's top fifteen partnerships, have been posted on the Office of Engagement



External Relations Committee Summary

Thursday, December 2, 2010

website for public dissemination. The Carnegie application and partnership grid included partnerships information from across the university and will be a mechanism for communication and dissemination to both internal and external communities. FIU will be notified of the decision on the Carnegie application before January 1, 2011.

As part of the Carnegie Application process, the Office of Engagement developed and organized the Community Partnership Database and the Engagement website, containing videos, partnership opportunities, and information on the Engagement Task Force. The Community Partnership Database is an on-going project that required editors from departments and colleges to submit information on student, faculty, and staff community service and activities, faculty involvement on advisory boards, and community projects over the last ten years. The statistical summary page illustrates over 550,000 community service hours performed by over 1,200 faculty and over 12,000 students, with over \$20 million in funding raised through grants or philanthropic gifts to support the community work.

As part of the growing community partnerships, FIU and Florida Power and Light (FPL) have established the first Customer Care Center at the Modesto A. Maidique Campus that will utilize paid FIU student interns who have been selected, hired, and trained by FPL. FPL approached FIU with the partnership after identifying that the majority of managers and other employees were FIU alumni. The 22 selected students finished the six-week training on December 3, 2010, and will begin working at the Care Center in the MARC Building. An inaugural ribbon cutting ceremony will occur in February.

Since August 2010, FIU has initiated a partnership with Miami-Dade County Public Schools (MDCPS) with the goal of increasing high school completion and raising the level of college transition. President Mark B. Rosenberg and Superintendent Alberto M. Carvalho spearheaded the initiative by organizing quarterly leadership meetings involving their respective executive teams. The partnership includes eight different workgroups focusing on articulation and pre-collegiate preparation; dual enrollment; STEM initiatives; violence prevention, disruptive behavior, and social and character development; clinical internships; collaborative research; Liberty City initiative; and MAST Homestead.

In addition, President Rosenberg and Frank Nero, CEO of the Beacon Council, have spearheaded a collaborative initiative with Presidents of public and private universities and economic development councils in South Florida to form the Life Sciences Corridor.

External Relations Committee Summary

Thursday, December 2, 2010

This job creation initiative focuses on the development of higher paying and skilled jobs by establishing an industry cluster on biotechnology, pharmaceuticals, diagnostics, and IT applications. The intent is to connect the Life Sciences corridor with the successful Florida High Tech Corridor (also known as the I-4 Corridor) for economic sustainability and growth in the region and throughout Florida.

Lastly, VP Grossman and Dr. Charles Bigger reported on the FIU-TERRA Environmental Research Institution Biomedical Symposium. Ninth grade students from TERRA School participated in a summer institute at FIU that involved research work with selected FIU scientists in biomedical sciences, medicine, and biomedical engineering. At the end of the summer experience, the students presented in a scientific session attended by FIU preceptors, parents, and the TERRA principal. As a result, several TERRA students have returned to FIU to witness university presentations and participate in conferences.

External Relations Update

Senior Vice President of External Relations Sandra Gonzalez-Levy reported on the University's community relations and indicated that the President continues to engage with the community through his strategic participation in receptions, meetings, luncheons and other events. She updated the Committee on the 2010 Presidential Community Leaders Summit which brought together over 150 community leaders this fall to address topics including building affinity, fundraising, community outreach, alumni relations, community engagement, research and student centered academics at FIU.

FIU hosted Challenges of Poverty, Health and Sustainability: A Geopolitical Summit on October 18th at the Modesto A. Maidique Campus and on October 19th at the Biscayne Bay Campus. FIU's 2010 Geopolitical Summit was an interdisciplinary gathering that builds upon the significant contributions of the inaugural Geopolitical Summit of 2009. The summit featured guest speakers Dr. Paul Collier, Dr. Len Nichols and Mr. Bruce Babbitt accompanied by FIU Faculty who served as members of the panel.

Just two weeks later FIU partnered with Florida Memorial University and the University of Miami to host the His Holiness the 14th Dalai Lama at Temple Emanu-El on October 26. His lecture brought together leaders from several faiths to contemplate "The Significance of World Religions."



External Relations Committee Summary

Thursday, December 2, 2010

As we continue to work on the University's branding campaign, FIU hosted a forum to discuss how our community engagement and strategic partnerships are Worlds Ahead. This event provided an opportunity to showcase FIU's role in improving our environment, transportation, health and local communities through our community engagement. This visual tour was experienced through four mini-documentaries:

Achieving Balance: FIU Research in the Florida Everglades

<http://go.fiu.edu/everglades>

Transforming Public Transportation: FIU & MDX

<http://go.fiu.edu/transportation>

Creating Healthy Communities: The FIU NeighborhoodHELP Program

<http://go.fiu.edu/medicine>

Inspiring Real Change: FIU Honors College Partners with Sweetwater

<http://go.fiu.edu/sweetwater>

Sr. VP Gonzalez-Levy reported on a great opportunity to showcase FIU as Miami's public research University at Miami International Airport where Worlds Ahead signage has been placed in the American Airlines Baggage Claim exits to increase brand awareness, brand interaction and FIU owning the city of Miami. Additional details on this campaign are enclosed.

FIU has once again partnered with the United Way of Miami-Dade as an avenue to improve the lives of those who live, work and raise their families in this community, including members of our own FIU family. As co-chair of this year's FIU-United Way Campaign, Sr. VP Gonzalez-Levy reported that she and co-chairs Thomas Breslin (Trustee and Chair of the Faculty Senate) and Ruth Hamilton (Executive Director of the Graham Center) are confident that the University will surpass the \$200,000 goal. Additional information can be found at unitedway.fiu.edu.

FIU's commitment to Haiti relief remains strong as members of our faculty, staff and students continue to support the Haitian nation rebuild its educational infrastructure, protect its patrimony and improve the quality of life of its people. FIU was selected to serve as the host institution for a three-day retreat in November for 24 CEOs and entrepreneurs from Haiti with Digicel, the largest mobile telecommunications operator in the Caribbean. This leadership development conference provided a combination of academic presentations by faculty with significant business expertise. The conference included a dinner hosted by the Green Family Foundation in honor of these Haitian entrepreneurs with Ambassador Steven Green.



External Relations Committee Summary

Thursday, December 2, 2010

As you can see, External Relations continues to work to show our constituents how FIU is Worlds Ahead and carry the FIU message.

Federal Governmental Relations Report

Vice President for Governmental Relations Stephen Sauls led the discussion on Federal Governmental Relations.

Airport Signage Summary - Worlds Ahead Campaign

Start date: December 21

Duration: 4 months

Media: 2 (10' x 4') lit poster displays in American Airlines Baggage Claim Exits

Audiences: All (community, visitors, alumni, students, parents, prospects)

Message: Greetings from Miami's public research university.

Go beyond the world you know. Be Worlds Ahead.

Purpose: Brand awareness, brand interaction, owning the city of Miami

Interactive Component: Creative was modeled after vintage postcards and creates a visual appeal that will entice travelers to take a photo and encourages them to share this photo with the FIU Community via email and social media.



FIU Brand Attributes

Entrepreneurship
Location
International/Global
Accessible
Community-Focused
Vibrant

FIU Strategic Themes (Hit the Ground Running)

Health
Environment
International/Global
Community-Focused



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Athletics Committee Summary

Thursday, December 2, 2010

Agenda and materials available online [here](#)

The FIU Board of Trustees Athletics Committee met on Thursday, December 2, 2010. Committee Chair Jorge L. Arrizurieta welcomed all Trustees, faculty, staff and students to the meeting. Chairman Arrizurieta recognized the Athletics Program Football Sunbelt Championship achievement and commended Pete Garcia, Athletics Director and Mario Cristobal, Head Football Coach in their efforts to take the program to the next level. The minutes from the May 20, 2010 meeting were approved.

Foundation Report

FIU Foundation, Inc. Board of Directors member Gerald C. Grant, Jr. presented the Foundation Report and provided an update on the Capital Campaign, noting that key positions have been hired including seven (7) Annual Giving Development Officers who are critical to bringing in unrestricted dollars that will support continued development efforts for the campaign as well as build the base for future donors. He also presented a fundraising update and provided an update on investments.

Discussion/ Information Items (No Action Required)

- 1) **Athletics Director Pete Garcia presented an Athletics Overview.**
 - a. Softball had a perfect 8-0 this fall
 - b. Golf opened the season with first-place finishes in their first two tournaments, the Wolverine invitational and the University of Cincinnati Fall Invitational
 - c. Golf is currently ranked 32nd in Golf stat's head-to-head rankings
 - d. Men's Basketball is off to a 4-2 start
 - e. Women's Basketball as of Nov. 30, FIU 4-2 is riding a Sunbelt best three game win streak

- 2) **Assistant Athletics Director and APR Specialist Monique Garcia presented an Academic Performance Rate (APR) update.**

Assistant Athletics Director and APR Specialist Monique Garcia advised that for the past two years single year numbers have been presented to the Committee because statistically it was going to take FIU five (5) years to move over a multi-year score of 925 in the majority of University sports programs. She further advised that the division of Athletics has worked diligently over the past two and half years to change the culture and raise the bar not only on the field but more importantly in the classroom. She explained that FIU has scored single year APR numbers high enough in the past two years, to move to multi-year numbers.

Athletics Committee Summary

Thursday, December 2, 2010

Assistant Athletics Director and APR Specialist Monique Garcia reported that all sports are above 925 multi-year except Men's Basketball.

Baseball – 954

WGolf – 964

MCC – 935

WSoftball – 978

Football – 936

WSoccer – 951

MSoccer – 940

WSwim – 960

MTF – 935

WTennis – 1000

WBasketball – 957

WTF – 963

WCC – 958

WVB – 968

Assistant Athletics Director and APR Specialist Monique Garcia noted the most notable single year score – Men's Baseball was 990 and the first "clean" year for FIU – No waiver process needed.

Assistant Athletics Director and APR Specialist Monique Garcia also noted that FIU will lose a football scholarship from the 2008-2009 APR cycle in 2011-2012 for not meeting conditional waiver benchmarks set forth by NCAA for 2009-2010 APR. She added that FIU football needed to obtain a 925 in eligibility and did not meet it. She further noted that Football did meet an overall single year score of 927 which placed them above a 925 multi-year score.

Assistant Athletics Director and APR Specialist Monique Garcia explained that further work is needed in the program but noted that the academic blueprint that has been set forth is built upon a strong foundation. She noted that FIU is committed to the real National Championship of graduation. She recognized the student athletes and the coaching staff for their hard work and dedication, noting that the APR success is a testament to the efforts of the entire University community.

- 3) **Associate Athletics Director, Alex Duque presented a financial update.** Associate Athletics Director Alex Duque provided a summary of significant revenues and savings. He advised that a new agreement with a custodial staffing vendor was negotiated and boasted an estimated annual savings of \$7,300. He noted that the crowd control vendor has been changed from CSC to Andy Frain, generating an annual savings of \$9,400 in addition to a sponsorship valued at \$20,000. Associate Athletics Director Alex Duque explained that a new sponsorship was sold to Doctor's Hospital valued at over \$230,000 over three years. He noted that this contract also includes an annual savings of approximately \$48,000 associated with the direct funding of a training room position. He also advised that all Stadium Suites have been sold generating gross revenue of \$680,000.

Athletics Committee Summary

Thursday, December 2, 2010

- 4) **Assistant Athletic Director, Student-Athlete Development and Community Relations Liz Borrell-Augustin presented a community service update.** Assistant Athletic Director, Student-Athlete Development and Community Relations Liz Borrell-Augustin explained that FIU's student-athletes continue to be active in the community. She advised that several of the male student-athletes created the M Power (MENtorship Power) program, noting that the student-athletes meet once a month with a group of 10-15 kids from Big Brothers Big Sisters to provide them with life skills development. She added that they cover various topics such as teamwork, goal setting and discipline. She stated that last month they organized a tour of the Patricia & Phillip Frost Art Museum and covered talents with the kids. She further explained that the female student-athletes have requested to start their own female mentorship program similar to the M Power format, which is anticipated to begin during the spring semester.

- 5) **Athletics Director Pete Garcia introduced Joe Vogel, Head Golf Coach and Ashley McClain a student-athlete participating in the Softball Program.** Athletic Director Garcia advised that Ashley McClain was the 2010 Sunbelt Conference Player of the Year and the All-SBC First Team selection. He noted that Ms. McClain set single-season records for Runs Batted In at 56 and doubles at 17 in 2010. He further noted that Ms. McClain compiled a hitting streak of 14 games to mark the third-longest hitting streak in program history. He added that Ms. McClain is currently ranked second all-time at FIU in career batting average of (.332), hitting a team-high 12 home runs last season.

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**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

December 9, 2010

Subject: New Business

Proposed Board Action:
Information. Action, as necessary.

Background Information:
Board members will raise new business, if any.

Supporting Documentation: N/A

Facilitators/Presenters: Albert E. Dotson, Sr.

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**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

December 9, 2010

Subject: Concluding Remarks and Adjournment

Proposed Board Action:

None. Information only.

Background Information:

Albert E. Dotson, Sr., FIU Board of Trustees Chair, will adjourn the meeting with closing remarks.

Supporting Documentation: N/A

Facilitators/Presenters: Albert E. Dotson, Sr., *Chairman, FIU Board of Trustees*

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