



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

Wednesday, September 8, 2010

9:00 am

Florida International University
Modesto A. Maidique Campus
MARC International Pavilion

Committee Membership:

Albert Maury, *Chair*; Miriam López, *Vice Chair*; Sukrit Agrawal; Thomas Breslin

Liaison:

Richard Brilliant, *Foundation Board of Directors*

AGENDA

- | | |
|---|-----------------------------|
| 1. Call to Order and Chair's Remarks | Albert Maury |
| 2. Approval of Minutes | Albert Maury |
| 3. Action Items | |
| FA1. 2005-2015 Campus Master Plan | John Cal
Robert Griffith |
| FA2. Revision to Investment Policy Asset Allocation:
Addition of Real Assets Class | Kenneth Jessell |
| 4. Discussion Items <i>(No Action Required)</i> | |
| 4.1 Foundation Report | Richard Brilliant |
| 4.2 FY09-10 Financial Performance Review | Kenneth Jessell |
| 4.3 Business Services Update | Liane Martinez |
| 4.4 Construction Status Report | John Cal |
| 4.5 University Compliance Report | Leyda Benitez |
| 4.6 Office of Internal Audit Status Report | Allen Vann |

5. Reports *(For Information Only)*

5.1 Division of Research

Andres Gil

5.2 Treasury Report

Tony Vu

5.3 Environmental – Regulatory & Compliance

William Youngblut

5.4 Athletics Update

Pete Garcia

6. New Business *(If Any)*

Albert Maury

7. Concluding Remarks and Adjournment

Albert Maury

Next Finance and Audit Committee Meeting is scheduled for December 2, 2010

**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

Finance and Audit Committee

September 8, 2010

Subject: Approval of Minutes of Meetings held February 5, 2010; and May 20, 2010

Proposed Committee Action:

Approval of Minutes of the Finance and Audit Committee meeting held on Friday, February 5, 2010 by telephone conference call; and Minutes of the meeting held at the Modesto A. Maidique Campus, College of Business Complex, Special Events Center room 232 on Thursday, May 20, 2010.

Background Information:

Committee members will review and approve the Minutes of the Finance and Audit meeting held on Friday, February 5, 2010 by telephone conference call; and Minutes of the meeting held at the Modesto A. Maidique Campus, College of Business Complex, Special Events Center room 232 on Thursday, May 20, 2010.

Supporting Documentation:

Finance and Audit Committee Meeting Minutes:
February 5, 2010; May 20, 2010

Facilitator/Presenter:

Committee Chair Albert Maury

This page intentionally left blank



**FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
FINANCE AND AUDIT COMMITTEE
MINUTES
FEBRUARY 5, 2010**

1. Call to Order and Chair's Remarks

The Florida International University Board of Trustees' Finance and Audit Committee meeting was called to order by Committee Chair Albert Maury at 9:01 am on Friday, February 5, 2010, via conference call.

The following attendance was recorded:

Present

Albert Maury, *Chair*

Miriam López, *Vice Chair*

Thomas Breslin

R. Kirk Landon

Board Chairman Albert E. Dotson, Sr. and Trustee Anthony Rionda were also in attendance.

Committee Chair Maury welcomed all Trustees, Foundation Board members, faculty and staff. He thanked all Committee members for making themselves available to participate in the conference call. He also welcomed Chairman Albert E. Dotson, Sr. and Trustee Anthony Rionda to the meeting.

On behalf of the Committee, Chairman Maury congratulated Noel Guillama-Alvarez on his recent appointment as Foundation Board of Directors Chairman. He thanked Foundation Chairman Guillama-Alvarez for his service as Foundation Treasurer and liaison to the Board of Trustees Finance and Audit Committee.

Committee Chair Maury also welcomed recently appointed Foundation Board of Directors Treasurer Richard Brilliant to the meeting, noting that he looked forward to his contributions to the Finance and Audit Committee meetings.

2. Approval of Minutes

Committee Chair Maury asked if there were any additions or corrections to the minutes of the November 19, 2009 Finance and Audit Committee meeting. Hearing none, the Committee adopted the following:

RESOLVED that the minutes of the meeting of the Finance and Audit Committee, held on November 19, 2009, and attached to this Resolution as Exhibit "FA-Minutes," are hereby approved.

3. Follow-up Items from Previous Meetings

Sr. Vice President for External Relations Sandra Gonzalez-Levy provided an update on the revamping of the University's webpage, noting that the project was on schedule and a launch date of April was expected. Committee Chair Maury requested that a live demonstration of the new website be provided at the next regularly scheduled Committee meeting.

Sr. VP Gonzalez-Levy provided an update on Chairman Maury's request that the University administration analyze the viability of acquiring 30 second spots during televised sporting events as this would acquaint the viewing audience to FIU. She reported that the University prepared a video that could serve to market the FIU brand to a television audience but that due to limited financial resources, it had not been displayed in that capacity. She noted that the video would be presented for the Committee's review at the next regularly scheduled meeting.

Committee Chair Maury noted that in response to his request from the last Committee meeting, definitions of frequently used terms within the University community such as PELL, FAFSA, FSAG and alike were provided in the Academic Policy Committee agenda packets.

4. Action Items

FIU Direct Support Organizations Financial Audits, 2008-2009

CFO & Sr. Vice President for Administration Kenneth Jessell presented the FIU Direct Support Organizations FY 2008-09 Financial Audits for Committee review. He reported that MarcumRachlin, a division of Marcum, LLP, was the external auditor which performed the financial audits for the FIU Foundation, Inc, the FIU Research Foundation, Inc. and the FIU Athletics Finance Corp. He noted that the audits were conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*. He further reported that the results of the respective audits disclosed no instances of noncompliance or other matters that were required to be reported.

a. FIU Foundation Inc.

CFO & Sr. VP Jessell noted that the FIU Foundation Inc. Board of Directors approved the 2008-09 financial audit at its January 27, 2010 meeting and was submitting to the Board of Trustees for approval.

After discussion, the Committee recommended the following Resolution for Board approval:

WHEREAS, pursuant to Regulation FIU-1502 (2)(f), the Florida International University Foundation, Inc. (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 (the BOT) for review and approval; and

WHEREAS, the FIU Foundation, Inc. Financial Audit for 2008-2009, attached hereto as Exhibit "A," has been submitted and approved by the FIU Foundation, Inc. Board of Directors on January 27, 2010, and the University President is recommending its approval;

THEREFORE, BE IT RESOLVED that the BOT hereby approves the attached FIU Foundation, Inc. Financial Audit for 2008-2009 and authorizes 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.

b. FIU Research Foundation Inc.

CFO & Sr. VP Jessell noted that the FIU Research Foundation, Inc. Board of Directors Executive Committee approved the 2008-09 financial audit at its January 8, 2010 meeting and was submitting to the Board of Trustees for approval, pending the ratification of the FIU Research Foundation, Inc. Board of Directors Full Board.

After discussion, the Committee recommended the following Resolution for Board approval:

WHEREAS, pursuant to Regulation FIU-1502 (2)(f), the Florida International University Research Foundation, Inc. (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 (the BOT) for review and approval; and

WHEREAS, the FIU Research Foundation, Inc. Financial Audit for 2008-2009, attached hereto as Exhibit "B", was approved by the FIU Research Foundation, Inc. Board of Directors Executive Committee on January 8, 2010 and the University President is recommending its approval, pending ratification of the FIU Research Foundation, Inc. Board of Directors Full Board;

THEREFORE, BE IT RESOLVED that the BOT hereby approves the attached FIU Research Foundation, Inc. Financial Audit for 2008-2009 pending ratification of the FIU Research Foundation, Inc. Board of Directors Full Board, and authorizes 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.

c. FIU Athletics Finance Corporation

CFO & Sr. VP Jessell noted that the FIU Athletics Finance Corporation approved the 2008-09 financial audit at its January 15, 2010 meeting and was submitting to the Board of Trustees for approval.

After discussion, the Committee recommended the following Resolution for Board approval:

WHEREAS, pursuant to Regulation FIU-1502 (2)(f), the Florida International University Athletics Finance Corporation (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 (the BOT) for review and approval; and

WHEREAS, the FIU Athletics Finance Corp. Financial Audit for 2008-2009, attached hereto as Exhibit "C", has been submitted and approved by the FIU Athletics Finance Corp. Board of Directors on January 15, 2010 and the University President is recommending its approval;

THEREFORE, BE IT RESOLVED that the BOT hereby approves the attached FIU Athletics Finance Corp. Financial Audit for 2008-2009 and authorizes 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.

Discussion Items

5.1 Foundation Report

FIU Foundation, Inc. Board of Directors Chairman Noel Guillama-Alvarez noted that he would provide the Foundation Report in order to facilitate an introduction to the role of the Foundation liaison for the incumbent Foundation Treasurer Richard Brilliant. Chairman Guillama-Alvarez provided an update on the Foundation's finances, investments performance and fundraising efforts.

5.2 Office of Internal Audit Report

Director of Internal Audit Allen Vann presented the Internal Audit Report, providing updates on ongoing audits. He reported that Drummond Kahn was the validator engaged to conduct an independent validation of the University's internal audit activity's self-assessment. He noted that the primary objective of the validation was to verify the assertions made in the self-assessment report. He further reported that the independent validator concurred fully with the University's internal audit activity's conclusion of its self-assessment report. He also presented the amendment to the Office of Internal Audit Policy & Charter, delineating the key revisions to the document.

5.3 Office of Sponsored Research Report, July 1, 2009 – November 30, 2009

Vice President of Research Andres Gil provided the Sponsored Research Report for the period beginning July 1, 2009 through November 30, 2009, presenting an overview of awards, applications, F&A and expenditures. He noted that the timing of renewals and continuation of grants could vary from year to year and therefore, this should be taken into consideration when comparing and contrasting similar time periods within two fiscal years. He also provided an update on the applications and awards associated with the American Recovery and Reinvestment Act (ARRA).

Trustee Thomas Breslin inquired as to the long-term trend in terms of ARRA grants. Provost & Executive Vice President Douglas Wartzok noted that a trend line would be provided during the Committee's next regularly scheduled meeting.

5.4 Finance & Administration Update

CFO & Sr. VP Jessell presented the Finance & Administration Update. He provided an update on the State budget, noting that the latest Revenue Estimating Conference revised the State revenue projections upward. He further noted that the University's revenue assumptions for FY2010-11 were in line with the recent estimates and that the University did not foresee changes to the Three Year Budget Reduction Plan. He also provided an update on Auxiliary Enterprises, noting that the University's agreement with the Pepsi Bottling Group (PBG), made Pepsi the official beverage of the University and gave Pepsi exclusivity of pouring and marketing rights.

6. Reports

Committee Chair Maury requested that the University Compliance Report, the Treasury Report, Environmental – Regulatory & Compliance Report and the Athletics Update be accepted as written. There were no objections.

7. New Business

Committee Chair Maury noted that there was an additional action item to come before the Committee and asked CFO & Sr. VP Jessell to present the FIU Herbert Wertheim College of Medicine Self-Insurance Program Investment Policy for Committee review. CFO & Sr. VP Jessell noted that the FIU Self Insurance Program Investment Policy FIU-SIP was being adopted in accordance with Florida Board of Governors Regulation 10.001. He added that the FIU Herbert Wertheim College of Medicine Self Insurance Program Council approved the FIU-SIP at its February 3, 2010 meeting.

After discussion, the Committee recommended the following Resolution for Board approval:

BE IT RESOLVED, that the Florida International University Board of Trustees (the BOT) approves the Florida International University Self Insurance Program (FIU-SIP) Investment Policy FIU-SIP adopted in accordance with Board of Governors Regulation 10.001 on

February 3, 2010 as stated in the FIU-SIP Resolution attached hereto and incorporated herein as Exhibit “D;” and

BE IT FURTHER RESOLVED, that the BOT delegates to the University President the authority to forward the proposed FIU-SIP Investment Policy to the Board of Governors and to request that the Board of Governors take the necessary action to approve the FIU-SIP Investment Policy as provided in Board of Governors Regulation 10.001(1)(d)13 ; and

BE IT FURTHER RESOLVED, that the FIU-SIP Council may approve any subsequent amendments to the proposed revisions in response to comments received from the Board of Governors;

AND BE IT FURTHER RESOLVED, that the President report to the BOT at its next regularly scheduled meeting on any substantive changes made to the proposed FIU-SIP Investment Policy as a result of comments received by the Board of Governors.

Sr. VP Gonzalez-Levy provided an update on the University’s volunteer efforts on Sunday, January 31, to benefit Haiti relief. She noted that the University community assisted Miami-Dade County in sorting 160 tons of donated goods, including canned and dry food, water, medical supplies and clothing. She further noted that University President Mark B. Rosenberg led the hands-on effort. She thanked Committee Chair Maury for his leadership as he graciously provided of his time to volunteer, also providing assistance to the numerous University community volunteers with their respective transportation needs.

On behalf of the Board, Chairman Albert E. Dotson, Sr. commended Committee Chair Maury for his unrelenting service to the Board, the University and the community.

8. Concluding Remarks and Adjournment

With no other business, Committee Chair Albert Maury adjourned the meeting at 9:58 am.

<i>Trustee Requests</i>	<i>Follow-up</i>	<i>Completion Date</i>
1. <i>Trustee Thomas Breslin requested a summary of the long-term trend in terms of ARRA grants.</i>	<i>VP Andres Gil</i>	<i>May 2010 Committee Meeting</i>
2. <i>Committee Chair Maury requested an update on Accounts Receivable at the next regularly scheduled Committee meeting.</i>	<i>CFO & Sr. VP Kenneth Jessell</i>	<i>May 2010 Committee Meeting</i>

Exhibits attached: “FA-Minutes,” “A,” “B,” “C,” & “D”

MB
2.23.10



**FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
FINANCE AND AUDIT COMMITTEE
MINUTES
MAY 20, 2010**

1. Call to Order and Chair's Remarks

The Florida International University Board of Trustees' Finance and Audit Committee meeting was called to order by Committee Chair Albert Maury at 9:02 am on Thursday, May 20, 2010, at the Modesto A. Maidique Campus, College of Business Complex, Special Events Center room 232.

The following attendance was recorded:

Present

Albert Maury, *Chair*
Sukrit Agrawal
Thomas Breslin

Excused

Miriam López, *Vice Chair*

FIU Board of Trustees Chairman Albert E. Dotson, Sr., Trustee Helena Ramirez and President Mark B. Rosenberg were also in attendance.

Committee Chair Maury welcomed all Trustees, faculty and staff. He introduced and welcomed newly appointed Trustee Sukrit Agrawal, Chief Executive Officer of American Medical Depot and thanked him for agreeing to serve as a member of the Committee. Committee Chair Maury noted that while newly elected student Trustee Helena Ramirez was not an official member of the Committee, he welcomed her to the meeting and to the Board of Trustees.

Committee Chair Maury and Internal Audit Director Allen Vann recognized Audit Managers Tenaye Francois Arneson and Veretas Fernandes for their hard work and contributions to the Office of Internal Audit.

2. Approval of Minutes

Committee Chair Maury postponed until the next regularly scheduled Committee meeting the approval of the minutes of the February 5, 2010 meeting due to an insufficient number of Committee members in attendance who were also present at the February 5, 2010 meeting.

3. Follow-up Items from Previous Meetings

Committee Chair Maury noted that the Division of Research Report addressed Trustee Thomas Breslin's request for a summary of the long-term trend in terms of ARRA grants.

CFO and Sr. Vice President for Administration Kenneth Jessell provided an update on online billing and receivables, noting that an update on best practices would be presented at a future Committee meeting.

Sr. Vice President for External Relations Sandra Gonzalez-Levy provided an update on the launch of the University's new webpage. She introduced Director of Web Communications Matt Herzberger who presented a live demonstration of the new website and discussed the project's planning and development.

4. Action Items

FA1. Proposed 2010-2011 Operating Budget

Committee Chair Maury introduced the Proposed 2010-2011 Operating Budget, noting that CFO & Sr. VP Jessell would provide a comprehensive review of all of the components, including the proposed fees. Committee Chair Maury recommended that all of the action items included within the 2010-11 Operating Budget be voted on in one (1) motion. There were no objections.

A. University and DSO Operating Budgets

CFO & Sr. VP Jessell presented the University and Direct Support Organizations (DSO) Operating Budgets for Committee review, providing a summary by fund and delineated strategic issues. He noted that key components of the operating budget included in-state tuition increases as well as increases in student health and parking and transportation fees.

B. University Tuition Fee

CFO & Sr. VP Jessell presented the proposed amendments to University Tuition Fees Regulation FIU-1101 for Committee review, noting that the Regulation was being amended to reflect the changes in tuition and fees for the 2010-11 academic year as authorized by the Florida State Legislature and the Florida Board of Governors. He noted that seventy (70) percent of the increase would be applied towards enhancing and maintaining quality undergraduate education, while thirty (30) percent would be directed toward need-based financial aid assistance. He also reviewed the estimated 2010-11 national university tuition average, noting that even after the inclusion of the proposed increase, the University's tuition was still significantly lower than the average for public four-year institutions.

C. Tuition for Market Rate Programs

CFO & Sr. VP Jessell presented a proposed new Regulation, the University Tuition for Market Rate Programs Regulation FIU-1102, for Committee review noting that the new proposed Regulation is to provide the tuition rate for the specified graduate-level online

courses and graduate-level courses offered through the University's continuing education program.

D. Student Health Fee

CFO & Sr. VP Jessell presented the proposed increase in the Student Health Fee for Committee review, noting that the Health Fee Committee approved an increase in the Health Fee in the amount of \$15.99 per student headcount effective with the Fall term, 2010. He added that the proposed increase, if approved, would raise the Health Fee from \$67.20 per student headcount to \$83.19 per student headcount. He noted that the fee increase was unanimously recommended by the Health Fee Committee, which is comprised of fifty (50) percent students and fifty (50) percent Faculty/Staff. He discussed the various critical services that would be funded by the fee increase such as the expansion of counseling and psychological services in accordance with International Association of Counseling Services standards and expanded services in the Victim's Advocacy Center. He further noted that the proposed increase was one of the amendments to University Tuition Fees Regulation FIU-1101.

E. Amendment of University Traffic and Parking Regulation

CFO & Sr. VP Jessell presented the proposed amendments to University Traffic and Parking Regulation FIU-1105 for Committee review, noting that the amendments reflect various changes including the deletion of Duplicate/Replacement Hang-tags and references to hang-tags throughout, increases in the Decal Registration Fees, revised garage hours for the Gold Garage, clarification of towing charges, and revision in the Appeals process. He noted that the increase would fund the maintenance and operations of the new Parking Garage V, which will provide an additional 2000 parking spaces.

A motion was made and passed that the FIU Board of Trustees Finance and Audit Committee recommend for Board of Trustees approval the proposed 2010-2011 University and DSO Operating Budgets, a new regulation and proposed amendments to existing regulations concerning tuition and other fees:

- A. University and DSO Operating Budgets
- B. University Tuition Fee
- C. Tuition for Market Rate Programs
- D. Student Health Fee
- E. Amendment of University Traffic and Parking Regulation

FA2. Proposed 2010-2011 - Fixed Capital Outlay Budget

CFO & Sr. VP Jessell presented the University's 2010-2011 Capital Outlay Budget for Committee review, noting that the Capital Outlay Budget governs the University's capital expenditures during the year. He further noted that the 2010-2011 Capital Outlay Budget Request totaled approximately \$42 million, adding that the request included additional funding for the Student Support Services Building and for the Stocker Astrophysics Center. He added that the capital outlay budget was part

of the University's operating budget and was based upon and in harmony with the Board's capital outlay plan.

A motion was made and passed that the FIU Board of Trustees Finance and Audit Committee recommend for Board of Trustees approval the proposed 2010-2011 - Fixed Capital Outlay Budget.

FA3. Approval of Resolution Requesting the Florida Department of Management Services Issue Bonds through the Florida Facilities Pool Revenue Bond Program for the Purpose of Financing a Facility for the Miami-Dade County Health Department on the Modesto A. Maidique Campus of Florida International University

CFO & Sr. VP Jessell presented for the Committee's review a Resolution requesting the issuance of debt/bonds through the Florida Facilities Pool Revenue Bond Program of the Florida Department of Management Services to finance the construction of an approximately 90,000 square feet facility on the FIU Modesto A. Maidique campus for the Miami-Dade County Health Department. He noted that the facility would house approximately 500 Health Department employees that are currently scattered at various locations within the county. He added that the debt would be repaid from the lease payments made by Miami-Dade County Health Department. He provided a comprehensive review of the possible benefits to FIU, the Health Department, and the community. He introduced Dr. Lillian Rivera of the Miami-Dade County Health Department who provided an overview of the many opportunities for collaboration.

After discussion, the Committee recommended the following Resolution for Board approval:

BE IT RESOLVED BY THE FLORIDA INTERNATIONAL UNIVERSITY BOARD OF TRUSTEES:

Section 1. The Board of Trustees of the Florida International University (the "University") hereby requests the Florida Board of Governors to request that the Department of Management Services of the State of Florida ("DMS") and/or the Division of Bond Finance of the State Board of Administration of Florida (the "Division") issue bonds through the Florida Facilities Pool Revenue Bond Program in an amount not exceeding \$32,500,000 (the "Bonds") for the purpose of financing (i) the construction of a facility to house the state's first Academic Health Department (the "Project") on the Modesto A. Maidique campus of the University, (ii) capitalized interest, (iii) a debt service reserve and (iv) certain costs of issuing the bonds. An Academic Health Department is an organized partnership between schools of public health, medicine, nursing and allied health sciences with public health departments. These partnerships create dynamic academic-practice collaborations, which effectively pool the assets of all institutions involved.

Section 2. The Project, one of three components in the University's Stempel Complex Project BT-877, will consist of an approximately 90,000 square foot joint-use facility comprised of administrative offices, laboratories and clinical space. The other two components of BT-877 include a previously funded \$23.3 million Robert Stempel College of Public Health and Social Work academic facility and a new \$10.0 million Ambulatory Care Center funded by a grant from Miami-Dade County. The Project will be located within the University's Academic Health Sciences Center,

which includes the Herbert Wertheim College of Medicine, the Robert Stempel College of Public Health and Social Work, the College of Nursing and Health Sciences, and the College of Arts and Sciences. The Project will consolidate the administrative offices of the Miami-Dade County Health Department/Florida Department of Health (“MDCHD/FDOH”). Furthermore, the Project will allow for collaborative teaching, research and clinical training with the University. The Project is reflected on the approved master plan for the University and is consistent with the mission of the University because it will (1) increase joint teaching, research, and clinical training opportunities for FIU students, faculty and health professionals in the health department, (2) expand opportunities for both institutions to collaborate in attracting grants that can help improve health care in the region and (3) potentially create internship opportunities for FIU students to work with public health experts in a clinical and research environment. The facility will include a public health teaching clinic with an environmental laboratory and a nutrition/ breastfeeding program. By consolidating administrative offices at the University, the MDCHD/FDOH is expected to save the state at least \$8 million over the next 25 years from operating efficiencies. Construction of the Project is expected to begin in May/June 2011 and to be completed by December 2012/January 2013. Proceeds of the Bonds are anticipated to be sufficient to complete the construction of the Project without the use of additional funds. Legislative approval of the Project has been obtained pursuant to Section 40 of the 2010-2011 General Appropriations Act (HB 5001) and Section 68 of the Implementing Act (HB 5003).¹ No proceeds of the Bonds will be used to finance operating expenses of the University.

Section 3. The Bonds are to be secured by payments paid by or on behalf of FIU from lease payments received from the MDCHD/FDOH under a Lease Agreement between FIU and the MDCHD/FDOH to the DMS for deposit into the Public Facilities Financing Trust Fund. The DMS, the Division and the University are legally authorized to secure the Bonds with the revenues to be pledged pursuant to Section 40 of the 2010-2011 General Appropriations Act (HB 5001) and Section 68 of the Implementing Act (HB 5003). The University is also committed to ensuring that sufficient revenues will be generated to fulfill the obligations with respect to the Bonds.

Section 4. The Bonds will mature not more than 30 years after issuance, including any extensions or renewals thereof. The Project has an estimated useful life of 60 years, which is beyond the anticipated final maturity of the Bonds. The Bonds will bear interest at a fixed interest rate.

Section 5. The Bonds will be sold through competitive sale by the Division on behalf of and at the request of DMS. Any selection of underwriters or financial advisors will be accomplished by the Division through a competitive selection process. Any bond insurance or other credit enhancement will be chosen through a competitive selection process analyzing the cost of the insurance or credit enhancement and the expected interest cost savings resulting from their use.

Section 6. The Board of Trustees will assist the DMS and the Division in ensuring compliance with all requirements of federal and state law relating to the Bonds, including but not limited to, laws

¹ The foregoing legislation was recently enacted by the Florida Legislature and is pending final approval by the Governor.

relating to maintaining the exemption from taxation of interest payments on the Bonds and continuing secondary market disclosure of information regarding the Bonds.

Section 7. The University President, Chief Financial Officer, or their respective designees, are hereby authorized to take all actions and steps, to execute all instruments, documents, and contracts, and to take all other actions as they may deem necessary or desirable, in connection with the execution, sale and delivery of the Bonds.

Section 8. In making the determination to finance the Project, the Board of Trustees has reviewed the information attached to Appendix A.

Section 9. This Resolution shall take effect immediately upon its adoption.

FA4. Signature Authority

Committee Chair Maury introduced the Signature Authority action items for Committee review, noting that CFO & Sr. VP Jessell would review the following issues: where University funds can be held, who can transfer funds between these depository institutions, and who can sign checks at these institutions. CFO & Sr. VP Jessell, noted that in order to ensure appropriate control over University cash management, the Committee was asked to review three (3) action items pertaining to Signature Authority.

A. Depositories for the University

CFO & Sr. VP Jessell noted that the Board was updating its official records with respect to the banking institutions that may serve as depositories of University funds.

A motion was made and passed that the FIU Board of Trustees Finance and Audit Committee recommend for Board of Trustees approval the proposed designated depositories listed below:

Bank of America, N.A.
Jacksonville, FL

U.S. Bank
St. Paul, MN

Wachovia Bank, N.A.
Charlotte, NC

Regions Bank, N.A.
Birmingham, Alabama

B. Authorization to sign checks for the University

CFO & Sr. VP Jessell presented the Authorization to sign checks for the University for Committee review, noting that the Board was updating its official records to reflect University officers and employees authorized to sign checks to pay legal obligations on behalf of the University.

A motion was made and passed that the FIU Board of Trustees Finance and Audit Committee recommend for Board of Trustees approval that the following officers and employees of the University be authorized to sign checks to pay legal obligations of the University from any and all designated University depositories:

Kenneth A. Jessell, Chief Financial Officer

Charlene M. Blevens, Interim and Deputy Controller

Ramon V. Duenas, Associate Controller

Nathaniel J. Bell, Assistant Controller

C. Transfer of Funds for the University

CFO & Sr. VP Jessell presented the Transfer of Funds for the University for Committee review, noting that the Board action updated the President's authority to transfer funds among different university accounts whether within the same banking institution or among different institutions, in accordance with recent statutory changes.

A motion was made and passed that the FIU Board of Trustees Finance and Audit Committee recommend for Board of Trustees approval the authorization of the University President, or a University official he authorizes as his designee, to transfer funds from one depository to another, within a depository, to another institution, or from another institution to a depository for investment purposes and to transfer funds to pay expenses, expenditures, or other disbursements, evidenced by an invoice or other appropriate documentation.

FA5. Approval of the Amendment to the Bylaws of the Florida International University Research Foundation, Inc. Bylaws

Vice President for Research Andres Gil presented the Amendment to the Bylaws of the Florida International University Research Foundation, Inc. for Committee review, noting that the FIU Research Foundation, Inc. Board of Directors amended its Bylaws on April 21, 2010.

A motion was made and passed that the FIU Board of Trustees Finance and Audit Committee recommend for Board of Trustees approval the Amendment to the Bylaws of the Florida International University Research Foundation, Inc.

FA6. Internal Audit Plan for 2010-2011

Internal Audit Director Allen Vann presented the Internal Audit Plan for 2010-2011 for Committee review and approval, noting that the plan was developed with input from the University's administration while also considering the most appropriate allocation of limited resources to maximize productivity.

A motion was made and passed that the FIU Board of Trustees Finance and Audit Committee approve the Internal Audit Plan for 2010-2011.

FA7. Request for Approval of Florida International University's 2011-2012 Fixed Capital Outlay Legislative Budget Request, consisting of the 5-year Capital Improvement Plan (CIP)

CFO & Sr. VP Jessell presented the Request for Approval of Florida International University's 2011-2012 Fixed Capital Outlay Legislative Budget Request, consisting of the 5-year CIP for Committee review, noting that the Fixed Capital Outlay Budget Request governs the University's proposed capital expenditures during the next five years.

A motion was made and passed that the FIU Board of Trustees Finance and Audit Committee recommend for Board of Trustees approval the University's 2011-2012 Fixed Capital Outlay Legislative Budget Request, consisting of the 5-year CIP.

Discussion Items

5.1 Review of Operational Audit for Fiscal Year Ended June 30, 2009

CFO & Sr. VP Jessell provided a review of the Operational Audit for Fiscal Year Ended June 30, 2009, noting that the resulting thirteen (13) findings were addressed by the University's administration.

CFO & Sr. VP Jessell introduced a video where University President Mark B. Rosenberg addressed the FIU community to announce the selection of EthicsPoint fraud hotline, an independent vendor, to provide faculty, staff and students with a straightforward and anonymous way to report activities that may involve improper conduct or violations of FIU policies. He noted that the University's confidential Fraud Hotline was fully operational and had already received a few reports, adding that all reports had been or were being investigated thoroughly. He recognized Compliance Officer Leyda Benitez for her leadership in developing the Ethics Point program.

5.2 Review of Financial Audit for Fiscal Year Ended June 30, 2009

CFO & Sr. VP Jessell provided a review of the Financial Audit for Fiscal Year Ended June 30, 2009, noting that the audit results disclosed no instances of noncompliance or other matters that are required to be reported. He further noted that the audit did not identify any deficiencies in internal control over financial reporting that were considered material weaknesses.

5.3 Office of Internal Audit Report

Director of Internal Audit Vann presented the Internal Audit Report, providing updates on ongoing audits. He announced that of the sixty-four (64) outstanding recommendations due for implementation, a ninety-five (95) percent implementation rate was achieved. He noted that revised target dates were provided for the three (3) remaining recommendations.

6. Reports

Committee Chair Maury requested that the University Compliance Report, the Foundation Report, Division of Research Report, Treasury Report, Environmental – Regulatory & Compliance Report, Third Quarter 2009 Budget Variance Analysis, Construction Status Report and the Athletics Update be accepted as written. There were no objections.

7. New Business

No new business was raised.

8. Concluding Remarks and Adjournment

With no other business, Committee Chair Albert Maury adjourned the meeting at 10:58 am.

<i>Trustee Request</i>	<i>Follow-up</i>	<i>Completion Date</i>
1. <i>Trustee Albert Maury requested that an upcoming meeting of the Board of Trustees be held at the Biscayne Bay Campus.</i> ➤ <i>Trustee Maury was notified that the September 24, 2010 Full Board meeting was scheduled to take place in the Biscayne Bay Campus, Wolfe University Center Ballrooms.</i>	<i>Board of Trustees office</i>	<i>5/20/10</i>

MB
6.7.10

This page intentionally left blank

THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Audit Committee

September 8, 2010

Subject: Florida International University Campus Master Plan Update 2005-2015

Proposed Committee Action:

Recommend approval by the Florida International University Board of Trustees (the BOT) of the Florida International University Campus Master Plan Update 2005-2015.

Background Information:

Pursuant to the Subsection 1013.30, of the Florida Statutes, each university Board of Trustees shall adopt a campus Master Plan for the university and the Master Plan is to be updated every 5 years. Following the development of the draft of the Master Plan, FIU held the first of two scheduled public hearings at the Koven's Conference Center at the Biscayne Bay Campus on October 9, 2009. At the hearing, a presentation on the draft Master Plan was made and the draft Master Plan was distributed to host and affected local governments and public agencies for public review. In accordance with FS 1013.30, host and affected local governments had 90 days to review the draft and provide comments to the University. Upon receiving the review comments, the draft Master Plan was revised to reflect and address all relevant comments that were submitted to the University. A second public hearing was held on May 27, 2010 at the Koven's Center where the final draft Master Plan, reflecting the changes that were made since the October meeting, was presented.

The Florida International University will be effective for a term of ten years (2005-2015) upon approval and execution by the Board of Trustees.

Supporting Documentation: 2005-2015 Master Plan Update Executive Summary

Facilitator/Presenter: John Cal
Robert Griffith

This page intentionally left blank

FLORIDA INTERNATIONAL UNIVERSITY

**2005-2015 Campus Master Plan Update
State Project No. BT-805**

EXECUTIVE SUMMARY

August 2010

FLORIDA INTERNATIONAL UNIVERSITY 2005-2015 CAMPUS MASTER PLAN UPDATE

Statutory and Regulatory Requirements

Florida Statutes contain special growth management provisions in recognition of the unique relationship between university campuses and the local governments in which they are located. While the campuses provide research and educational benefits of statewide and national importance, and further provide substantial educational, economic, and cultural benefits to their host local governments, they may also have an adverse impact on the public facilities and services and natural resources of host governments. The statutes state that universities should be considered as vital public facilities of the state and local governments.

Section 1013.30 addresses this unique relationship by providing for the preparation of campus master plans and associated campus development agreements. The statutes require that each university board of trustees prepare and adopt a campus master plan for the university and maintain a copy of the plan on the university's website. The master plan must identify general land uses and address the need for and plans for provision of roads, parking, public transportation, solid waste, drainage, sewer, potable water, and recreation and open space during the coming 10 to 20 years. The plans must contain elements relating to future land use, intergovernmental coordination, capital improvements, recreation and open space, general infrastructure, housing, and conservation. Each element must address compatibility with the surrounding community.

The master plan must identify general location of structures, densities and intensities of use, and contain standards for onsite development, site design, environmental management, and the preservation of historic and archaeological resources. The transportation element must address reasonable transportation demand management techniques to minimize offsite impacts where possible. Data and analyses on which the elements are based must include the characteristics of vacant lands; projected impacts of development on onsite and offsite infrastructure, public services, and natural resources; student enrollment projections; student housing needs; and the need for academic and support facilities. Master plans must be updated at least every 5 years.

In addition to statutory requirements, Chapter 21 of the Florida Board of Governors Regulations describes specific requirements for university comprehensive campus master plans. BOG Regulations include content requirements, data and analysis requirements, application of requirements, planning time frame, internal consistency, plan implementation requirements, and monitoring and evaluation requirements.

On July 26, 2004 BOT adopted the 2000-2010 master plan and two minor amendments to Element 4.0 Future Land Use, were approved by the BOT on June 20, 2007 and June 12, 2008. Amendment #1 revised land use categories to enable the construction of the FIU Stadium Expansion. Amendment #2 further revised land use to enable mixed use development in the Academic Health Center precinct of the Modesto A. Maidique Campus.

In Fall 2004, funds were allocated to each university from the State Concurrency Trust Fund by the Board of Governors to commission consultants for the 2005-2015 update. The FIU Metropolitan Center prepared an Evaluation and Appraisal Report and the FIU Lehman Center for Transportation Research was performed traffic engineering analyses at both campuses. Perkins & Will was selected to prepare the comprehensive plan update in Spring 2008.

In Fall 2008 funds were again allocated to each university from the State Concurrency Trust Fund by the Board of Governors to commission consultants for the 2010-2020 update. Once the university adopts the 2005-2015 plan, these funds can be used to begin planning the 2010-2020 comprehensive plan update.

Upon adoption of the campus master plan, the university will draft a proposed campus development agreement for each local government. The agreement will address the impact of existing and proposed campus development reasonably expected over the term of the campus development agreement on each service or facility and any deficiencies in such service or facility which the proposed campus development will create or to which it will contribute. The university board of trustees' fair share of the cost of the measures identified, if any, must be stated in the campus development agreement.

FLORIDA INTERNATIONAL UNIVERSITY 2005-2015 CAMPUS MASTER PLAN UPDATE

INTRODUCTION

The two principal campuses of Florida International University (FIU) lie within Miami-Dade County. The largest campus, Modesto A. Maidique, occupies approximately 342 acres at the southeast quadrant of the intersection of the Homestead Extension of the Florida Turnpike (SR 821) and Tamiami Trail (US 41) in west central Miami-Dade County. Biscayne Bay Campus occupies approximately 195 acres on Biscayne Bay within the City of North Miami in northeast Miami-Dade County. A branch campus, Engineering Center, is located north of Modesto A. Maidique at the northeast intersection of SW 107th Avenue and West Flagler Street.

This Master Plan Update provides growth opportunities for FIU for the next ten-year planning period (2005-2015). The 2005-2015 Campus Master Plan Update is based on the following principles:

- Correct existing program, facility, service and operational deficiencies.
- Anticipate and reasonably plan for programs, facilities, services and infrastructure required to meet the needs of a growing student population over the next ten (10) years in an increasingly urbanizing area of its host community.
- Plan for the continued development of the University by organizing future growth with land use zones.

The following narrative summarizes each of the eighteen elements mandated by the State University System.

1.0 ACADEMIC MISSION OF THE UNIVERSITY ELEMENT

FIU has been part of the Florida Board of Education, Division of Colleges and Universities since 1965, hiring its founding staff members in September 1969. In 1972, FIU opened the doors for 6,000 students enrolled in upper division undergraduate and graduate. Nine years later, in 1981, lower division classes for freshman and sophomore level students were added to the University. Soon after this, doctoral level degree programs were added.

FIU's mission statement reads as follows:

"Florida International University (FIU) is an urban, multi campus, research university serving South-Florida, the state, the nation and the international community. It fulfills its mission by imparting knowledge through excellent teaching, promoting public service, discovering new knowledge, solving problems through research, and fostering creativity."

Five key strategic themes guide the development of the University's educational and research programs: International, Environmental; Florida and Local Economic Development; Health; Arts, Culture and Diversity; and Learning Opportunities.

The University's operational philosophies complement these themes by encouraging: quality, competitiveness, accountability, innovation, collegiality, diversity, and operational excellence. Its vision can be stated in five words: top public urban research university.

2.0 ACADEMIC PROGRAM ELEMENT

Florida International University provides a vast and rapidly expanding array of educational opportunities for the 39,146 students enrolled in the fall 2008 academic degree programs. The majority of these students take classes at Modesto A. Maidique, though a large percentage of students take classes at more than one campus due to the availability of course offerings.

In addition to the students found on-campus, there are a number of students who are enrolled in off-campus degree programs, either out of the country or on an independent basis. These students are currently a small percentage of the total University headcount. However, as technology continues to expand, more students are expected to enroll in these types of programs.

The FTE and headcount projections provided in this element are based on enrollment data from the Fall of 2008. Below is a list of the colleges and schools at FIU as of 2008.

College of Architecture and the Arts
School of Architecture
School of Art and Art History
School of Music
School of Theatre and Speech Communication
College of Arts and Sciences
College of Business Administration
Alvah H. Chapman, Jr. Graduate School of Business
School of Accounting
College of Continuing and Professional Studies

College of Education
College of Engineering & Computing
College of Nursing & Health Sciences
School of Computing and Information Sciences
College of Public Health and Social Work
School of Social Work
Robert Stempel School of Public Health
Honors College
School of Hospitality and Tourism Management
School of Journalism and Mass Communication
College of Law
College of Medicine
University Graduate School

Within the University structure, there are 163 baccalaureate, masters, and doctoral majors and 195 academic degree programs. Majors are fields of study with areas of concentration, tracks or sequences. Authorized degree programs may have more than one major in a degree program.

In 2006, the Board of Governors approved the creation of a College of Medicine at FIU. This will be the only public medical school in South Florida and will be the fifth allopathic program in the State. The initiative will require a restructuring of FIU's health and medical science programs, as well as partnerships with health service providers in the community. The goal is to create a multidisciplinary research consortium. It is planned that the first class of the College of Medicine will graduate 40 students and, after its first stage of development that will occur in approximately seven years, 120 students. FIU has partnered with the Florida Department of Public Health and Miami-Dade County to develop the 40-acre center at the northeast corner of Modesto A. Maidique. FIU's Master Plan has been amended to include the College of Medicine.

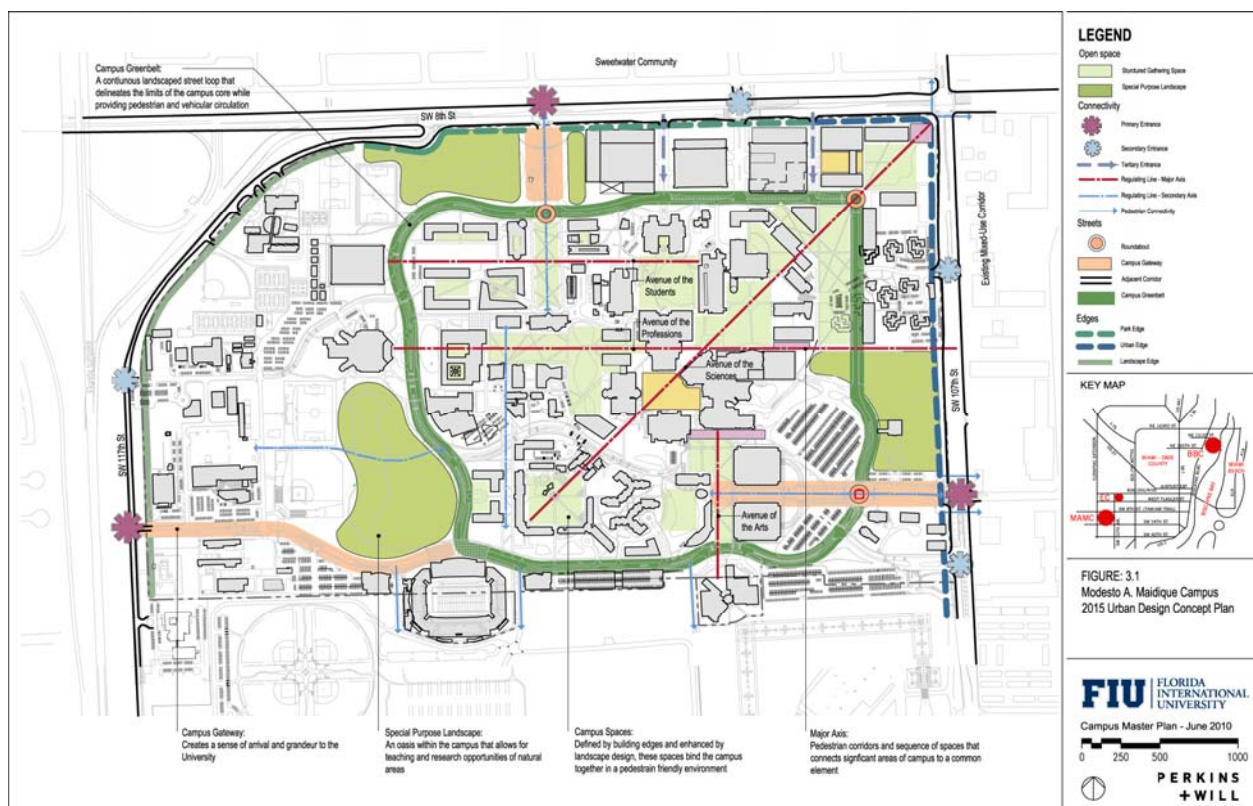
In accordance with the University mission, FIU has committed itself to providing a quality education to the South Florida area by offering programs at locations both on and off campus. University Out-Reach advances the mission of Florida International University by delivering quality lifelong learning programs that fulfill the educational needs of local, state, regional, national, and international learners. Through innovative and effective instructional approaches, the Division offers academic credit, distance learning, and professional development and personal enrichment programs in partnership with FIU's academic units that maximize access and value. University Out-Reach's customer-driven professional team incorporates leading edge technologies in an optimal learning environment.

3.0 URBAN DESIGN ELEMENT

The physical environments of FIU's three main campuses are integral to the educational experiences of its students and to the health and well being of all of those who come in contact with the university. The urban design character of each of its campuses should emphasize the creation of model public spaces developed upon best practices in sustainable sub-tropical systems and refine the base concepts of earlier planning efforts.

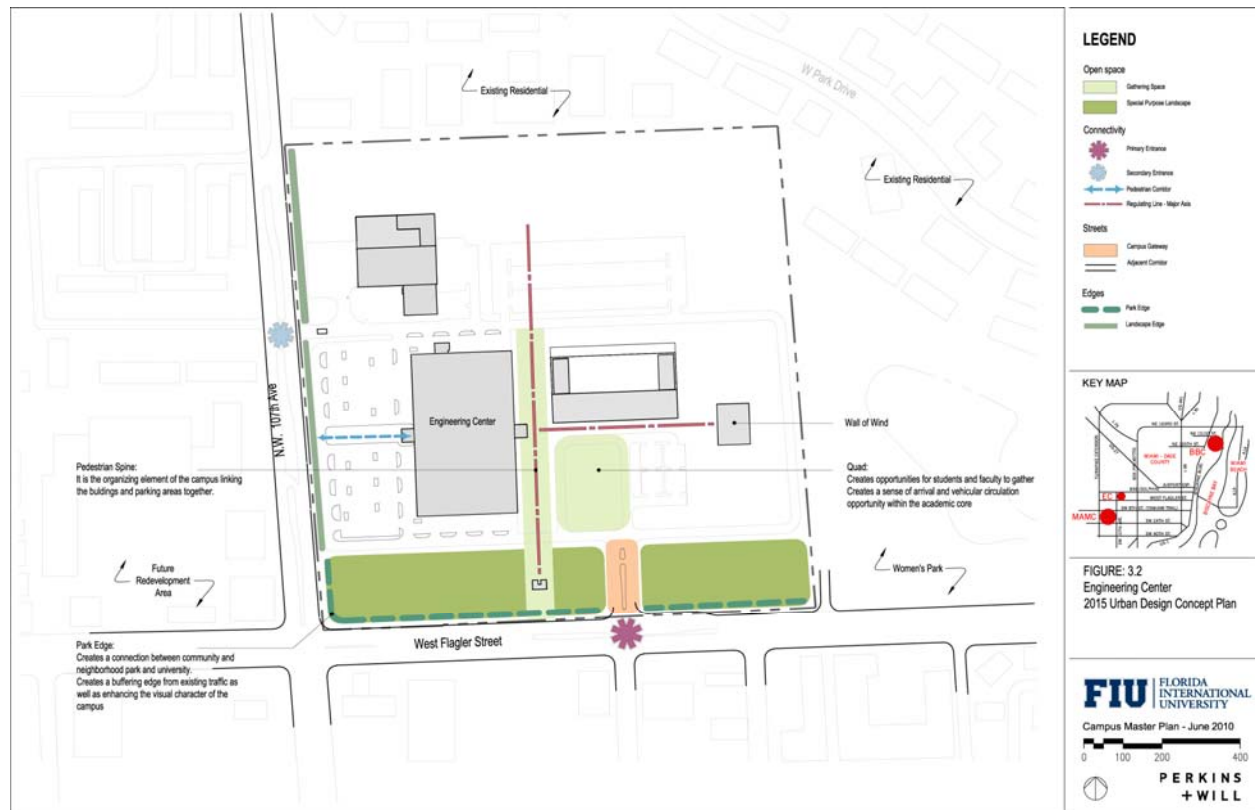
Modesto A. Maidique Campus

The response at Modesto A. Maidique Campus is to encourage a more compact, “urban” pattern within the academic core and along its eastern edge. A sense of geometric order with renewed emphasis on axial patterns and the spatial sequences of campus open spaces such as quads, parks and courtyards to define the future development pattern of the campus. In addition, the campus loop road, termed the Greenbelt, will define the limits of the traditional academic campus core while still providing access throughout the growing campus. The majority of surface parking lots will be strategically replaced with parking structures placed along the edges of the campus allowing the expansion of the academic buildings within the academic core to truly define the proposed sequence of open spaces and suggest pedestrian circulation (See Figure 3.1).



Engineering Center

Engineering Center, although visually separated from Modesto A. Maidique Campus, will maintain its connectivity to the main campus through a consistency in design fabric in the form of enhanced pedestrian corridors, enhanced edge conditions, gateway treatments, and site furnishing elements such as lighting and signage similar to of that Modesto A. Maidique Campus (see Figure 3.2). This consistency is to be considered whenever upgrades or expansion occurs. Other issues such as building to space relationships, pedestrian movement, activity nodes, parking and landscaping are crucial to enhancing the character and appeal of this campus.



Biscayne Bay Campus

At Biscayne Bay Campus the challenge is to preserve the existing open space and views that enhance the sustainability objective of the campus while consolidating a compact academic core, increasing student services and improving the on-campus housing options (See Figure 3.3). This campus is unlike that of the other FIU campuses. While Modesto A. Maidique Campus and Engineering Center are located within an existing urban fabric, the Biscayne Bay campus is surrounded by state parks and is physically disconnected from its adjacent neighbors. If the campus is to be truly sustainable while still being attractive to potential students, the campus must function more as a small town than an isolated campus. Increasing the services, creating higher density development and establishing a sense of place are crucial in highlighting the uniqueness of this campus.



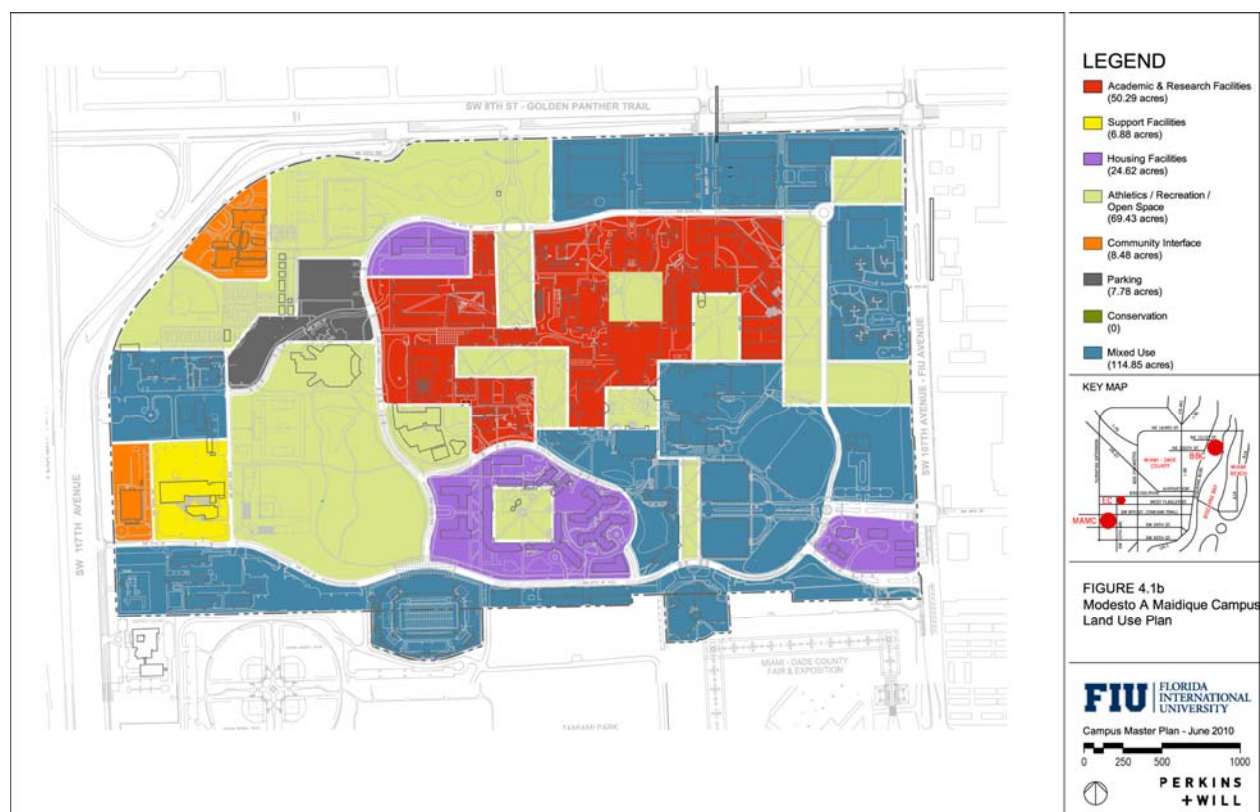
4.0 LAND USE ELEMENT

The Land Use Element represents existing and proposed development patterns within the campus boundaries to be coordinated and not conflict with the adjacent areas planned by the City of Miami, Sweetwater and North Miami.

Modesto A. Maidique Campus

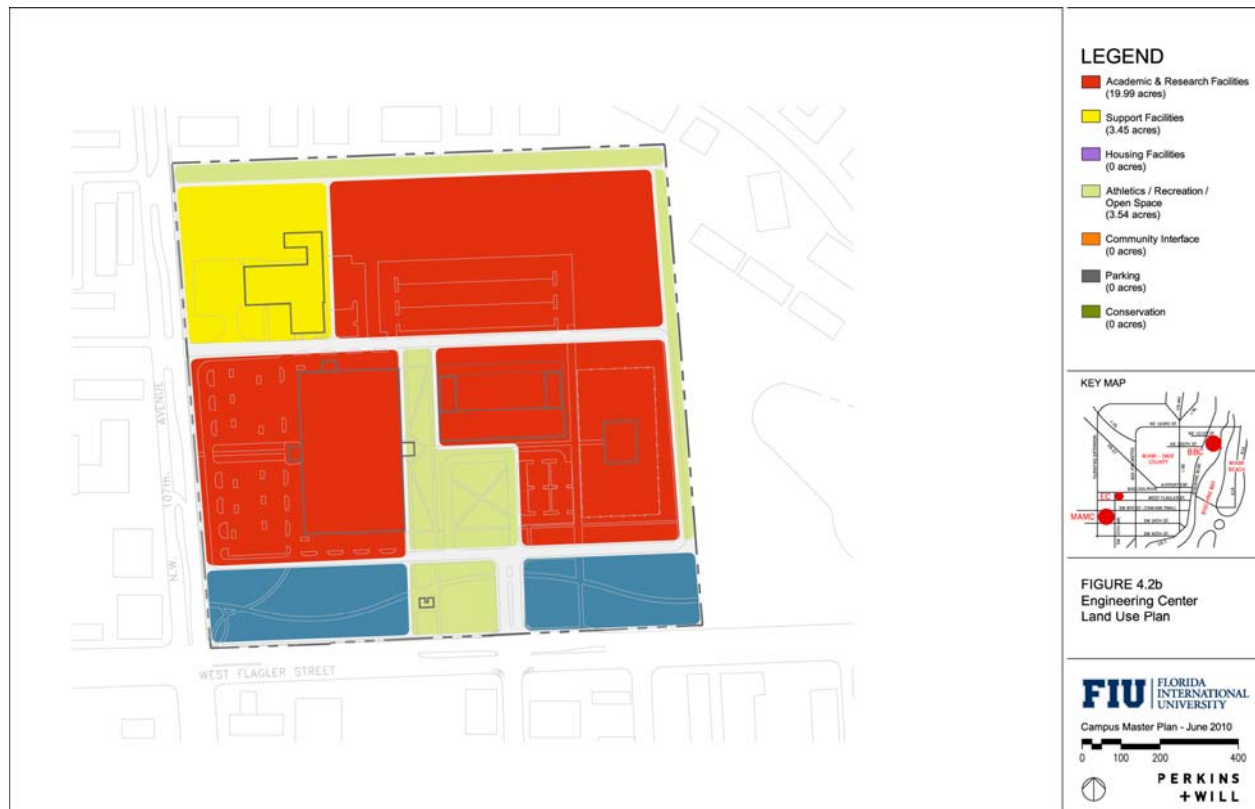
At Modesto A. Maidique, three strategies are used to accommodate future expansion needs. First, housing and surface parking from the northeast corner of the site are relocated to create an expansion zone for academic health sciences programs. Second, infill sites are identified and build upon adjacencies with academic or student life functions. Third, infill and building sites are shaped to preserve and strengthen existing open spaces and pedestrian corridor axes.

The goal is to move toward a more compact, efficient urban scale of development. This can be accomplished by increasing allowable heights for new construction. Moreover, by using the best and highest use of land, academic facilities will dominate the campus core. and surface parking will be re-located to the periphery (see Figure 4.1b).



Engineering Center

To effectively develop this site, a more efficient access and circulation pattern is recommended. The relocation of the main entrance and better parking facilities creates a more user-friendly atmosphere for faculty and students. Building sites between the existing building and the Wall of Wind will accommodate new facilities and shape central open space development. The central open space reflects the landscape structure of the Modesto A. Maidique Campus which includes buildings organized around open space quadrangles and shared axes (See Figure 4.2b).



Biscayne Bay Campus

Development at Biscayne Bay Campus must place renewed emphasis on embracing the unique value of the bayfront while consolidating a highly fragmented development pattern. Open space quadrangles extend east-west across the campus, enhancing views to the bay. These quads are organizing elements for campus development and unify the surrounding facilities. Future academic and research expansion sites are located at the perimeter of the quadrangles, adjacent to similar academic or student life programs.

Student housing is located along the main street that runs north-south on the campus, bridging the academic core with new program development. Land on the southern edge of the campus, near the wetland restoration area, has been reserved for potential faculty/staff/retiree housing. The organization of land use, identified building sites and open space structure is similar to the Modesto A. Maidique Campus and Engineering Center, creating a shared physical identity among the three disparate campuses (See Figure 4.3b).



5.0 ACADEMIC & RESEARCH FACILITIES ELEMENT

Projected enrollment growth and the new College of Medicine are a catalyst for growth in academic and research facilities. Because of the tendency for "lag time" in the building planning, funding and design cycles, this process must be tightened and accelerated in order to "catch up" to present needs while also preparing to meet the needs which will exist in 2015.

By 2015, FIU will phase future academic and research facility development in the following increments by location:

	Existing (Fall 2008)	Current 5-Yr. CIP	Add. 2015 Needs	Total
MMC	1,147,573	456,353	409,579	2,013,505 ASF
BBC	263,721	34,600	6,892	304,763 ASF
Total	1,411,294 ASF	490,953 ASF	416,471 ASF	2,318,718 ASF

Facilities include classrooms, teaching labs, study areas, and research labs. The square footages account for new facilities and renovation and expansion of existing structures.

Modesto A. Maidique Campus

- Academic expansion sites are located within an academic core and clustered according to primary building usage. A research and mixed use cluster is located at the northeast corner of the campus to support the new College of Medicine.
- Additional building sites, designated as primarily classroom facilities, are located within the academic core.
- A cluster of mixed-use facilities is located at the southern edge near the Stadium and Performing Arts Center.
- Additional building sites for the future Graduate School of Business and the College of Law expansion are located adjacent to the existing School of Business.
- A building site for the future location of the Honors College is located along the Avenue of the Sciences, southwest of Deuxieme Maison.
- Additional research lab and teaching lab facilities are located on the western edge of the campus.

Engineering Center

- A future academic and research facility is located adjacent to the existing buildings, defining a central quadrangle.

Biscayne Bay Campus

- A future mixed-use academic facility is proposed adjacent to the existing library.
- A future office/classroom facility is proposed to the south of Academic Two.

6.0 SUPPORT FACILITIES ELEMENT

The extreme growth in projected enrollment and the addition of academic and non-academic space has increased the need of additional support facilities. The majority of these projected needs are found in office space, much of which is accounted for within academic facilities. Funding mechanisms instituted at the SUS level will continue to play an integral role in the fulfillment of FIU's goals, objectives and policies as related to the continued adequate provision of on-campus support facilities.

In addition to academic, student life and physical support space need, Florida International University (FIU) must become more aware of its limited land availability for athletics and recreation at Modesto A. Maidique. Athletic programs and future needs must be carefully evaluated and the possibility of joint use facilities must continue to be studied with Miami/Dade County. FIU will continue its practice of careful and constant planning as it continuously re-evaluates the support facility needs of the University at Modesto A. Maidique Campus, Engineering Center and Biscayne Bay Campus.

By 2015, FIU will phase future support facility development in the following increments by location:

	Existing (Fall 2008)	Current 5-Yr. CIP	Add. 2015 Needs	Total
MMC	144,844	113,014	151,360	409,218 ASF
BBC	34,735	13,331	20,477	68,543 ASF
Total	179,579 ASF	126,345 ASF	171,837 ASF	477,761 ASF

Facilities include food service, student lounge, merchandising, recreation and healthcare. The square footages account for new facilities and renovation and expansion of existing structures.

7.0 HOUSING ELEMENT

As FIU matures in its stature as a leading educational institution, attracting higher proportions of non-local and international students, the need for appropriate affordable on-campus student housing will grow. As student enrollment numbers continue to increase and the nature of student housing changes, FIU must provide suitable housing on campus.

In addition to the need to increase the quantity of on-campus housing, FIU will strive to provide alternatives to traditional dormitories to reflect the housing preferences of undergraduate students, graduate students and honors students, as well as married students and members of fraternities and sororities.

Modesto A. Maidique Campus

At the Modesto A. Maidique Campus, student housing is located in all quadrants of the campus: to the northwest near the College of Business, to the southwest near the Stadium and Performing Arts Center, and to the northeast at the existing Modesto A. Maidique Apartments. Additional student housing is also located near the existing Greek houses.

Provide a minimum of 4,144 on-campus housing beds by the end of the planning period, contingent on demand. The beds will be distributed generally as follows :

Existing Fall 2008:	2,709 beds
Planned (under construction + CIP):	1,148 beds
Planned Demolition (four units at University Park Apartments)	-240 beds
Future Main Street Development	190 beds
Future Housing at Honors College	246 beds
Future Greek Housing	120 beds
Projected 20% Goal - 2015:	4,144 beds (min.)

Biscayne Bay Campus

At the Biscayne Bay Campus, student housing is located along a main street running north-south through the campus. Proposed housing for faculty, staff and retirees is located to the southeast corner of the campus.

Provide a minimum of 683 on-campus housing beds by the end of the planning period, contingent on demand. The beds will be distributed generally as follows:

Existing Fall 2008:	300 beds
Planned (under construction + CIP):	300 beds
Planned Demolition	-300 beds
Future Main Street Housing	383 beds
Projected 20% Goal - 2015:	683 beds (min.)
Future faculty/staff/retiree housing	(8) 5-unit buildings

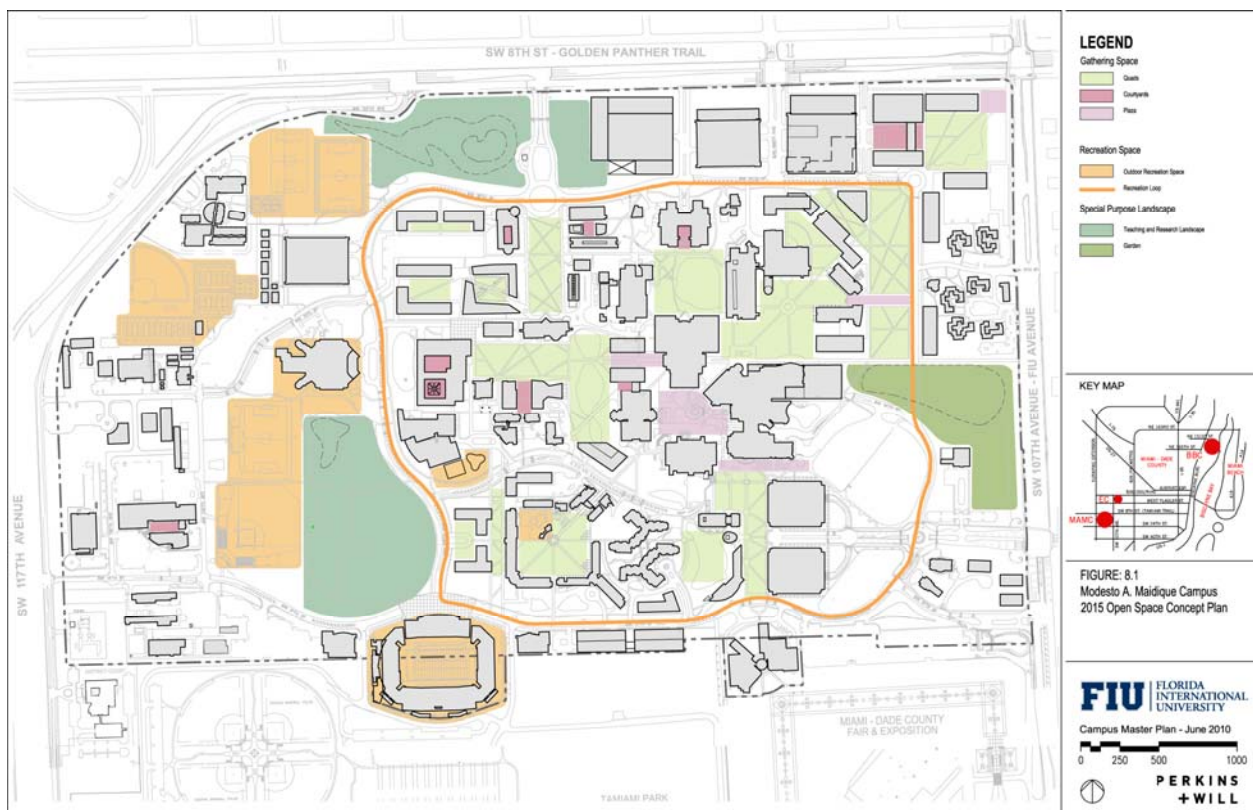
8.0 RECREATION AND OPEN SPACE ELEMENT

The 2015 Master Plan Update identifies the need for additional on-campus recreation facilities and the development and preservation of open space to support the projected growth in student enrollment.

The 2015 Open Space Concept Plan (See Figures 8.1 Modesto A. Maidique Campus, 8.2 Engineering Center and 8.3 Biscayne Bay Campus) identifies three categories: gathering space, recreational open space and special purpose landscapes. Recreational space refers to structured recreation and athletic spaces. Special Purpose Landscapes refer to open spaces that can be used for teaching or research. The remaining gathering spaces include that which is integral to the surrounding built campus environment.

Modesto A. Maidique Campus

Due to the increased pressure at Modesto A. Maidique to use its available land for academic facilities, active recreational activities are limited to the western edge of campus, which is experiencing yet further constraints due to the construction of additional support facilities. This has forced the University to limit its long-range growth in on-campus recreation and look for off-campus joint use facilities. Negotiations with Miami-Dade County for possible joint use of Tamiami Park should remain as a constant tool to use for additional recreational facilities. FIU will continue to work with the Miami-Dade County Park and Recreation Department (MDPR) regarding recreation and open space needs for both the University and Miami-Dade County.



Engineering Center

Engineering Campus does not have available land for development of recreational spaces. Open space development is focused around gathering and special purpose landscapes.

Biscayne Bay Campus

Biscayne Bay Campus has available land to accommodate a growing student population and associated recreation and athletic facilities. As additional housing is completed, recreational fields and facilities will be located to the north and south portions of the campus.

Environmentally sensitive and bay-front open spaces should be protected from development encroachment by strictly enforcing future placement of buildings, parking, infrastructure and other man-made improvements consistent with the land use plan.



9.0 GENERAL INFRASTRUCTURE ELEMENT

The purpose of this element is to ensure coordinated provision of public facilities and services required to meet the future needs of the University, consistent with current efforts to address sustainability issues on campus include the development of a Climate Action Plan (a responsibility as a signatory of the American College and University Presidents Climate Commitment) and the university-driven direction that all new facilities meet United States Green Building Council (USGBC) standards and be LEED certified.

Stormwater Management: The stormwater management plan for Modesto A. Maidique Campus is a combination of percolation, overland flow, exfiltration systems and positive drainage systems with outfalls into existing onsite lakes. No offsite discharge connections exist, as all stormwater runoff is contained onsite (see Figure 9.1: Drainage System Map).

The Engineering Center drainage system is designed to handle on-site stormwater runoff with a combination of exfiltration trenches, dry and wet retention areas, drainage swales, lakes, overland flow, and positive drainage pipe systems (see Figure 9.2: Drainage System Map).

The stormwater management plan for the Biscayne Bay Campus is a combination of percolation, overland flow and exfiltration systems. The Biscayne Bay Campus stormwater management plan also utilizes positive drainage systems with outfalls both to onsite lakes and adjacent off-site water bodies. Currently, there are two outfalls to offsite surface water bodies located on the north and east sides of the site. The north outfall system consists of a 42-inch culvert and the east outfall consists of an 8" x 12" culvert (see Figure 9.7: Drainage System Map).

Water: Potable water for Modesto A. Maidique Campus is provided by the Miami-Dade Water and Sewer Department (MDWASD). MDWASD owns and maintains all existing watermains inside the campus. It is important to note that there are no easements over any of the internal mains. If MDWASD requires easements along future mains, there will be restrictions on development within the easements. The internal water distribution system is fed via existing water mains located within the right-of-way of SW 8th Street, SW 107th Ave and SW 117th Avenue (see Figure 9.5: Water Distribution System Map).

The Engineering Center is serviced from a MDWASD owned water distribution system with points of connection on SW 107th Avenue and West Flagler Street (see Figure 9.6: Water Distribution System Map).

Potable water service to the Biscayne Bay Campus is provided by the City of North Miami. Connections are made to the City owned off-site system located along NW 151st Street and NW 135th Street (see Figure 9.8: Water Distribution System Map.)

Sewer: The Modesto A. Maidique Campus sanitary sewer system consists of gravity sewer

lines, force mains, a series of privately owned sanitary sewer lift stations. Sewage flows from the campus are transmitted off-site to the MDWASD owned system via two connection points located within the right-of-way of SW 8th Street and SW 117th Avenue. (see Figure 9.8: Sanitary Sewer Map.)

The Engineering Center sanitary sewer collection system is comprised of a series of gravity sewer lines which flow into a single privately owned lift station. The sanitary sewer flow generated by the Engineering Campus is transmitted off-site into the MDWASD owned system via a connection point located on West Flagler Street. (see Figure 9.9: Sanitary Sewer System.).

The Biscayne Bay Campus sanitary sewer system consists of a combination of gravity sewer lines, a force main and a master pump station with connections to multiple on-site secondary pump stations. The sanitary sewer system for the Biscayne Bay Campus is transmitted to the City of North Miami's collection system and ultimately to the MDWASD system for treatment and disposal of the of the wastewater flows. (see Figure 9.9: Sanitary Sewer Map).

Solid Waste: Solid waste collection and disposal is accomplished at Modesto A. Maidique Campus, Engineering Campus and Biscayne Bay Campus by utilizing a combination of University staff, private contractors and public entities. Upon collection, the solid waste material is either recycled or sent to the landfill for disposal.

10.0 UTILITIES ELEMENT

The purpose of this element is to ensure coordinated provision of utility services required to meet the future needs of the University, consistent with current efforts to address sustainability on campus such as the development of a Climate Action Plan (a responsibility as a signatory of the American College and University Presidents Climate Commitment) and the university-driven direction that all new facilities meet United States Green Building Council (USGBC) standards and be LEED certified.

Chilled Water: The requirements imposed by Florida International University Expansion of Facilities on the chilled water generation and distribution are three-fold. First is the upgrade of the Plant's ability to pump the chilled water to all the growth areas, coupled with the energy efficiency optimization of the generating and pumping equipment. Third is the increment in capacity of the plant to satisfy the higher chilled water demands imposed by new buildings.

Electrical Power: Electrical energy is furnished to Florida International University by Florida Power and Light (FP&L). They master plan their facilities to satisfy all campus expansion. Close coordination must be maintained with them so the needs of new buildings are provided for. Additionally, FP&L offers various incentive programs that may be used by the University to improve the energy consumption of their lighting and chiller systems.

Telecommunications: The existing telecommunications grid has been heavily used in some areas of Modesto A. Maidique Campus. The planning priorities are to expand the grid to serve new buildings and to reinforce the existing grid by adding new ductbanks. Another area of development is the creation of a second feed at Modesto A. Maidique Campus so the grid has the reliability of two sources of off-Campus communication.

For all updated information pertaining to utilities and infrastructure, a copy of the *Utility Infrastructure Survey Update* is on file in the offices of FIU Facilities Planning and Construction.

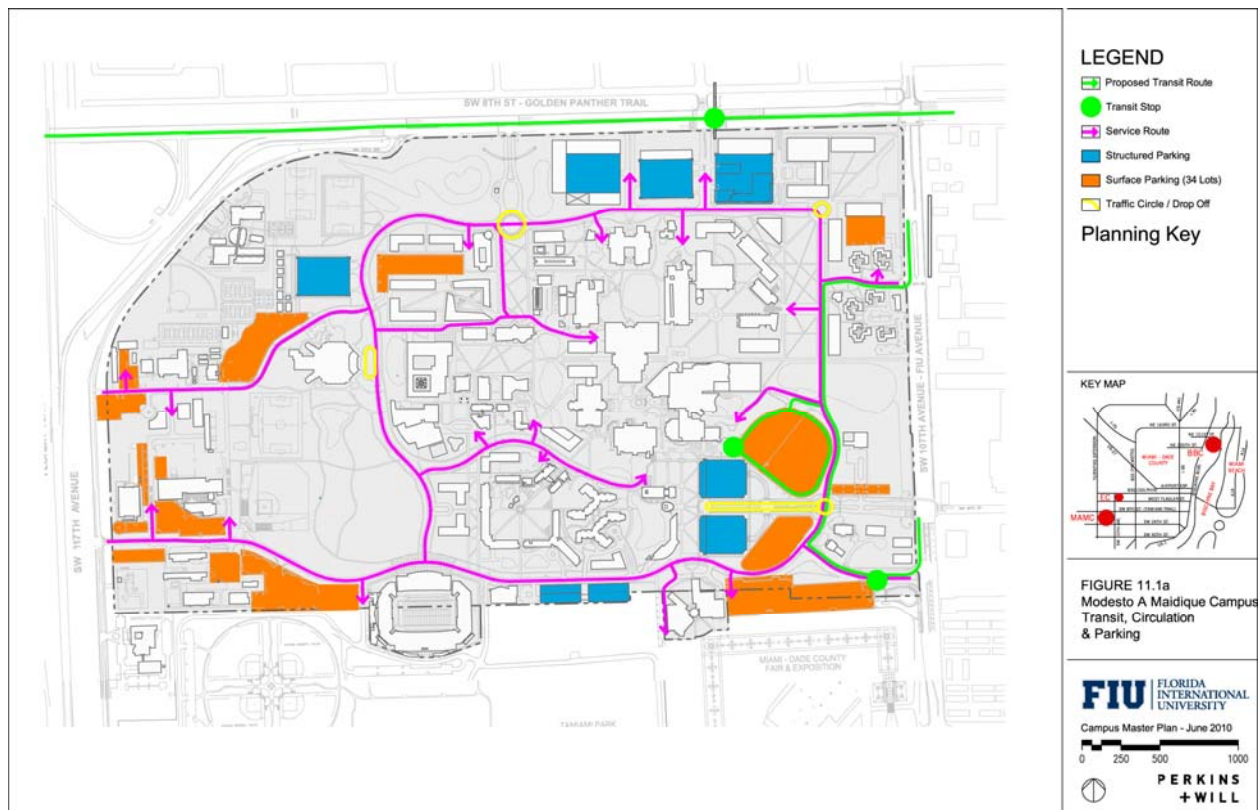
Stormwater: FIU addresses stormwater management issues in the design and review process for each building project. Each project shall meet the County's criteria and will be submitted to the County for review.

11.0 TRANSPORTATION ELEMENT

For all campuses, FIU's goal is to increase multimodal access. In combination with other measures - such as the development of a Climate Action Plan as a responsibility of being a signatory of the American College and University Presidents Climate Commitment and the requirement that all new facilities achieve LEED certification - FIU continues to increase sustainable development on campus.

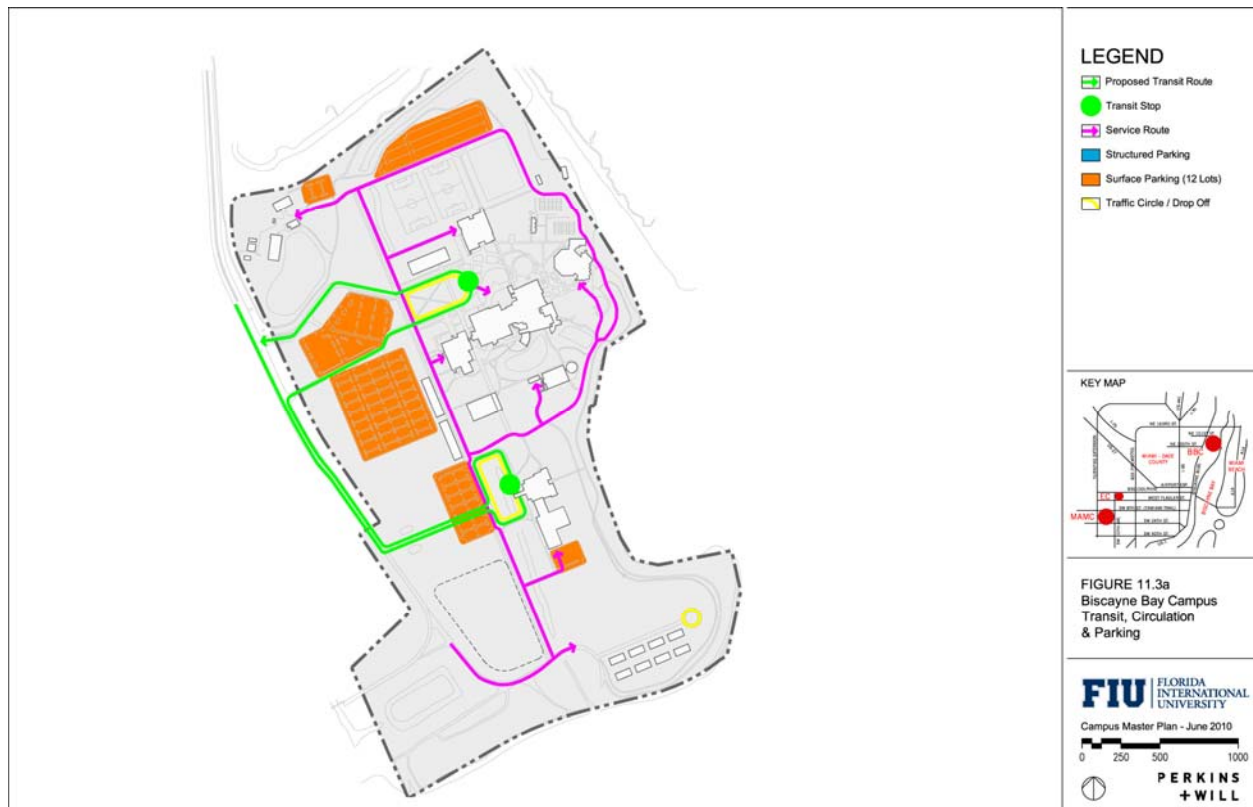
Modesto A. Maidique Campus

With the continuing student enrollment growth coinciding with the anticipated expansion of Modesto A. Maidique Campus, major emphasis will be on the ability of Florida International University (FIU) to provide adequate access. While FIU remains a commuter-oriented institution, it must still accommodate a rapidly increasing population within Miami-Dade County. Additional parking garages are planned outside of the loop road to accommodate parking needs as well as for the replacement of surface parking lots lost to construction of new facilities. FIU will continue to address the use of lands to the south of campus for overflow parking for special events (see Figure 11.1a: Transit, Circulation and Parking).



Biscayne Bay Campus

Biscayne Bay Campus continues to have adequate lands available for its parking requirements. Although the existing parking lots support its parking needs, it is recommended that these lots be re-configured to provide more efficient circulation for both vehicular use and for safe pedestrian circulation to the campus core (see Figure 11.3a: Transit, Circulation and Parking).



Engineering Center

Engineering Center has adequate land for its 2015 parking needs. Surface parking lost to future development will be relocated to the east of the existing operations / utilities facilities. (See Figure 11.2a)



Pedestrian and Non-Vehicular Circulation

Pedestrian circulation remains a major design issue. FIU will provide safe pedestrian walkways from the perimeter of campus by creating identifiable crosswalks at strategic locations from the parking garages and surface lots into the campus core. Signage and lighting will be key components to these areas. Safe movement throughout the campus for its users will continue to be paramount when placing new facilities and creating pedestrian corridors. Vistas and pedestrian corridors will be maintained and created throughout each campus, making way-finding easier and more efficient for all users (see Figure 11.1b: Pedestrian and Non-Vehicular Circulation for Modesto A. Maidique Campus, Figure 11.2b: Transportation Network Map for Engineering Center and Figure 11.3b: Pedestrian and Non-Vehicular Circulation for Biscayne Bay Campus)

12.0 INTERGOVERNMENTAL COORDINATION ELEMENT

In the traditional master planning process, the principle institution focuses primarily on itself as it charts a course for growth into the future. The comprehensive planning process, by contrast, is reflective of and responsive to the interaction between the principle institution and vital elements of the surrounding community and concerned jurisdictions and governmental agencies. The most important factors in successful comprehensive planning are cooperation, consideration, and coordination.

These basic principles of comprehensive planning are evident throughout this Comprehensive Master Plan:

Cooperation: The Comprehensive Master Plan recognizes the importance of the existing regulatory structure at the local, state and federal levels of government. Throughout the Comprehensive Master Plan, FIU states its intention to cooperate with the permitting, concurrency and other applicable code requirements of overseeing regulatory agencies and departments of local and state government.

The University has dedicated itself to being a responsive and responsible member of both the Miami-Dade County business and educational communities. The Academic Program at the University, the development of new areas of study and the creation of work-based learning opportunities for area businesses all rely on cooperation and communication between the University and the Miami-Dade County business and economic development agencies. Continuation of this highly successful relationship has been structured into relevant elements of the University's Master Plan.

Consideration: FIU recognizes that it is a large development within the community. Consequently, projects at the University have the potential to affect development patterns and surrounding land uses. Similarly, developments around the University have the potential to enhance or detract from the University's unique academic environment. These efforts are supported through the Intergovernmental Coordination Element.

Coordination: The goal of intergovernmental coordination is the joint process for collaborative planning, decision making, and development review by governmental agencies. The University Master Plan Update identifies issues, which because of their unique circumstances; require intergovernmental coordination above and beyond that which routinely occur in the day-to-day university operations. Resolutions of these issues require mechanisms and procedures which facilitate coordination and communication between the University, local government and service providers. In addition, this element establishes procedures for the review of this master plan by local, county and state government and the service providers. When the provisions in the campus master plan conflicts with the provisions in the comprehensive plan of the local government, these intergovernmental coordination mechanisms will be used to resolve the conflicts while working toward achievement of the goals, objectives and policies.

13.0 CONSERVATION ELEMENT

In order to appropriately manage native vegetative communities and wildlife habitats, campus expansion must be in accordance with local, state and federal regulations and when practicable, conform with various agency guidelines and policies. Landscape efforts will utilize native vegetation. Avoidance or minimization of wetland impacts and the establishment of upland buffers adjacent to wetlands will be implemented where feasible. Unavoidable wetland impacts will be mitigated. The undeveloped upland habitat will be left in its natural state when possible. Adverse impacts to protected wildlife species will be mitigated in accordance with local, state and federal guidelines.

Natural resources occur at Modesto A. Maidique Campus, Engineering Center and Biscayne Bay Campus of Florida International University (see Figures 13.1 for Modesto A. Maidique Campus, Figure 13.2 for Engineering Campus, and Figure 13.3 for Biscayne Bay Campus). Many of these resources are protected and will remain so throughout the future of each campus and site. There are parcels, however, which need to be assessed as to its viability for native species and vegetation as well as for its suitability for protection versus development. Therefore, a principal challenge of the master planning process is to allow sensitively planned development of these campuses while protecting and enhancing natural resources.



To minimize adverse impacts to local air quality and maintain existing good air quality conditions, FIU will manage its stationary sources of air discharges through an organized preventative maintenance and inspection program. Points of discharges such as boilers and laboratory flues will be inspected regularly to ensure their operations are within applicable regulatory standards. Implementation of preventative maintenance of stationary sources will reduce the probability of unexpected releases of air pollutants as well as establish a reliable management tool.

Where possible, less hazardous materials will be substituted for more hazardous materials. The purpose of such replacement will reduce the potential for more serious accidents affecting the environment, reduce the generation rate of hazardous waste on campus, and reduce the volume of hazardous wastes contributed by the University to landfills elsewhere. It is an objective of the University to minimize hazardous waste accumulation points on campus and implement a system of Best Management Practices to safely manage these locations.

14.0 CAPITAL IMPROVEMENTS ELEMENT

Florida International University faces a need for enormous expansion and development activity over the next decade, if facilities are to be made available to correct deficits and meet the needs of a rapidly expanding enrollment. Where appropriate, creative funding mechanisms such as user fees and joint development agreements are identified. The funding of capital improvements, which constitutes this Master Plan, is one of the most critical steps in the planning process. The implementation of this Master Plan is contingent upon the identification, application and efficient use of both State University System (SUS) monies and those made available to or by Florida International University. Table 14.2 identifies the Capital Improvement Plan for 2005-2015.

Table 14.2 Capital Improvement Plan 2005-2011

<i>Bldg No. Building Name</i>	<i>ASF</i>	<i>GSF</i>	<i>Project Cost</i>
Under Construction (not in use yet, but not in Exstg Inventory)			
Univ Park			
1 College of Nursing & Health Sciences (Molecular Biology) / Health Sciences Laboratory Clinic	62,192	103,653	\$0
<i>Total Under Construction</i>	62,192	103,653	\$0

2009-10 CIP-2 CIP-3 CIP-3B – Final 1.05.09.doc

<i>Bldg No. Building Name</i>	<i>ASF</i>	<i>GSF</i>	<i>Project Cost</i>
Univ Park			
2 Student Academic Support Center	50,000	80,000	\$30,887,426
4 Public Safety Bldg Supplement	2,500	4,000	\$2,066,679
5 Social Sciences / Phase I Completion	na	na	\$28,449,971
6 Satellite Chiller Plant Expansion	7,500	12,000	\$7,000,000
10 Humanities Center (Arts + Sciences)	48,500	77,600	\$33,814,021
11 Graduate School of Business / Phase II	55,820	89,312	\$40,033,112
12 Science Laboratory Complex	79,500	127,200	\$61,168,234
14 Const Mgmt + Engineering Expansion	17,400	27,840	\$14,233,194
15 Training Complex (Human Resources)	25,270	40,432	\$17,998,308
16 Honors College	24,780	39,648	\$20,162,055
17 Science Science / Phase II	35,678	57,085	\$28,646,751
18 College of Law BR-832	96,415	153,768	\$38,962,981
19 IHRC- Wall of Wind Testing Facility	1,651	1,981	\$1,480,726
20 College of Nursing + Health Sciences (Molecular Biology) Health Sciences Laboratory Clinic	—	—	\$39,931,185
22 Engineering Center / Lab Remodeling and Expansion	260	312	\$180,000
24 Graduate School of Business / Phase 1	54,705	87,528	\$32,270,346
25 Patricia and Phillip Frost Art Museum UP BR-839	30,839	48,874	\$18,180,751
<i>Total CIP Plan Projects UP Campus</i>	530,818	847,580	\$415,465,740

<i>Bldg No. Building Name</i>	<i>ASF</i>	<i>GSF</i>	<i>Project Cost</i>
Biscayne Bay			
13 Classroom / Office (Academic IV)	39,600	54,000	\$33,272,408
21 Hospitality Management / Carnival Student Center	1,700	2,550	\$1,000,000
23 Hospitality Management / Beverage Management Center	3,500	5,600	\$2,100,000
<i>Total CIP Plan Projects BB Campus</i>	44,800	62,150	\$36,372,408
GRAND TOTAL	637,810	1,013,383	\$451,838,148

15.0 ARCHITECTURAL DESIGN GUIDELINES ELEMENT

The university conducts a process of design professional selections focused on the ability of the professionals to deliver the criteria set by FIU on each given project. This process seeks to select firms employing individuals possessing expertise, directly related design talent, and capabilities to deliver the project.

The design professional must satisfy the program requirements as well as give consideration beyond the exterior walls of the project he/she has been commissioned to design. To assist the design process, a set of Architectural Design Guidelines has been defined to preserve and enhance the image of higher education that has been the base concept for past design and has served as the foundation for development of FIU and this Comprehensive Master Plan.

The urban design guidelines and the architectural design guidelines must work in conjunction to assure that future development supports the overall mission and vision of FIU.

Highlights of Architectural Design Guidelines include the following:

Quality of Materials:

Design Professionals should adhere to performance levels set forth in the nationally recognized standards of ASTM and the industry standards, and apply sustainable design criteria when selecting materials.

Energy Efficiency:

New and renovated buildings are major consumers of energy; therefore, implementation of strategic design approaches targeting energy conservation/energy efficiency is mandatory. The USGBC standard of LEED Silver or above must be applied as a minimum level of performance.



Life Cycle Cost:

The University provides minimum requirements to be used in addressing design and quality levels which are consistent with the State University System's interest in long term (40-year life) ownership. FIU has supplemented these requirements and adherence to these guidelines is required, by contract, of all firms providing design and/or construction services.

Color and Texture:

The guidelines for the color and texture of new and renovated or expanded facilities have been established to provide continuity between the new and existing facilities. This approach provides aesthetic harmony in the campus appearance and allows more cost-efficient maintenance of facilities.

Scale / Proportion:

Guidelines for the scale and proportion of buildings and adjacent facilities will continue to support development to be compatible with a pedestrian campus environment.

**Graphics and Signage:**

FIU will continue to evaluate and revise a comprehensive and consistent interior/exterior signage system. Revisions to this system will be needed to respond to the Florida Accessibility Code and Americans with Disabilities Act Accessibility Guidelines.

Safety Statements:

The safety standards identified in the guidelines reflect the most recent safety guidelines established for materials and building systems.

Building Siting and Linkages:

The basis of design objectives are to create courtyards, connect buildings with colonnades, pedestrian covered walkways or breezeways, and establish unifying architectural edges. The guiding principles identified for building siting and linkage provide for open areas, access for emergency and maintenance vehicles as well as disabled / handicapped persons and the relationship of new facilities to adjacent facilities and the surrounding natural environment.



16.0 LANDSCAPE DESIGN GUIDELINES ELEMENT

The purpose of the Landscape Design Guidelines is to provide the campuses of Florida International University with a framework for landscape and hardscape treatments in order to maintain a high level of quality to the design of new spaces and to the enhancement of existing landscaped areas. It is the intent of the Landscape Design Guideline Element to provide an overall landscape framework that unifies each campus with its built environment and its unique natural environment, and to reinforce sustainable design practices as outlined by both USGBC standards for LEED Silver certification and American Society of Landscape Architects Sustainable Sites Initiative (SSI).



Hierarchy of spaces have been identified and main circulation routes will be reinforced with identifiable landscape treatments. Significant pedestrian corridors will continue to be identified, linking unique academic cores within the campus. As the overall character of the FIU campus continues to mature, various spaces will be defined following these guiding principles:



- Integrate architectural and site design in conjunction with landscape architectural design in the planning process to ensure that attractive settings and ample open spaces are provided in conjunction with new facilities.
- Seek to develop new significant landscape features in association with campus growth, including campus spaces such as quads, plazas, campus streets and campus edges while enhancing the concept of the "Avenue of the Arts" and "Avenue of the Professions", "the Avenue of the Sciences", and the "Avenue of the Students".
- Blend new development sites with the character of the mature campus landscapes and other natural areas by



retaining islands of natural vegetation in new development areas and creating new and similar vegetative areas that integrate the buildings and site facilities into the landscape.

- Continue the initial style and character of the original campus plantings with emphasis on transitioning and reflecting the natural formation of plantings.
- Maintain a selective palette of indigenous and site-adaptive plant species that express the subtropical environment, as well as those plants that promote Xeriscape principles.

17.0 FACILITIES MAINTENANCE ELEMENT

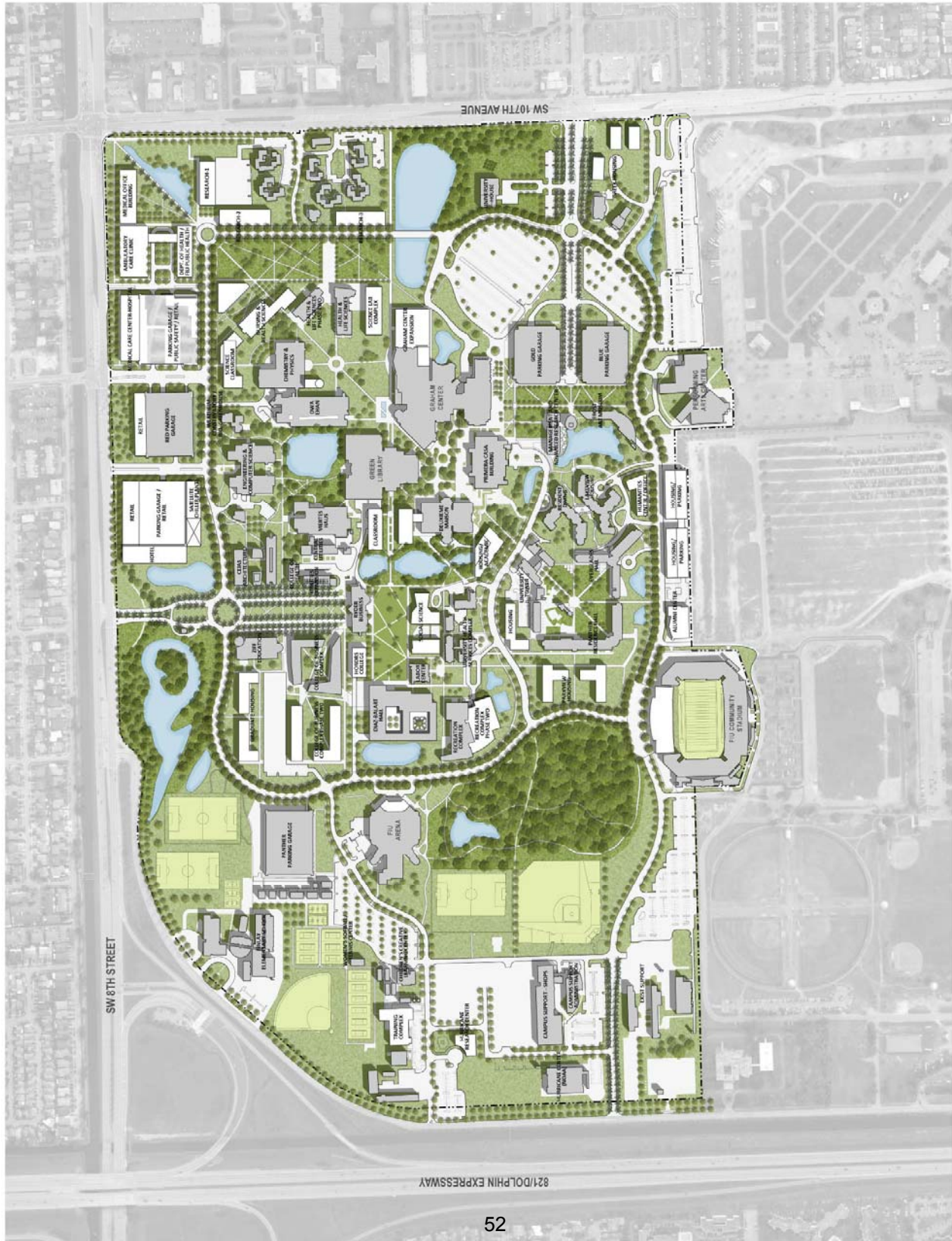
Florida International University is working toward the integrated Facility Maintenance Program. At present, priorities are assigned to address facility deficiencies based on explicit criteria and standards, with implementation limited by funding availability. The Goals, Objectives and Policies of this element are aimed at documenting present procedures, while mandating an expansion of the facility maintenance program with an emphasis on long term scheduling of routine, preventive and deferred maintenance.

18.0 COASTAL MANAGEMENT ELEMENT

Few university campuses nationwide are located in the type of sub-tropical, coastal setting in which Biscayne Bay Campus of Florida International University is found. The coastal environment, however, offers many challenges such as determining how one may take advantage of the amenities offered by the coastal setting, while limiting the vulnerability of the campus to hurricanes, tropical storms and flooding, and at the same time protecting and enhancing important natural resources.



Legislative changes require the State University System to assess existing facilities to identify the extent to which each campus has public shelter space adequate to house those students, faculty, and employees expected to seek public shelter prior to or during a disaster and those persons for which the campus has agreed with the local emergency management agency or other voluntary organization to provide shelter space. The State University System is also required to survey existing University facilities to determine those that are appropriately designed and located to serve as shelters. The goals, objectives and policies contained in this element are designed to establish the framework for meeting these requirements.



KEY MAP



FIGURE 0.1a
Modesto A. Maidique Campus
2015 ILLUSTRATIVE PLAN

FIU FLORIDA
INTERNATIONAL
UNIVERSITY

Campus Master Plan - June 2010

0 250 500 1000

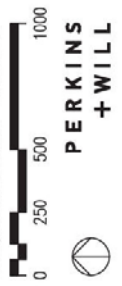
PERKINS
+ WILL



FIGURE: O.3a
Biscayne Bay Campus
2015 ILLUSTRATIVE PLAN



Campus Master Plan - June 2010



THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Audit Committee

September 8, 2010

Subject: Revision to Investment Policy Asset Allocation

Proposed Committee Action:

Recommend to The Florida International University Board of Trustees (the BOT) adoption of revisions to the University's Investment Policy Statement.

Background Information:

The administration recommends that the Investment Policy be revised to (1) include commodities as an authorized investment in accordance with allocation targets recommended by the University Investment Committee and (2) create a real assets composite and revise categorization of asset classes.

Pursuant to Sections 1011.42 and 218.415 of the Florida Statutes, each university board of trustees has the authority to adopt a written investment policy. The University's Investment Policy Statement was last revised on June 12, 2009.

Supporting Documentation:	Proposed revisions to the University's Investment Policy Statement
----------------------------------	--

Facilitator/Presenter:	Kenneth Jessell
-------------------------------	-----------------

This page intentionally left blank

FLORIDA INTERNATIONAL UNIVERSITY

OFFICIAL UNIVERSITY POLICY

University Community (faculty, staff and students)

SUBJECT (R*)	EFFECTIVE DATE (R)	POLICY NUMBER
INVESTMENT POLICY STATEMENT (IPS)	June 29, 2005	
RESPONSIBLE UNIVERSITY DIVISION/DEPARTMENT (R)	RESPONSIBLE UNIVERSITY OFFICER (R)	
Division of Business and Finance Florida International University	<p><u>John Miller</u> <u>Interim Senior Vice President of Administration</u> <u>and Chief Financial Officer</u> <u>University Treasurer</u></p>	

POLICY STATEMENT (R)

It is the policy of Florida International University (the "University") that:

The investment of the University's operating funds investment pool (the "Fund") shall be based on a financial analysis that will consider:

- the financial condition of the University
- the expected long term capital market outlook
- Florida International University's risk tolerance
- future planned capital expenditures and cash requirements
- debt service requirements
- current and projected expenses
- inflation

The financial plan measures the potential impact of alternative investment policies in terms of risk and return based on various levels of asset diversification and the current and projected cash flows of the Fund.

General Investment Goals and Objectives

The general investment goals are broad in nature to encompass the purpose of the Fund and its investments. They articulate the philosophy by which Florida International University Board of Trustees will manage the Fund's assets.

1. The overall goal of the Fund is to provide funds through a carefully planned and executed investment program necessary for regular expenses, capital expenditures and overall liquidity needs. There are both short term liquidity needs and longer term needs that allow for some incremental longer term growth of these assets. Specifically, the Fund shall be managed with the following objectives:
 - a) Maintain the safety of the principal;
 - b) Maintain the necessary liquidity to ensure funds are available to support operational needs;
 - c) Obtain a reasonable return for a prudent level of risk.
2. Florida International University seeks to produce a return on investment which is based on levels of operating liquidity needs and investment risk that are prudent and reasonable, given prevailing capital market conditions. While Florida International University recognizes the importance of the preservation of capital, it also adheres to the theory of capital market pricing which maintains that varying degrees of investment risk should be rewarded with compensating returns.

Governance

Board of Trustees (Audit and Finance Committee)

The Florida International University Board of Trustees is responsible for the oversight and approval of the overall investment policy of the University's operating funds portfolio. This oversight responsibility will include the final approval and any modifications to the Investment Policy of the University as written in the Investment Policy Statement (the "IPS"). This policy addresses specifics relating to:

- investment goals and objectives
- policies and procedures

- asset allocation policy targets specifying minimum and maximum ranges
- rebalancing policy
- selection of investment managers
- authorized investments

Investment Committee

The Investment Committee recognizes that matters concerning the investment of the operating fund assets owned by the University merit serious attention and frequent consideration.

1. The Investment Committee, at a minimum, will consist of: an individual designated by the Board of Trustees; the Chief Financial Officer of the University; the Treasurer of the University; and a representative from University academics. In addition, up to two business community and other representatives with specific expertise in investment and portfolio management may be added to strengthen the Committee's capabilities. The need for adding members will be determined by the Chair of the Board of Trustees in consultation with the Chair of the Finance and Audit Committee.

The Investment Committee, with the guidance and recommendations of the investment consultant hired by the University, is responsible for:

- directing all of its efforts toward the investment objectives stated in the IPS
- performing at least annually a review of the investment objectives stated in the IPS
- ensuring that the objectives stated in the IPS are practical and reflect the mission of the University
- hiring an investment consultant, subject to the approval of the Board of Trustees
- implementing and monitoring the asset allocation policy
- conducting an annual formal review of the investment structure
- developing an updated financial projection a minimum of every three years
- selecting and monitoring of qualified, competent investment managers
- terminating investment managers failing to maintain acceptable quantitative (e.g. risk/return profile) and/or qualitative (e.g. organizational changes) standards
- developing and reviewing the objectives and guidelines given to each specific investment manager
- meeting at least quarterly to review the results of the investment portfolios
- determining whether the investment objectives set forth herein are being met and whether the investment guidelines are being followed
- providing regular performance to the Board of Trustees with regular performance reports on the investment portfolios

Staff

The staff is an integral part of the day to day requirements of the operating portfolio. The staff has the responsibility of administering and coordinating the implementation decisions made by the Investment Committee and the Board of Trustees. The staff is responsible for:

- administering the investments of the Fund at the lowest possible cost, being careful to avoid sacrificing quality
- administering the rebalancing policy
- day-to-day interaction with the consultants and investment managers

Investment Guidelines

Investment guidelines establish parameters for the Total Fund and for each investment manager to follow while implementing their respective investment strategies. Guidelines address asset allocation, restricted transactions, diversification, quality and turnover.

I. Asset Class/Category Characteristics

Cash Equivalents

The purpose of the cash equivalents portfolio is to provide liquidity to fund operational expenses, debt service and other short term cash needs.

Fixed Income

This asset class is intended to be representative of the overall U.S. investment grade bond market. The purpose of the fixed income portfolio is to provide a high level of current income to provide liquidity for intermediate cash flow needs and to provide diversification benefits during periods of a stock market decline.

TIPS

Treasury Inflation Protected Securities are fixed income investments in which the principal is adjusted periodically based on changes in CPI. The purpose of the TIPS portfolio is to provide fixed income like returns with the additional diversification benefits of inflation protection.

High Yield

This asset class is intended to be representative of the non-investment grade U.S. bond market (bonds rated BB or lower). The purpose of this fixed income portfolio is to provide a higher level of current income to compensate for the additional level of credit risk employed. The purpose of this portfolio is to provide some return enhancement and diversification benefit in order for the Fund to realize long-term growth above inflation.

Absolute Return

This asset class is intended to be representative of a broadly diversified hedge fund strategy intended to provide an “absolute return” in any market environment with low – intermediate level of risk. This strategy is intended to provide modest return enhancement to that of fixed income with diversification benefits derived from its low correlation to other asset classes.

REITS

This asset class is intended to be representative of the Real Estate Investment Trust market. The purpose of the REIT portfolio is to provide a higher level of current income and capital appreciation than fixed income with diversification benefits from its low correlation to both stocks and bonds.

Commodities

[This asset class is intended to be a passively managed representation of a direct investment in a diversified commodities strategy. A direct investment is either through the purchase of the physical commodity \(e.g., crude oil, metals\) or the purchase of derivatives \(e.g., futures\). The principal roles for commodities in the portfolio are as a portfolio risk diversifier, and an inflation hedge, providing an expected offset to assets such as fixed rate instruments, which typically lose value during periods of unexpected inflation.](#)

U.S. Equity

This asset class is intended to be representative of the overall U.S. stock market. The purpose of the equity portfolio is to provide a high level of capital appreciation in order for the Fund to realize long-term growth above inflation.

International Equities

The purpose of the international equity portfolio is to provide exposure to equity in international developed equity markets. Exposure to international equities enhances returns of the combined equity portfolio while reducing return volatility.

II. Investment Pools

Total Combined Pool - This pool is the overall combined portfolio of the Operating Funds Investment Pool. In its entirety it is intended to satisfy the overall objectives and constraints set forth in the Investment Policy Statement herein.

The Total Combined Pool is divided into three distinct pools; each pool has a different investment time horizon, investment objective and minimum and maximum asset class allocations.

Working Capital Pool – This pool is intended to provide for the immediate normal operating requirements of the University (funds awaiting clearance), and other short-term investments of the University. This pool may include certain restricted funds and therefore, will comply with any applicable state and/or federal laws, rules and regulations.

Reserve Pool – This pool encompasses a state mandated unencumbered reserve. This pool is intended to be invested over the medium-longer term.

Strategic Capital Pool – The cash needs of this portfolio are intermediate and long term in nature. Therefore, this pool is intended to be invested over the medium-term, and will provide returns commensurate with an intermediate term investment time horizon.

** Revenue Bonds proceeds will be outside of the purview of these investment pools and will be invested in compliance with all relevant federal and state laws.*

III. Authorized Investments

Investment guidelines establish parameters for each investment manager to follow while implementing their respective investment strategies. The following information addresses authorized investments and restrictions at the overall asset class policy level. Each underlying manager will have a specific set of guidelines that may be more restrictive than those at the overall policy level.

US Equity Portfolios

Investment Guidelines - US Equity	
Authorized Investments:	Status
Equity securities denominated in US dollars and traded on recognized US exchanges including NASDAQ	Authorized
Common and preferred Stock	Authorized
Securities convertible into common and preferred stock	Authorized
Rights and warrants	Authorized
Depository receipts	Authorized
Cash vehicle available through the trustee	Authorized
Restrictions:	Guideline
Maximum investment in an individual company	5% of account market value
Maximum ownership of an individual company's outstanding shares	10%
Maximum cash or cash equivalent position	10% of account market value
Maximum position in preferred stocks	5% of account market value
Maximum position in convertible securities	5% of account market value
Maximum position in rights and warrants	10% of account market value
Maximum position in depository receipts	10% of account market value
Margined stocks	Prohibited
Shorts sales	Prohibited
Real or personal property	Prohibited
Commodities or commodity contracts	Prohibited
Swaps, options, or other derivatives	Prohibited
Limited partnerships	Prohibited
Venture capital	Prohibited
Letter stock and other securities restricted as to public resale	Prohibited
Borrowing and/or lending funds or securities	Prohibited
Maximum position in dollar-denominated equity securities issued by non-US domiciled companies but traded on a recognized US exchange	10% of account market value
Investments with a market capitalization less than the smallest security or greater than the largest security in the Benchmark at time of purchase	Prohibited
Maximum position in investments with a market capitalization less than the smallest security or greater than the largest security in the Benchmark	5% of account market value

Fixed Income – Investment Grade

Investment Guidelines - Investment Grade Fixed Income	
Authorized Investments:	Status
Fixed Income securities issued in the U.S. investment grade bond market	Authorized
Rule 144A securities with registration rights	Authorized
Non dollar securities and securities of issuers outside the U.S.	Authorized
U.S. Treasury, Agency, Eurodollar, and Swap financial futures	Authorized
Interest rate swaps	Authorized
Options on securities otherwise allowable under the guidelines	Authorized
Agency mortgage dollar rolls	Authorized
Cash vehicle through trustee	Authorized
Restrictions:	Guideline
Maximum invested in securities not paying in US dollars	10% of account market value
Maximum invested in issuers domiciled outside the US	10% of account market value
Maximum invested in non US dollar-denominated assets	10% of account market value
Cross-currency hedging	Prohibited
Rated by both S&P and Moody's (except US government and agency securities)	Required
Rated BBB-/Baa3 or higher at time of purchase	Required
Convertible securities and preferred stocks	Prohibited
Maximum position in securities not rated or rated BB+ /Ba1 or lower	5% of account market value
Collateralized securities must have a credit quality rated AAA by S&P and rated Aaa by Moody's	Required
Interest-only (IO) securities	Prohibited
Collateralized Bond Obligations, Collateralized Debt Obligations, and Collateralized Loan Obligations	Prohibited
Credit derivatives	Prohibited
Maximum per any one issuer	5% of account market value
Maximum duration exposure derived from futures, options or swaps	20%
Borrowing and/or lending of funds or securities	Prohibited
Leverage	Prohibited

Fixed Income – High Yield

Investment Guidelines - High Yield Fixed Income	
Authorized Investments:	Status
Registered high yield and Rule 144A, with registration rights, fixed income securities and debt obligations issued by public, corporate, and sovereign entities	Authorized
Securities issued or guaranteed by the US government, its agencies and instrumentalities	Authorized
Forward contracts on "eligible" securities	Authorized
Common stock, preferred stock and options or warrants to purchase common or preferred stock only where included in a unit with, or attached to, fixed income securities or upon conversion of a convertible security or exercise of a warrant or option or received in a reorganization	Authorized
Convertible securities and preferred stocks, if most of their value is attributable to their yield and other fixed income features	Authorized
Cash vehicle through trustee	Authorized
Restrictions:	Guideline
Maximum position in an individual security (excluding Government securities)	5% of account market value
Maximum position in any one issuer (excluding Government securities)	5% of account market value
Maximum position in Rule 144A, with registration rights, securities	5% of account market value
Maximum position in emerging market debt (corporate or sovereign debt of countries with credit rating BB+/Ba1 or lower)	5% of account market value
Purchase of securities on margin	Prohibited
Short sales	Prohibited
Securities lending	Prohibited
Employ leverage	Prohibited
Structured securities (e.g. ABS, CMBS, CDO) except for equipment trust certificates	Prohibited
Maximum position in equipment trust certificates	5% of account market value
Investment in direct real estate or real estate mortgage loans	Prohibited
Debt issued by corporate entities involved in real estate otherwise allowed under these guidelines	Permitted
Investment in commodities or commodity contracts	Prohibited
All securities at the time of purchase must be rated single-B or higher by both S&P and Moody's (securities issued w/o rating are exempt if one can be reasonably expected within one month of issuance)	Required
Maximum invested in securities not rated single-B or higher by both S&P and Moody's and any equity securities received into the account	5% of account market value

International Equity

Investment Guidelines - International Equity	
Authorized Investments:	Status
Countries represented in the MSCI EAFE benchmark	Authorized
Equity securities of companies domiciled in countries represented in the MSCI EAFE benchmark	Authorized
Common and Preferred Stock	Authorized
Securities convertible into common and preferred stock	Authorized
Rights and warrants	Authorized
Depository receipts	Authorized
Rule 144A securities	Authorized
Foreign currency and currency forwards of countries allowable under the guidelines	Authorized
International index futures contracts used solely for hedging purposes	Authorized
Cash vehicle available through the trustee	Authorized
Restrictions:	Guideline
Maximum investment in an individual company	5% of account market value
Maximum ownership of an individual company's outstanding shares	10%
Maximum cash or cash equivalent position	10% of account market value
Maximum position in preferred stocks	5% of account market value
Maximum position in convertible securities	5% of account market value
Maximum position in rights and warrants	10% of account market value
Maximum position in private placement securities eligible for resale pursuant to Rule 144A	10% of account market value
Private placements outside of Rule 144A	Prohibited
Maximum position in depository receipts	10% of account market value
Margined stocks	Prohibited
Shorts sales	Prohibited
Real or personal property	Prohibited
Commodities or commodity contracts	Prohibited
Swaps, options, or other derivatives	Prohibited
Limited partnerships	Prohibited
Venture capital	Prohibited
Letter stock and other securities restricted as to public resale	Prohibited
Foreign currency and currency forward contracts for hedging purposes	Permitted
Use of derivatives to expose more than 100% of the net assets of the account to equity securities	Prohibited
Net aggregate holdings of foreign currency exposure in excess of net assets of the account	Prohibited
Borrowing and/or lending of funds or securities	Prohibited

Authorized Investments – Hedge Funds

As this asset class is intended to be representative of a broadly diversified hedge fund strategy intended to provide an “absolute return” in any market environment with low – intermediate level of risk. This strategy is expected to be implemented through a fund-of-funds investment vehicle. The organization managing the fund-of-fund vehicle must be registered with the SEC. Specific investment guidelines will be reviewed and approved by the Investment Committee prior to the implementation of such an investment vehicle.

Authorized Investments – Commodities

This asset class is intended to be representative of a passively managed commodities portfolio. It requires staying current at all times with the objectives of the manager’s investment policy for discretionary commodity portfolios and the requirements of these guidelines.

The manager may buy or sell futures, forwards, options and swaps on both individual commodities as well as the derivatives on commodity indices. Although this account is intended to be passively managed, should the account migrate to an active management strategy, a short duration fixed income portfolio will be maintained as collateral. The guidelines for investment grade fixed income portfolios contained herein must be followed.

The Portfolio may hold a portion of its assets in cash and cash instruments, including short-term investment vehicles. Although certain investments may exhibit characteristics of leverage transactions, the Portfolio will be managed to produce an unleveraged return. The Portfolio will not borrow money or use derivatives for the Portfolio in a manner that has the purpose of creating investment leverage.

The investment management firm responsible for managing the assets must be registered with the SEC. Specific investment guidelines will be reviewed and approved by the Investment Committee prior to the implementation of such an investment vehicle.

Investment Guidelines - Commodities

<u>Authorized Investments:</u>	<u>Status</u>
<u>Securities represented in the DJ – UBS Commodity Index</u>	<u>Authorized</u>
<u>Commodity Groups Currently Included in the Dow Jones-UBS Commodity Index</u>	
<u>Energy</u>	<u>Authorized</u>
<u>Agriculture</u>	<u>Authorized</u>
<u>Industrial Metals</u>	<u>Authorized</u>
<u>Precious Metals</u>	<u>Authorized</u>
<u>Livestock</u>	<u>Authorized</u>
<u>Commodities Currently Included in the Dow Jones-UBS Commodity Index</u>	
<u>Aluminum, Coffee, Copper, Corn, Cotton, Crude Oil, Gold, Heating Oil,</u>	<u>Authorized</u>
<u>Lean Hogs, Live Cattle, Natural Gas, Nickel, Silver, Soybeans, Soybean</u>	
<u>Oil, Sugar, Unleaded Gasoline, Wheat and Zinc</u>	
<u>Futures, Forwards, Options and Total Return Swaps</u>	<u>Authorized</u>
<u>Commodity or Commodity Contracts</u>	<u>Authorized</u>
<u>Restrictions:</u>	<u>Guideline</u>
<u>Maximum weight to any commodity group</u>	<u>33% of account market value</u>
<u>Minimum weight to any single commodity</u>	<u>2% of account market value</u>

Commingled Investment Vehicles and/or Mutual Funds

Investment may be made in commingled vehicles and or mutual funds in which a specified set of guidelines developed for a broad number of institutions are already predetermined. It will be expected that these portfolios be managed in a manner consistent with but not specific to the specified restrictions made in this section. These guidelines will be reviewed and approved by the Investment Committee prior to the implementation of such an investment vehicle.

IV. Asset Allocation Guidelines

The long-term allocation guidelines adopted by the Florida International University Board of Trustees shall be expressed in terms of a target and ranges for each asset class to provide sufficient flexibility to take advantage of shorter-term market opportunities as they may occur. The asset allocation shall be sufficiently diversified to maintain risk at a reasonable level without imprudently sacrificing return.

The target allocation to each asset class will differ between the various pools as denoted in a previous section of the IPS. The asset allocation of each of the individual investment pools and the total combined pool are summarized in **Appendix I – Asset Allocation Targets and Rebalancing Policy**.

V. Manager Selection

For the Strategic and Reserve Pools, the Investment Committee, with the guidance and recommendations of the consultant, is responsible for the selection and continued monitoring of qualified, competent investment managers. The manner of procurement will be in compliance with University policy and Florida law.

For the Working Capital Pool, management is authorized to invest in the following managers and investments:

- Florida State Treasury
- State Board of Administration
- Qualified Public Depositories as defined by the State of Florida
- U.S. Government and its Agencies
- Money Market and Short Term Fixed Income Funds rated AA or higher by at least two of the following ratings agencies: Moody's Investors Service, Standard & Poor's and Fitch.
- Variable rate bonds issued by or on behalf of The FIU Athletics Finance Corporation (for the construction of the FIU Stadium) or the FIU Foundation, Inc. (for the construction of the MARC building) as an investment on a temporary, short-term basis in accordance with any applicable Internal Revenue Service guidelines. The authority to invest in such bonds is specifically limited to any portion of the Working Capital pool that does not constitute funds awaiting clearance and shall not extend to funds awaiting clearance. In the event this investment vehicle is utilized at any time, any such investments in these bonds shall only be made upon prior written approval by the Chairperson of the University Board of Trustees and the Chairperson of the Board's Finance and Audit Committee, and the University President.

VI. Performance Measurement & Evaluation

Investment objectives provide quantifiable standards to measure and evaluate the progress of both the investment pools and each individual investment manager. For the purpose of monitoring and evaluating the ongoing investment activity and results, both relative and comparative performance standards and objectives are defined.

1. **Relative standards** are used to review the return and risk at both the Pool and individual manager level. The relative standards for the pool level will represent a target policy index that will be constructed from the relative market indices weighted by the Total Fund's target allocation to each asset class. Each individual investment manager will be evaluated relative to an appropriate benchmark. An appropriate benchmark is defined as an identifiable market index or a "normal" portfolio that is constructed to replicate the manager's investment style. Benchmarks for each investment manager are identified in the Individual Manager section of this document.
2. **Comparative standards** are used to evaluate the returns of both the pool and each of its asset class components.

3. **Objectives** are established to measure the long-term (3 to 5 years) results of the Total Pool and each investment manager. The Committee must recognize the limitations of reviewing results over short-term horizons; however, current performance can serve as an early indication of the Fund's progress toward meeting the more fundamental primary objectives.

The Fund's performance objectives can be divided into two components: objectives for the overall fund and objectives for the individual portfolio components. Both levels of objectives will be incorporated into quarterly reviews of the Fund's performance. The performance objectives for each individual investment pool and the Total Combined Pool are detailed in **Appendix II – Performance Objectives**.

REASON FOR POLICY (O*)

This document will provide the framework for the investment management of Florida International University's operating funds investment pool (the "Fund"). Specifically, it will address:

- the general goals of the investment program
- the policies and procedures for the management of the Funds' assets
- investment guidelines (asset allocation)
- performance objectives

The philosophy incorporated herein is to allow for sufficient flexibility in the management process to capture investment opportunities as they may occur, yet set forth reasonable parameters to ensure prudence and care in the execution of the investment program.

CONTACTS (R)

Administrative Office's Address

[John M. Miller](#)
[Interim Senior Vice President of Administration](#)
[and Chief Financial Officer](#)
[Tony Vu](#)
[University Treasurer](#)
 Florida International University
 11200 S.W. Eighth Street, PC 523
 Miami, Florida 33199

Telephone Number

(305) 348-~~2101~~[2544](#)

Fax Number

(305) 348-~~3678~~[2990](#)

HISTORY (R)

Effective June 29, 2005; Revision Date(s): September 11, 2007; March 12, 2008; March 30, 2009; [September 24, 2010](#)

***R = Required *O = Optional**

RELATED INFORMATION (O)**Appendix I – Asset Allocation Targets & Rebalancing Policy****Asset Allocation Guidelines**

The asset allocation guidelines differ between the various funds, and are summarized as follows:

	<u>Working Capital Pool</u>	<u>Strategic Capital Pool</u>	<u>Reserve Pool</u>	<u>Total Combined Pool</u>
<u>% of Total</u>	<u>30%</u>	<u>60%</u>	<u>10%</u>	<u>100%</u>
Cash Equivalents	40.00%	0.00%	0.00%	12.00%
Short-Int. Fixed Income	60.00%	0.00%	0.00%	18.00%
Fixed Income (Inv. Grade)	0.00%	27.5%	27.5%	19.25%
High Yield	0.00%	10.00%	10.00%	7.00%
<u>Total Fixed Income</u>	<u>100.00%</u>	<u>37.50%</u>	<u>37.50%</u>	<u>56.25%</u>
TIPS	0.00%	17.5%	17.5%	12.25%
REITS	0.00%	7.50%	7.50%	5.25%
Commodities	0.00%	5.0%	5.0%	3.50%
<u>Total Real Assets</u>	<u>0.00%</u>	<u>30.00%</u>	<u>30.00%</u>	<u>21.00%</u>
U.S. Equity – Large Cap	0.00%	8.00%	8.00%	5.60%
U.S. Equity – Small Cap	0.00%	2.00%	2.00%	1.40%
International Equity	0.00%	7.50%	7.50%	5.25%
<u>Total Equity</u>	<u>0.00%</u>	<u>17.50%</u>	<u>17.50%</u>	<u>12.25%</u>
<u>Absolute Return</u>	<u>0.00%</u>	<u>15.00%</u>	<u>15.00%</u>	<u>10.50%</u>
<u>Total</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Asset Allocation Ranges and Rebalancing Policy

Asset allocation refers to the strategic deployment of assets among the major classes of investments such as domestic equity, fixed income and cash equivalents. The asset allocation decision reflects the Fund's return requirements as well as the Fund's tolerance for return variability (risk) within the context of the expected liabilities of the fund. Asset allocation policy is widely recognized and accepted as the primary source of return and risk for the investment program. It is used for setting the parameters for long term risk and return in order to meet the Plan's long-term financial objectives. The Florida International University Board of Trustees has adopted an asset allocation policy that identifies the strategic target weights to each of the major asset classes. The tables below highlight the general asset classes approved for investment, the strategic target weights and the allowable ranges around the target weights:

<u>Working Capital Pool</u>	<u>Target (%)</u>	<u>Minimum (%)</u>	<u>Maximum (%)</u>
Cash Equivalents	40	0	90
Short Term Fixed Income	60	0	90
<u>Reserve Pool</u>	<u>Target (%)</u>	<u>Minimum (%)</u>	<u>Maximum (%)</u>
Cash Equivalents	0	0	5
Fixed Income (Investment Grade)	30	25	35
TIPS	20	15	25
Absolute Return	15	10	20
High Yield	10	7	15
Commodities	5	2.5	7.5
REITS	7.5	5	10
International Equity	7.5	4.5	10.5
Domestic Equity	10	5	15

Strategic Capital Pool	<u>Target (%)</u>	<u>Minimum (%)</u>	<u>Maximum (%)</u>
Cash Equivalents	0	0	5
Fixed Income (Investment Grade)	30	25	35
TIPS	20	15	25
Absolute Return	15	10	20
High Yield	10	7	15
<u>Commodities</u>	<u>5</u>	<u>2.5</u>	<u>7.5</u>
REITS	7.5	5	10
International Equity	7.5	4.5	10.5
Domestic Equity	10	5	15
Total Combined Pool	<u>Target (%)</u>	<u>Minimum (%)</u>	<u>Maximum (%)</u>
Working Capital Pool	30	25	93
Strategic Capital Pool	60	0	70
Reserve Pool	10	7	20

A **Rebalancing Policy** is designed to provide a disciplined approach to control the risk exposure of the Fund to the investment categories that have deviated from the established target policy weights. Rebalancing parameters are addressed at the asset class level. The rebalancing policy requires a reallocation to be made whenever the quarter-end allocations exceed the minimum or maximum allocations specified above. Naturally occurring cash flows shall be used to the fullest extent possible to minimize transaction costs and rebalance toward policy targets.

Appendix II – Performance Objectives

The performance objectives for the overall fund are threefold:

1. objective relative to asset allocation targets
2. objective relative to capital market assumptions
3. objective relative to inflation

The first objective results in a comparative index that reflects the University's unique asset allocation policy (see example in Table 1). Exceeding this objective indicates that the active management of the various portfolio components has added value over a passively-managed fund with a similar asset mix. The second objective, to compare asset class performance to the capital market assumptions, ensures that the asset mix continues to achieve the long-term goals of the Fund. The inflation objective requires that the investment performance provide an adequate real return over the expected rate of inflation, the primary driver of costs.

Individual portfolio components also have performance objectives reflecting the unique investment style of each category. The investment style and performance benchmarks are also shown in Table 1.

TABLE 1 –

Five-Year Performance Objectives Methodology

1. Relative to asset allocation targets, indexes that represent appropriate asset classes

Target Portfolio Weight	x	Representative cash equivalent portfolio
Target Portfolio Weight	x	Investment grade fixed income index
Target Portfolio Weight	x	TIPS index
Target Portfolio Weight	x	Absolute return benchmark
Target Portfolio Weight	x	High yield fixed income index
Target Portfolio Weight	x	REIT Index
<u>Target Portfolio Weight</u>	<u>x</u>	<u>Commodities Index</u>
Target Portfolio Weight	x	Broad U.S equity index
<u>Target Portfolio Weight</u>	<u>x</u>	<u>International equity index</u>
100%		Total Fund Benchmark

Total Combined Pool -objectives (net of all fees and costs)

Relative to asset allocation targets, index weighted by:

30%	x	91 Day Treasury Bill rate
<u>2419.25%</u>	x	<u>LehmanBarclay's</u> Aggregate Bond Index
<u>4412.25%</u>	x	<u>LehmanBarclay's</u> TIPS Index
<u>7.0%</u>	x	<u>ML High Yield Master II Index</u>
10.5%	x	CPI + 3.25% (<i>Absolute Return benchmark</i>)
<u>7.03.5%</u>	x	<u>ML High Yield Master II S&P GSCI Commodity</u> Index
5.25%	x	Wilshire REIT Index
7.0%	x	Dow Jones Wilshire 5000 Index (US Equity broad market)
<u>5.25%</u>	x	<u>MSCI EAFE (int'l developed markets)</u>
100%		Total Combined Pool Benchmark

Working Capital Pool -objectives (net of all fees and costs)

Relative to asset allocation targets, index weighted by:

<u>100%</u>	x	91 Day Treasury Bill rate
100%		Working Capital Pool Benchmark

Strategic Capital Pool -objectives (net of all fees and costs)

Relative to asset allocation targets, index weighted by:

<u>3027.5%</u>	x	<u>LehmanBarclay's</u> Aggregate Bond Index
<u>2017.5%</u>	x	<u>LehmanBarclay's</u> TIPS Index
15%	x	CPI + 3.25% (<i>Absolute Return benchmark</i>)
10%	x	ML High Yield Master II Index
7.5%	x	Wilshire REIT Index
<u>5.0%</u>	x	<u>S&P GSCI Commodity Index</u>
10%	x	Dow Jones Wilshire 5000 Index (US Equity broad market)
<u>7.5%</u>	x	<u>MSCI EAFE (int'l developed markets)</u>
100%		Strategic Capital Pool Benchmark

Reserve Pool -objectives (net of all fees and costs)

Relative to asset allocation targets, index weighted by:

<u>3027.5%</u>	x	<u>LehmanBarclay's</u> Aggregate Bond Index
<u>2017.5%</u>	x	<u>LehmanBarclay's</u> TIPS Index
15%	x	CPI + 3.25% (<i>Absolute Return benchmark</i>)
10%	x	ML High Yield Master II Index
7.5%	x	Wilshire REIT Index
<u>5.0%</u>	x	<u>S&P GSCI Commodity Index</u>
10%	x	Dow Jones Wilshire 5000 Index (US Equity broad market)
<u>7.5%</u>	x	<u>MSCI EAFE (int'l developed markets)</u>
100%		Reserve Pool Benchmark

2. Relative to capital market assumptions: (Wilshire's published assumptions, -20072010)

Expected Return (%), (Inflation at 2.25%)

Cash Equivalents	3.00
Fixed Income	5.25
TIPS	5.00
Absolute Return	7.75
High Yield	6.75
REITs	5.75
<u>Commodities</u>	<u>4.50</u>
U.S Equity	8.25
International Equity	8.25

3. Relative to inflation: Total Combined Pool - 3.5% in excess of Consumer Price Index

This page intentionally left blank

THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Audit Committee

September 8, 2010

Subject: Foundation Report

Proposed Committee Action:
None. Discussion Item.

Background Information:

The FIU Foundation, Inc. Report contains the Preliminary Financial Statements Recap and Investment Summaries as of June 30, 2010.

Supporting Documentation: FIU FOUNDATION, INC. – Preliminary Financial Statements Recap & Investment Summaries, June 30, 2010

Facilitator/Presenter: Richard Brilliant, *Treasurer, FIU Foundation Inc., Board of Directors*

This page intentionally left blank

FIU FOUNDATION, INC.

**PRELIMINARY
FINANCIAL STATEMENTS RECAP
& INVESTMENT SUMMARIES**

June 30, 2010

This page intentionally left blank

FIU FOUNDATION, INC.
Preliminary Recap of Statement of Activities
Through the Period Ended June 30, 2010

(In Thousands of Dollars)

	2009-10	2009-10		2008-09
	12-Month	12-Month		12-Month
	<u>Budget</u>	<u>Actuals</u>	<u>Variance</u>	<u>Actuals</u>
REVENUES:				
<u>Contributions:</u>				
Endowments	\$ 4,273	\$ 9,751	\$ 5,478 [1]	\$ 3,169
Non-Endowed Funds:				
Scholarship & Programs	\$ 4,100	\$ 6,052	\$ 1,952 [2]	\$ 6,943
Building Funds	\$ 184	\$ 2,718	\$ 2,534 [3]	\$ 1,803
Annual Fund	\$ 365	\$ 404	\$ 39 [4]	\$ 432
Pledged Revenue	\$ 11,200	\$ 825	\$ (10,375) [5]	\$ 4,362
TOTAL CONTRIBUTIONS	\$ 20,121	\$ 19,749	\$ (373)	\$ 16,709
<u>Other Revenues:</u>				
MARC Building - Rental Income	\$ 1,331	\$ 1,350	\$ 18	\$ 1,031
Estimated Investment Returns	\$ 4,729	\$ 10,342	\$ 5,613 [6]	\$ (37,487)
Administrative Fee	\$ 1,387	\$ 712	\$ (675) [7]	\$ 118
TOTAL OTHER REVENUES	\$ 7,447	\$ 12,404	\$ 4,956	\$ (36,337)
TOTAL REVENUES	\$ 27,569	\$ 32,152	\$ 4,583	\$ (19,628)
EXPENSES:				
<u>University Programs:</u>				
Scholarships & Programs	\$ 6,263	\$ 6,349	\$ (87)	\$ 9,367
Building Funds	\$ 1,342	\$ 1,848	\$ (506) [8]	\$ 1,449
Annual Fund	\$ 207	\$ 200	\$ 7	\$ 345
TOTAL UNIVERSITY PROGRAMS EXPENSES	\$ 7,812	\$ 8,397	\$ (586)	\$ 11,161
<u>Operational:</u>				
MARC Building	\$ 1,306	\$ 740	\$ 565 [9]	\$ 990
Administrative Reserve	\$ 1,387	\$ 1,311	\$ 76 [10]	\$ 1,495
General Reserve	\$ 1,490	\$ 1,712	\$ (222) [11]	\$ 1,555
Administrative Fee	\$ -	\$ 356	\$ (356) [12]	\$ 118
TOTAL OPERATIONAL EXPENSES	\$ 4,183	\$ 4,119	\$ 64	\$ 4,158
TOTAL EXPENSES	\$ 11,994	\$ 12,516	\$ (522)	\$ 15,319
EXCESS REVENUES OVER EXPENSES	\$ 15,574	\$ 19,636	\$ 4,062	\$ (34,947)

**These financial statements recaps reflect revenues and expenses on a modified accrual basis.*

***Please refer to Appendix A for detailed variance notes.*

Variance Notes:

[1] The positive variance of \$5.5 million for endowed revenues is a result of the collection of a \$2 million pledge payment in support of a Geriatrics Chair in the College of Medicine expected in the previous fiscal year, receipt of \$4.1 million in pledge payments in support of various new endowments in the College of Medicine, the collection of \$550,000 in pledge payments in support of two new endowment in the School of Hospitality Management, and the receipt of a \$205,000 pledge payment in support of a new endowment in religious studies in the College of Arts & Sciences. The positive variance was offset by the non-collection of a \$1.5 million pledge payment in support of a Geriatrics Chair in the College of Medicine expected in June 2010 (receipt this payment is expected in the first quarter of FY 2010-11).

[2] Due to the negative state of the economy last year, non-endowed revenues were budgeted conservatively in anticipation of decreased donations. The positive variance of \$1.9 million for non-endowed revenues is a result of the collection of various new gifts as well as the early collection of several expected donations, particularly in support of University-Wide Scholarships & Programs (mainly as a result of additional contributions to the First Generation Scholarship program), Wolfsonian Museum, College of Business Administration, and College of Nursing & Health Sciences.

[3] The positive variance of \$2.5 million for building fund revenues is a result of the following new gifts: \$1 million in support of the Athletics Field House, \$832,893 for the BBS Dining Facility in the School of Hospitality Management, and \$93,589 in support of the Astrophysics Center. There have also been additional gifts in excess of what was expected made in support of the Alumni Center totaling \$491,725, the College of Nursing & Health Sciences building for \$83,688, the International Hurricane Center for \$45,000, and the Beverage Management Center in the School of Hospitality Management totaling \$20,485.

[4] The positive variance of \$39,000 in Annual Fund revenues is a result of the following: \$11,000 over budgeted amount was raised by the Annual Giving program; new membership on the Board of Directors resulted in \$20,000 in excess of the budgeted amount; and an additional \$8,000 in merchandise royalties was collected.

[5] The budgeted change in contributions receivable for the 12-month period ended June 30, 2010 was \$11.2 million versus the actual change in contributions receivable for this period, which totaled \$824,896, resulting in a negative variance of \$10.4 million. The majority of the negative variance is related to expected new gift agreements that have not yet been signed for the following units: \$5.1 million for the College of Medicine, \$2.8 million for the College of Business Administration, \$1 million for the College of Nursing & Health Sciences, \$1 million for the Frost Art Museum, and \$500,000 for the School of Journalism and Mass Communication. Approximately \$1 million in expected proposals were declined and are no longer expected. Furthermore, there is an unbudgeted \$30 million estate gift for which a letter of intent has been received from the donor; however the pledged revenue for this gift will not be realized until the fully executed gift agreement is received.

Below is an aging schedule of all Foundation contributions receivable, net of a 1.47% allowance as of 6/30/10:

	Current Year	1-2 years**	3-4 years	5+ years	TOTAL
ENDOWED*	\$10,182,195	\$20,799,255	\$20,682,904	\$4,685,430	\$56,349,783
NON-ENDOWED*	\$1,953,844	\$2,560,540	\$700,076	\$783,427	\$5,992,888
TOTAL*	\$12,136,038	\$23,359,795	\$21,382,980	\$5,468,857	\$62,342,671

[6] Upon the recommendation of Consulting Services Group (CSG) and the Board's Investment Committee, investment returns were budgeted at 5%, or \$4.7 million, for the 2009-10 fiscal year. The monthly budgeted returns were forecasted based on our asset allocation and the historical performance of indexes for each asset class. Current fiscal year-to-date gains total approximately 10.6%, or \$10.3 million, which exceed expected returns. The biggest contributor to these returns was the fixed income sector delivering fiscal year-to-date returns of 13.3%, followed by alternative investments and equities at 10.3% and 10.0%, respectively. The Foundation is still pending June 30th investment management statements from one alternative investment manager. Once that information is received, final investment figures will be computed, and the distribution of investment income to endowments will be recorded.

[7] Due to the negative market conditions in the previous two fiscal years, funding for the Administrative Reserve, which is derived from the administrative fee charged to endowments at year end, was expected to be insufficient to cover budgeted expenses. As such, a \$1.04 million transfer from the General Reserve to the Administrative Reserve was budgeted to cover anticipated expenses. Due to the net surplus of revenues derived from the Annual Fund combined with other expenditure savings, only \$356,487 (\$192,487 in May and an additional \$164,000 in June) was transferred from the General Reserve to the Administrative Reserve this fiscal year. The positive variance was reduced by the unbudgeted Board-approved 2% administrative fee charged to endowments on June 30, 2010 of approximately \$355,535.

[8] Upon the university's request, the following unbudgeted transfers for building funds were made this fiscal year from the Foundation to the university: \$1 million for the Athletics Field House; \$259,000 for the Arena; \$20,485 for the Beverage Management Center in the School of Hospitality Management; and \$40,000 for the Kovens Center in BBC. All of these unbudgeted expenses are related to new, unbudgeted gifts received this year in support of building funds. The resulting \$1.3 million negative expense variance, however, was offset by \$820,000 in budgeted building funds transfers that were not requested from the university this fiscal year

[9] The majority of the positive variance for the MARC building expenses is related to \$500,000 in budgeted expenses for the repair of the stucco on various areas of the building's exterior which is not expected to be incurred by the end of this fiscal year. In addition, there have been interest savings on the variable component of the MARC building loan as a result of the low interest rate environment. There have also been savings in MARC building utilities and repairs & maintenance expenses of approximately \$20,000. Please note the expenses do not reflect depreciation expense for the building.

[10] The positive variance of \$76,000 for Administrative Reserve expenses was a result of the following: \$35,000 was budgeted for the President's performance bonus which is payable on his third year as President of FIU, per his employment contract; Presidential travel expenses this fiscal year were \$14,000 less than anticipated; there was a \$17,000 savings in lobbying expenses; and only \$40,000 of the \$50,000 budgeted were assessed by the Florida Board of Governors office.

[11] Due to the negative market conditions in the previous two fiscal years, funding for the Administrative Reserve, which is derived from the administrative fee charged to endowments at year end, was expected to be insufficient to cover budgeted expenses. As such, a \$1.04 million transfer from the General Reserve to the Administrative Reserve was budgeted to cover anticipated expenses. Due to the net surplus of revenues derived from the Annual Fund combined with other savings in terms of budgeted expenses, only \$356,487 (\$192,487 in May and an additional \$164,000 in June) was transferred from the General Reserve to the Administrative Reserve this fiscal year. The positive variance was offset by the unbudgeted transfer of approximately \$1.28 million out of the General Reserve and into the corresponding colleges' accounts for contractually mandated distributions to endowment spending (\$610,034 transferred in October 2009 pertaining to the previous fiscal year's endowment distributions, approximately \$669,436 transferred in June 2010 pertaining to the current fiscal year's endowment distributions.

[12] The unbudgeted Board-approved 2% administrative fee charged to endowments on June 30, 2010 was approximately \$355,535 and is considered revenue to the Administrative Reserve.

**As of the date of this report (8/11/10), the Foundation is still pending June 30th investment management statements from one alternative investment manager. As such, the investment figures and endowment administrative fee reflected on these statements are deemed estimates. In addition, the Foundation's accounting records remain open throughout the course of the audit, and additional accruals may be recorded through September 15, 2010.*

This page intentionally left blank

Florida International University Foundation, Inc.
Performance Summary as of
June 30, 2010

<u><i>Fund/Manager/Inception Date</i></u>	<u>Market Value</u>	<u>% Allocation</u>	<u>Target Allocation</u>	<u>Current Month</u> 6/1/2010 6/30/2010	<u>Trailing 3 Months</u> 3/31/2010 6/30/2010	<u>Calendar YTD 2010</u> 12/31/2009 6/30/2010	<u>Fiscal YTD</u> 6/30/2009 6/30/2010	<u>Trailing 3 Year</u> 6/30/2007 6/30/2010	<u>Trailing 5 Year</u> 6/30/2005 6/30/2010	<u>Since Investment Inception</u>
Total Fund (6/30/00)	\$119,502,107	100.0%	100.0%	-2.4%	-6.8%	-3.6%	10.6%	-5.6%	1.3%	1.7%
Total Fund Composite				-2.3%	-6.8%	-3.3%	11.7%	-4.1%	1.7%	1.1%
+/- Benchmark				-0.1%	0.0%	-0.3%	-1.1%	-1.6%	-0.4%	0.6%
Total Equity Accounts (6/30/00)	\$62,193,949	52.0%	55.0%	-4.8%	-12.6%	-8.8%	10.0%	-10.7%	-0.2%	-0.1%
Total Equity Composite				-4.7%	-12.3%	-8.1%	13.5%	-11.4%	-0.8%	-2.2%
+/- Benchmark				0.0%	-0.3%	-0.7%	-3.5%	0.7%	0.6%	2.1%
Total Fixed Income Accounts (6/30/00)	\$28,887,295	24.2%	22.0%	2.1%	3.6%	5.8%	13.3%	8.2%	6.2%	6.5%
Total Fixed Income Composite				2.0%	2.8%	4.4%	9.4%	6.4%	5.3%	5.8%
+/- Benchmark				0.1%	0.8%	1.5%	3.9%	1.7%	1.0%	0.7%
Total Alternative Investments (3/1/02)	\$28,420,863	23.8%	23.0%	-1.3%	-2.4%	-0.6%	10.3%	-5.5%	1.3%	3.7%
Total Alternative Composite				-1.6%	-3.4%	0.0%	12.6%	-0.1%	2.2%	3.4%
+/- Benchmark				0.3%	1.0%	-0.6%	-2.3%	-5.4%	-0.8%	0.3%

Florida International University Foundation, Inc.
Performance Summary as of
June 30, 2010

<u><i>Fund/Manager/Inception Date</i></u>	<u>Market Value</u>	<u>% Allocation</u>	<u>Target Allocation</u>	<u>Current Month</u> 6/1/2010 6/30/2010	<u>Trailing 3 Months</u> 3/31/2010 6/30/2010	<u>Calendar YTD 2010</u> 12/31/2009 6/30/2010	<u>Fiscal YTD</u> 6/30/2009 6/30/2010	<u>Trailing 3 Year</u> 6/30/2007 6/30/2010	<u>Trailing 5 Year</u> 6/30/2005 6/30/2010	<u>Since Investment Inception</u>
Total Fund (6/30/00)	\$119,502,107	100.0%	100.0%	-2.4%	-6.8%	-3.6%	10.6%	-5.6%	1.3%	1.7%
Total Fund Composite				-2.3%	-6.8%	-3.3%	11.7%	-4.1%	1.7%	1.1%
+/- Benchmark				-0.1%	0.0%	-0.3%	-1.1%	-1.6%	-0.4%	0.6%
Total Equity Accounts (6/30/00)	\$62,193,949	52.0%	55.0%	-4.8%	-12.6%	-8.8%	10.0%	-10.7%	-0.2%	-0.1%
Total Equity Composite				-4.7%	-12.3%	-8.1%	13.5%	-11.4%	-0.8%	-2.2%
+/- Benchmark				0.0%	-0.3%	-0.7%	-3.5%	0.7%	0.6%	2.1%
Total Fixed Income Accounts (6/30/00)	\$28,887,295	24.2%	22.0%	2.1%	3.6%	5.8%	13.3%	8.2%	6.2%	6.5%
Total Fixed Income Composite				2.0%	2.8%	4.4%	9.4%	6.4%	5.3%	5.8%
+/- Benchmark				0.1%	0.8%	1.5%	3.9%	1.7%	1.0%	0.7%
Total Alternative Investments (3/1/02)	\$28,420,863	23.8%	23.0%	-1.3%	-2.4%	-0.6%	10.3%	-5.5%	1.3%	3.7%
Total Alternative Composite				-1.6%	-3.4%	0.0%	12.6%	-0.1%	2.2%	3.4%
+/- Benchmark				0.3%	1.0%	-0.6%	-2.3%	-5.4%	-0.8%	0.3%

THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Audit Committee

September 8, 2010

Subject: FY09-10 Financial Performance Review

Proposed Committee Action:
None. Discussion Item.

Background Information:

The Financial Performance Review provides an overview of the University's financial summary for the fiscal year 2009-10.

Supporting Documentation: Financial Summary Overview, FY2009-10

Facilitator/Presenter: Kenneth Jessell

This page intentionally left blank

Florida International University
Financial Summary Overview ¹
FY 2009-10

	Year To Date June 2010			
	Budget ²	Current Year Actual	Variance	
			\$	%
(\$ in millions)				
Revenue / Receipts				
University				
Educational and General (net) ³	342.2	348.6	6.4	2%
University	304.6	310.8	6.2	2%
College of Medicine	22.4	22.6	0.2	1%
State Fiscal Stabilization Fund ⁴	15.1	15.1	0.0	0%
FIU Self-Insurance Program	0.1	0.3	0.2	314%
Auxiliary Enterprises	120.3	129.1	8.8	7%
Intercollegiate Athletics	18.6	19.5	0.9	5%
Activities and Service	11.7	13.0	1.3	11%
Technology Fee	5.7	6.0	0.3	6%
Contracts and Grants	89.5	85.2	(4.2)	-5%
Student Financial Aid	89.2	105.3	16.1	18%
Concessions	0.4	0.4	0.0	1%
Direct Support Organizations				
FIU Athletic Finance Corp	3.6	3.8	0.2	6%
FIU Foundation Inc	22.8	21.8	(1.0)	-4%
FIU Health Care Network	0.1	0.0	(0.1)	-70%
FIU Research Foundation	0.0	0.0	0.0	0%
Interfund Adjustments ⁵	(9.9)	(9.5)	0.5	-5%
Total Operating Revenues	694.2	723.6	29.4	4%
University Treasury (net)	8.7	21.6	12.9	148%
FIU Foundation Inc	4.7	10.3	5.6	118%
Total Investment Revenues	13.4	32.0	18.6	139%
Total Revenues / Receipts	707.6	755.5	47.9	7%
Expenses				
University				
Educational and General (net)	360.1	326.4	33.7	9%
University	322.5	293.0	29.5	9%
College of Medicine	22.4	18.3	4.1	18%
State Fiscal Stabilization Fund ³	15.1	15.1	0.0	0%
FIU Self-Insurance Program	0.1	0.0	0.1	100%
Auxiliary Enterprises	107.4	107.7	(0.3)	0%
Intercollegiate Athletics	19.1	19.0	0.1	0%
Activities and Service	11.4	11.5	(0.1)	-1%
Technology Fee	5.6	3.8	1.9	33%
Contracts and Grants	89.0	80.4	8.6	10%
Student Financial Aid	88.4	108.4	(20.0)	-23%
Concessions	0.4	0.5	(0.1)	-32%
Direct Support Organizations				
FIU Athletic Finance Corp	0.9	0.6	0.3	35%
FIU Foundation Inc	12.0	12.5	(0.5)	-4%
FIU Health Care Network	0.1	0.0	0.1	71%
FIU Research Foundation	0.1	0.1	0.0	23%
Interfund Adjustments	(9.9)	(9.5)	(0.5)	5%
Total Expenses	684.5	661.3	23.2	3%
Principal Payment of Debt ⁶	12.3	10.0	2.3	19%
Change in Net Assets (incl. Investments)	10.8	84.2	73.4	679%
Change in Net Assets (excl. Investments)	(2.6)	52.2	54.9	-2099%

Notes:

- ¹ *The financials presented above reflects the state budgeting methodology which differs from full accrual Financial Statements. The following have the most significant impact:*
 - *Depreciation of Assets: For budgeting purposes equipment purchases are fully expensed in their acquisition year, therefore depreciation is not included in the budget.*
 - *Payables: The E&G budget expenses include year end commitments (encumbrances) even though they have not yet been invoiced.*
 - *Unrealized gains and losses: The investment results are recognized as revenues in the budget however GASB accounting principles*
- ² *YTD Budget FY 2009-10 contains an adjustment to Original Budget for additional revenue due to additional 600 Headcount of \$3.1M (E&G \$1.9M, Auxiliary Enterprises \$0.8M, Intercollegiate Athletics \$0.2M, Activities & Service \$0.1M, and Technology Fee \$0.1M) and additional expense of \$0.1M in Auxiliary Enterprises, resulting in additional net change in assets of \$3.0M. Lastly, \$0.5M of Bad Debt has been reclassified from Expenses to Revenue (Auxiliary Enterprises \$0.2M, Intercollegiate Athletics \$0.2M and Technology Fee \$0.1M).*
- ³ *E&G revenues include State Funding and Tuition and are net of waivers, uncollectible amounts and 30% Financial Aid need-based amounts per BOG regulation. The difference between E&G Revenues and Expenses will be funded from prior years carry forward.*
- ⁴ *State Fiscal Stabilization Fund is appropriated as follows: University \$14.2M, College of Medicine \$0.9M*
- ⁵ *Interfund transfers have been included resulting in higher revenue and expenses by fund allowing for an individual fund performance analysis. The interfund adjustments above eliminate this double counting. However, interfund transactions such as tuition funded by scholarships and auxiliary services provided to other units have not been eliminated. Since revenues and expenses are equal, the interfund adjustments are the same for both.*
- ⁶ *Principal payment of debt reflected above per BOG requirement that debt service payments be shown on a cash basis.*

THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Audit Committee

September 8, 2010

Subject: Business Services Update

Proposed Committee Action:
None. Discussion Item.

Background Information:

The Office of Business Services Update provides information on services, sales and venues.

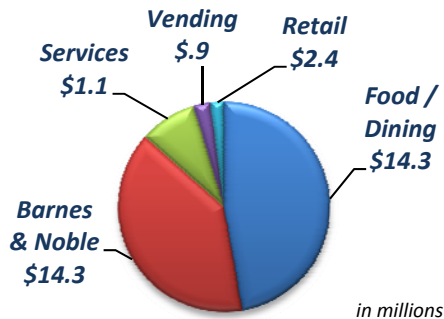
Supporting Documentation: Office of Business Services Update, *September 2010*

Facilitator/Presenter: Liane Martinez

This page intentionally left blank

SALES & VENUES

Over \$33M in FY09-10 sales



15 New & Renovated Retail & Food Venues



BARNES&NOBLE AT FIU

20 Existing Retail & Food Venues



SERVICES

Foodservice Venues

- Opened **PG 5 Market Station** featuring an innovative multiuse retail and food service center offering 6 food service venues, 4,400 sq ft of retail, 3 large volume classrooms, a vibrant multimedia network, a cyber-lounge and over 300 indoor and outdoor seats providing students a place to learn, eat, shop, gather and relax.
- Opened **Chili's Too** June 2010 as South Florida's largest in seating capacity with over 310 seats.
- Opened **Jamba Juice** August 2009 with an expansion for fall 2010.
- Furnished **dining/gathering area in Graham Center**, by replacing and adding 463 tables and chairs and installing new flooring.
- Renovated **Pollo Tropical and Breezeway Café** expanding offerings.
- Introduced **10% discount to all PantherBucks** tied to student meal passes, up to **55% discount** off of regular pricing at Fresh Food Company.
- Introduced **20% discount on employee dining** at all locations.
- 26 venues open daily** (Monday – Friday)
- 10 venues have weekend hours** including Chili' Too, Subway, Fresh Food Co., Bustello, Barnes and Noble at FIU, Starbucks, Dunkin Donuts, Chick-fil-A, Breezeway Café, and POD at BBC library
- Annual foodservice **customer counts exceed 2 million.**

Barnes and Noble at FIU

- Signed 10 year renewal which provided **higher commissions, increased scholarship and provided capital renovation funds.**
- \$1.2M renovation** featuring an updated façade, an expanded café, additional indoor and outdoor seating, a larger convenience store, and a new GameStop, overall creating a state-of-the-art facility accommodating approximately 200 seats.
- Over **\$1.4M returned to students** for textbook buyback annually.
- Over 3,000 textbook titles, 25,000 trade books, and over 1,000 choices of spirit clothing and gift items generating **\$14M+ in annual sales.**
- Launch of full **textbook rental** program planned for fall 2010.

Beverage and Snack Vending – Pepsi

- Signed 9 year contracts which **augmented product offerings, provided higher commissions and significantly increased sponsorship and marketing funds.**
- Over 160 energy efficient beverage machines and 120 snack machines featuring credit card readers and healthy options generating **\$1M in annual sales.**
- Pepsi beverage vending 6-month sales are **59% higher** over previous year.

Office Supplies – Office Max

- Launched reusable shipping container initiative with an estimated annual savings of 8 tons of wood use, and 27 thousand gallons of wastewater, and 3,681 pounds of solid waste.

This page intentionally left blank

THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Audit Committee

September 8, 2010

Subject: Construction Status Report

Proposed Committee Action:
None. Discussion Item.

Background Information:

The Facilities and Construction Update provides an overview and the status of University projects.

Supporting Documentation: Facilities and Construction Update, *August 2010*

Facilitator/Presenter: John Cal

This page intentionally left blank

Facilities & Construction Update (August 2010)

Projects Completed

- **College of Nursing and Health Sciences (CNHS)** - \$46.9M project cost. Fifth floor modifications to accommodate specialized research will be complete by end of October 2010. Space now includes walk-in freezer and environmental room. External audit is in progress.

Projects Under Construction

- **School of International and Public Affairs (SIPA)** - \$22.8M project cost. On schedule and on budget (FY10-11 supplemental appropriation has been received). Building shell is 99% complete. Third floor drywall is up and painting has begun. Second, fourth and fifth floors drywall is 90% complete. Door frames have been installed to accommodate door delivery at the end of September. Mechanical systems are operational. Electrical systems are 90% complete in the Tower. FIU UTS staff is pulling low voltage, telecommunications and data wiring. Auditorium is currently being framed and will be completed by October. First floor classrooms are framed; mechanical, electrical and plumbing systems are in progress. Target move-in date is during the December break. Furniture selection has been completed and orders will be submitted after final finish selection meeting on August 19th. Public Safety Tower impact resistant cap will be installed once the glass enclosure arrives mid-September. Delivery date: November 2010.

Projects Under Design – PECO Approved

- **International Hurricane Research Center (IHRC)** – \$15M project cost. Project remains on-hold until FIU & NOAA reach agreement on lease & MOU. FIU & NOAA have reached conceptual agreement on all substantive issues (building location, temporary balloon launch site, incorporation of balloon launch at new building). The only disagreement appears to be NOAA's insistence to de-link the MOU from the lease. Without an agreement, project funding of \$15M may be at risk. Bottom line: site location is still undecided. Possible reversion would recur in February 2011.
- **Science Classroom Complex** - \$57.7M project cost. Additional funds were added by redirecting cost savings and by re-allocating PECO funds to accommodate the full-load ramp-up of the College of Medicine. The increased scope includes expansion of the vivarium and data center, a larger auditorium style classroom, 12 seminar style classrooms, additional lab space, and faculty offices. The Architect/Engineer, Perkins + Will, and the Construction Manager, DPR Construction, are under contract. The project is now at the Advanced Schematics phase. Delivery date: Fall 2012.

Projects Under Design – CITF Approved

- **GC Expansion** - \$700K project cost – CITF. Phase I/Stage I, Ballroom Restoration, has been completed. Stage II began on August 2, 2010 and will be completed as follows: Faculty Club (August 22); Ballrooms (September 10). GC administration has contracted a consultant to assist with the building's master planning. Study schedule is being developed and should be complete by end of Fall 2010. The study will incorporate current functional requirements consistent with the campus master plan.
- **WUC Improvements** - \$1.5M - CITF. BBC/WUC-220: Construction documents are at 100% complete. Final GMP is to be submitted by August 13th with an intended construction start of mid September 2010. Estimated completion: February 2011.

Projects in Planning Stage

- **Stempel Complex** - \$33.3M project cost. Because of the Governor's veto of the Miami-Dade County Health Department (MDCHD) component, this project currently combines only two programs in one facility: the Robert Stempel College of Public Health & Social Work, and the Ambulatory Care Clinic (ACC). Funding for both the Robert Stempel College of Public Health and Social Work and the ACC is in place, with the College of Medicine responsible for funding the equipment in the ACC. Additional funds have been identified to add a large (350-500 capacity) multi-purpose teaching auditorium (\$4.0M) and a Behavioral Sciences Lab (\$2.0M) to the project. Despite the Governor's veto, the MDCHD component is still being pursued for the next legislative session. If successful, funding would become available in FY 2011-2012. The A/E has been instructed to proceed assuming a delayed addition of the MDCHD component at a future date next fiscal year, dependent on funding. The A/E, Perkins+Will and the Construction Manager (CM), Skanska, are both under contract. The current focus is aimed at validating the ACC program; the A/E is proceeding with a reassessment of the revised program. Projected completion: Spring 2013.
- **Student Academic Support Center (SASC)** - \$30.9M project cost. Gould Evans, A/E, finalized the program and obtained FIU approval for space types and inter-relationships. Four potential locations were presented with the FIU preferred site located south east of the Graham Center. Site location is pending final approval. Final site determination is critical to continue design development. Delivery date dependent on site decision & funding stream.
- **U.S. Century Bank Arena (USCB)** - \$4.5M project cost - CITF. Gould Evans has presented several architectural options with advanced schematics now focused on the selected alternative. Advanced schematics will be presented on August 16th. Arellano Construction was the successful CM. Contract negotiation is complete; the fully executed contract is expected in early September 2010. Efforts continue to focus on accelerating project delivery from June 2012 to December 2011.

- **Satellite Chiller Plant** - \$7.1M project cost. Existing chiller plants with additional equipment will support growth through 2013. This new satellite plant will support requirements beyond 2013, and will provide redundant chiller capability to the Academic Health Center to support critical research facilities. A/E Design for additional equipment implementation has begun. Programming for the SCP will be completed by September 2010. AE and CM selection will proceed starting September 2010.
- **HM Dining & Kitchen Expansion Improvements** - \$2.0M - Auxiliary. Beverage Management Center. Kitchen and Dining Room expansion. Working under a continuing services contract, FIU has engaged the local veteran architectural firm, Echevarria, as a sub contractor to the well known and highly esteemed Miami firm, M.C. Harry to develop the expansion of the HM building to create a full teaching restaurant. Overlooking Biscayne Bay, this is intended to provide students and visitors with a full upscale restaurant experience both back and front of the house. It is adjacent to the Southern Wine and Spirits lecture halls and wine cellar which complete the dining and teaching experience. Planning sessions set a target completion date of December 2011.

Projects Under Construction – Bonded

- **Parking Garage 5/Public Safety/Retail** – Project budget \$40.8M. On schedule & on budget. The 2,000 parking space structure will be operational by August 23rd. Food venue, retail and 3 classrooms will also be operational by August 23rd. Food venue training will begin on August 16th. Furniture is being installed as it arrives. Remaining furniture to arrive on the 11th for the 3 new classrooms with 96, 120 and 144 capacities. With the approved PECO supplemental funding, Public Safety will expand by an additional 6,000 sf of minimally finished shell space; the PSD will be delivered in December 2010. Final completion is on target to be completed by December 2010.

This page intentionally left blank

THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Audit Committee

September 8, 2010

Subject: University Compliance Report

Proposed Committee Action:
None. Discussion Item.

Background Information:

The University Compliance Program Report provides an update on the status of compliance initiatives since the last report dated April 21, 2010. The report, labeled *Exhibit "A"*, provides a summary of the status of the University Compliance Program at Florida International University five years since its implementation.

Supporting Documentation:	University Compliance Program Report Report outlining the status of the University Compliance Program five years since its inception – <i>Exhibit "A"</i>
----------------------------------	--

Facilitator/Presenter:	Leyda Benitez
-------------------------------	---------------

This page intentionally left blank



MEMORANDUM

University Compliance Office

To: The Florida International University
Board of Trustees Finance and Audit Committee

From: Leyda Benitez
University Compliance Officer

Subject: University Compliance Program Report

Date: August 10, 2010

The University Compliance Office respectfully submits this report to the Finance and Audit Committee of the Florida International University Board of Trustees on the status of compliance initiatives since the last report dated April 21, 2010.

Executive Summary

Since the last report to this Committee, significant efforts have been dedicated to the areas of athletics compliance and privacy. In addition, efforts are underway to address developing compliance areas resulting from the operation of the Herbert Wertheim College of Medicine.

With regards to athletics compliance, Florida International University recently underwent a review of the Athletics Compliance Program as required by the Sun Belt Conference once every four years. This review involved the participation of numerous university representatives from diverse areas. In addition, the University will soon embark on an institutional Self-Study which is a part of the NCAA Division I athletics certification program.

In the area of privacy, significant efforts will be dedicated to providing education to the University community regarding privacy obligations in connection with information that is protected from disclosure under federal or state privacy laws such as student education records, social security numbers and financial account information, among others. In addition, work continues in strengthening and refining the policies and procedures to comply with the Health Insurance Portability and Accountability Act of 1996 and implementing regulations.

As the level of activity at the Herbert Wertheim College of Medicine continues to grow and become increasingly more complex from a regulatory standpoint, attention and focus on compliance remain critical.

Since the last report to this Committee, the University Compliance Officer has prepared a Report that outlines the status of the University Compliance Program five years since its inception. A copy of this Report is provided to the Committee for its review and consideration. This report is attached as Exhibit "A."

The remainder of this page intentionally left blank.

Description and current status of institutional compliance initiatives and activities undertaken by, or with the assistance of, the University Compliance Office:

1. University Compliance Program Status Report, June 30, 2010: The end of fiscal year 2010 marked the fifth year anniversary of the institutional compliance program at Florida International University (FIU). In anticipation of this fifth year mark, the University Compliance Office has prepared a report that describes the main components of the University Compliance Program, how the elements for an effective compliance and ethics program are addressed, opportunities for improvement, strengthening and future growth, and challenges that lie ahead.
2. Athletics Compliance Office Oversight: The Athletics Compliance Office is once again fully staffed with the hiring of Ms. Lynn Newson as the Assistant Director of Athletics Eligibility effective July 19, 2010. Ms. Newson comes to FIU from Northern Arizona University where she recently served as the Interim Assistant Athletic Director for Compliance. Ms. Newson has five years of work experience in athletics, with three of these years dedicated to athletics compliance. Ms. Newson earned a Bachelor of Science in Business Management and a Bachelor of Science in Sport, Art, and Entertainment Management from Point Park University and a Master of Education in Sport and Recreation Administration from Temple University. The University Compliance Officer and the Special Assistant to the General Counsel for Athletics Compliance wish to thank the University community for welcoming Ms. Newson and also extend their gratitude to all members of the Interview Committee and University representatives who provided their time and talent to assist in the selection process to fill this important post.
3. Athletics Compliance Education and Training: Education and training efforts by the Athletics Compliance Office since the last report have included:
 - a. Athletic departmental compliance meetings were held in May and in June. Attendance at these monthly meetings is mandatory for staff and coaches. These meetings provide for review of NCAA rules, compliance procedures, explanations and reminders of upcoming timelines and deadlines.
 - b. A voluntary rules review was conducted for coaches on June 22, 2010, in conjunction with the NCAA Rules Certification Test.
 - c. Members of the athletics compliance staff utilized the summer to expand their knowledge of NCAA compliance rules and procedures by attending several conferences and seminars. FIU athletics compliance officers, the University Compliance Officer and other campus administrators and staff represented the University at NCAA Regional Rules Seminars in Indianapolis and Dallas.

- d. In a meeting held on June 28, 2010, the athletics compliance staff, the University Compliance Officer, the Director of Athletics, and the entire men's basketball staff met to discuss the ramifications of the NCAA Basketball Focus Group, its current status and objectives.
 - e. On July 29, 2010, a rules education presentation was provided to the Office of Financial Aid staff. Currently a rules education presentation is in the process of being scheduled for late August-early September for the Office of External Relations which will include campus media and marketing staff.
4. Eligibility Processing: The athletics compliance staff, the Office of the Registrar and the Academic Liaisons met on June 29, 2010. The meeting provided for a review of the positive strides that have been made in eligibility processing and to share ideas for increasing the efficiency of the process.
5. Athletics Compliance Work Groups: The Academic Improvement Plan Group, the Eligibility Work Group and the Admissions Work Group met during the spring and summer, in an effort to continue the broad based campus involvement in athletics compliance activities, to facilitate open communication, and to continue to improve the efficiency of all processes.
6. Sun Belt Conference Compliance Review: On April 28th through the 30th, 2010, the University underwent a review of its athletics compliance program as required by the Sun Belt Conference. The review consisted of the evaluation of written materials submitted to the reviewer as well as the interview of seventeen (17) University representatives from diverse areas. This review resulted in a report containing a number of observations and recommendations for improvement of this program. The University Compliance Officer and the Special Assistant to the General Counsel for Athletics Compliance thoroughly reviewed all observations and recommendations and prepared responses on behalf of the institution. Beginning with the 2010 Fall Term, these offices will work to ensure that the observations and recommendations are addressed, as appropriate.
7. NCAA Self-Study: FIU will begin a year-long Self-Study as part of the NCAA Division I athletics certification program. President Mark B. Rosenberg has appointed Rosa Jones, Vice President of Student Affairs, and Elizabeth Bejar, Vice Provost of Academic Planning and Accountability, as Co-Chairs of the Steering Committee with overall responsibilities for the certification process. The University Compliance Officer has been appointed to serve on the NCAA Steering Committee and the Governance and Compliance Subcommittee and looks forward to the tremendous opportunity this represents in learning more about the institution and in strengthening the

infrastructure that is in place to support the University's athletics program and its student athletes.

8. Clinical Trials Office Work Group: This work group consisting of representatives from the Division of Research, the Herbert Wertheim College of Medicine, Finance and Administration, Controller's Office, General Counsel and University Compliance continued to meet in order to provide recommendations for the structure and functions of a Clinical Trials Office ("CTO"). The CTO would serve to facilitate the various scientific, financial and regulatory aspects of a clinical trial from its inception (*e.g.* protocol development) through close out (*e.g.* billing compliance). The members of the work group were asked to address, in writing, one or more critical aspects of the CTO and to provide this information to the Associate Vice President for Research who would prepare a comprehensive report. The work group will meet again to discuss this comprehensive report which will be forwarded to senior leadership for consideration.
9. Compliance Education and Training: Since the last report, the University Compliance Office's education and training efforts include:
 - a. Compliance and Ethics Education and Training for New Employees: The University Compliance Office continues to provide education and training on compliance and ethics to new employees during orientation.
 - b. Ethics Presentation: On April 28, 2010, the Deputy General Counsel and the University Compliance Officer provided a presentation on ethics as part of the Workshop Series offered through the Office of Sponsored Research Administration.
 - c. HIPAA Education and Training:
 - i. Since the last report to this Committee, HIPAA education has been offered on three occasions: May 19, June 8 and June 30, 2010.
 - ii. On September 1, 2010, HIPAA education and training will be provided to the students from the College of Medicine, Nursing and Social Work who will be participating in the NeighborhoodHELP™ Program.
 - iii. The University Compliance Office continues to participate in the Media and Technology Support, Division of Information Technology Services' pilot phase of the deployment of the Moodle learning management system and is planning to provide for on-line HIPAA education and training.
 - d. Identity Theft Prevention: Since the last report, identity theft prevention education and training sessions have been conducted on May 5 and 19, July 12 and 14 and August 3,

2010. The University IT Security Officer, who Co-Chairs the Identity Theft Prevention Committee, has led these training sessions.

10. Conflict of Interest Electronic Disclosure Process: This work group, led by Vice President for Human Resources Jaffus Hardrick, is developing an electronic disclosure process for conflicts of interest. The electronic portal would allow all University faculty and staff to access the electronic portal for disclosures that are necessary due to any actual or perceived conflict within the context of employment, commitment, or research. The work group, which includes representatives from Academic Affairs, College of Medicine, Compliance, Human Resources, Information Technology, General Counsel and Research, has met to discuss the process, forms, education and training and communications campaign to launch this new disclosure process. The work group anticipates that this process will be ready for launch during the upcoming fall term.
11. EthicsPoint Reports Review Committee: This Committee, comprised of the Vice President for Human Resources, the Internal Audit Director and the University Compliance Officer, meets on an as needed basis to discuss new or existing reports received through EthicsPoint, the University's ethics and compliance hotline. The Committee structure works effectively and efficiently in the review and allocation of responsibilities regarding each report.
12. Health Insurance Portability and Accountability Act (HIPAA) Policies, Procedures and Forms: There are a number of policies, procedures and forms under development in order to provide the framework for compliance with HIPAA for the use and disclosure of personally identifiable health information in the conduct of research and also in order to comply with new requirements under the Health Information Technology for Economic and Clinical Health Act, referred to as the HITECH Act, effective February 17, 2009. At present, ten (10) policies, five (5) forms and two (2) form agreements are being finalized and will be provided to senior leadership for review. The University Compliance Officer wishes to thank Karina Rodriguez and Ricardo Rodriguez, junior attorneys who are recent graduates from the FIU College of Law, for their assistance in this matter.
13. Higher Education Opportunity Act Compliance: The Office of the General Counsel and University Compliance Office developed a comprehensive work plan to address the various areas impacted by the regulations issued under the Higher Education Opportunity Act (HEOA) and implement any necessary changes. Memoranda addressing new requirements in connection with accreditation, articulation agreements, readmission of service members and voter registration requirements, among others, have been circulated to various University representatives with follow up provided by the

Office of the General Counsel. A number of additional HEOA requirements are addressed in memoranda that will soon be distributed. The Office of the General Counsel and the University Compliance Office will continue to offer guidance and assistance to the various University areas in connection with any necessary implementation efforts. The work required under the HEOA will be ongoing until at least the conclusion of the 2010-2011 academic year.

14. Privacy: Social Security Numbers: FIU must notify individuals before collecting their social security number (SSN) and inform them of the purpose for such collection, in accordance with Florida Statute 119.071(5)(a)(2). The Office of the General Counsel (OGC) recently conducted a thorough review of the University's practices which has resulted in a comprehensive list of the University divisions, departments, or units that collect, use, or release SSNs. The list identifies the FIU divisions, departments, or units that collect, use, or release SSNs, specifies the purpose and statutory authority, and whether the collection, use or release is required by law, authorized by law, or imperative to perform their duties. The OGC and the University Compliance Office have met with University representatives from various areas in order to better understand their collection practices and to ensure that such practices comport with statutory requirements. A process has been established for any new FIU divisions, departments or units that intend to collect, use or release SSNs whereby they will be responsible for preparing the notice that they intend to provide to individuals regarding their need for the collection of the SSNs and submit such notification for approval to the OGC before any collection, use, or release of SSNs takes place. The projected time line for completion of this phase of the project is September 30, 2010.
15. Privacy: Breach of Unsecured Data: In early May, 2010, and in connection with the efforts made by the University's IT Security Office in order to address a hacking incident involving the College of Education's web page, the IT Security Office found the existence of a database containing sensitive information that did not reside in a secure computing environment. This database was used in connection with the College of Education students' E-Folio software application, which captured students' mastery of State of Florida and national teacher education standards through the tracking of grades, test scores, completed assignments and other data elements. The database thus contained sensitive information including GPAs, test scores and social security numbers on over 19,407 students and the social security numbers of 88 faculty members. The University's IT Security Office took immediate steps to secure the server and within a day additional steps were taken to remove the sensitive data from the server and prevent further exposure. As required by Florida law, the University sent out notices to all individuals whose information was exposed as a result of this incident. A number of proactive steps

have been identified as a result of this incident and the IT Security, General Counsel and University Compliance representatives are working on proactive measures and initiatives in the area of privacy and data security which are grounded on education and prevention.

16. Summer Camps/Programs Involving Minors: This work group has met on multiple occasions since the last report to this Committee. The recommended approach for the approval of camps and enrichment programs involving the participation of minors on campus, whether sponsored through FIU or an outside entity, has been thoroughly reviewed and vetted through the work group. The next step is to present the policy, procedures and recommended guidelines to the Operations Committee and the President for their review and approval. It is anticipated that this phase of the project will be completed by no later than September 30, 2010, with this work group continuing to meet on an as needed basis to guide the implementation of the policy and address any issues that may arise.
17. University Health Services: The University Compliance Office provided guidance and support to University Health Services in connection with its application for renewal of the clinical laboratory license for its facility within the Modesto Maidique Campus. The renewal application was submitted to the State of Florida Agency for Health Care Administration (AHCA) as of July 28, 2010. The University awaits additional follow up and instruction from AHCA in connection with this matter.
18. University Web Policies and Procedures: This work group, consisting of representatives from Academic Affairs, Information Technology, External Affairs and Media Relations, General Counsel and University Compliance developed a number of policies, procedures and guidelines to be used in connection with University Web sites and social networking media. The work group must reconvene to finalize its recommendations and review of documents. The work group will reconvene by no later than September, 2010.
19. University Policies and Procedures Library:
 - a. Since the last report to this Committee, the following areas have added new policies or had existing policies revised or transitioned and posted to the University's Policies and Procedures Library:
 - i. Academic Affairs
 1. Teaching Qualifications and Documentation
 2. Course Syllabi Requirements

- ii. Division of Finance & Administration
 - 1. Tuition and Associated Fees Installment Payment Plan Procedure
- iii. Division of Human Resources
 - 1. Moving and Relocation Procedure
 - 2. Bonus Policy
- iv. Division of Information Technology
 - 1. Data Stewardship Procedure
 - 2. IT Security Procedure: System and Application Management
- v. Division of Student Affairs
 - 1. Qualifying for Services From the Disability Resource Center
 - 2. Eligibility for Adapted Testing Through Disability Resource Center
 - 3. Course Substitution Requests Through Disability Resource Center
 - 4. College Level Academic Achievement Test (CLAST) Waiver Through Disability Resource Center
 - 5. Course Modification Requests Through Disability Resource Center
 - 6. Qualification for Interpreter, Reader, Note Taker, and Other Assistance
 - 7. Special Admissions Consideration Through Disability Resource Center
 - 8. Use of Adapted Technology Provided by Disability Resource Center
 - 9. Obtaining Textbooks and Other Materials in Alternative Media Through Disability Resource Center
 - 10. Priority Registration Through Disability Resource Center
 - 11. International Student and Scholar Services (ISSS) Policy
 - 12. ISSS Procedures:
 - a. 41 procedures were revised and transitioned into the new template. Some of those procedures include:
 - i. Approval/Filing of Immigration Applications for International Students
 - ii. Change of Non-Immigrant Status (COS) to F-2
 - iii. I-20 Endorsement for Travel
 - iv. International Students: Periodic Reporting in SEVIS

- v. Maintaining Valid F-1 Status
 - vi. Medical Insurance Requirement for International Students
 - vii. Reduction of Course Load Required by International Students - Completion of Degree Requirements
 - viii. Release of Requested Information to Department of Homeland Security (DHS) Immigration Agencies
 - ix. Replacement of Form I-94 (Arrival/Departure Record)
 - x. Withdrawal From the University by International Students - Request for 15-day Grace Period
-
- vi. Office of the General Counsel
 - 1. Developing University Wide Policies
 - 2. FIU Records Policy
 - vii. Office of Sponsored Research Administration
 - 1. Tuition and Fee Charges on Sponsored Project Budgets
 - 2. Payroll Clearing Accounts
 - 3. Inventions and Patents
 - 4. Close Out of Sponsored Projects
 - 5. Research Misconduct
 - 6. Cost Sharing Tracking on Sponsored Project Award
 - 7. No Cost Extensions of Sponsored Projects
 - 8. Extra State Compensation Policy

I respectfully submit this report to the Finance and Audit Committee of the Florida International University Board of Trustees in anticipation of the meeting scheduled to take place on September 10, 2010. As always, I welcome your questions, comments and concerns.

Thank you for your kind attention and consideration.

EXHIBIT A

FLORIDA INTERNATIONAL UNIVERSITY

UNIVERSITY COMPLIANCE PROGRAM STATUS REPORT

JUNE 30, 2010

FLORIDA INTERNATIONAL UNIVERSITY
UNIVERSITY COMPLIANCE OFFICE
11200 SW 8 STREET • PC 520
MIAMI, FL 33199

INDEX

	Page
EXECUTIVE SUMMARY	2
Introduction.....	3
Compliance Program Elements.....	5
I. Establish and Maintain Compliance Standards and Procedures	6
II. Governing Body Knowledgeable About the Compliance Program and High-Level Personnel Designated as Responsible	9
III. Exercise Due Care in Assignments With Substantial Discretionary Authority.....	10
IV. Effectively Communicate the Standards and Procedures through Dissemination of Information; Education and Training Tailored to Respective Roles and Responsibilities.....	11
V. Establish Monitoring, Auditing and Reporting Systems (Complaints Without Fear of Retaliation).....	14
VI. Consistently Enforce Standards Through Appropriate Mechanisms.....	15
VII. Respond Appropriately to the Criminal Conduct and to Prevent Further Similar Criminal Conduct from Taking Place	16
VIII. Periodically Conduct Risk Assessments and Take Reasonable Appropriate Steps to Modify Each Requirement Based on These Risk Assessments.....	17
Conclusion	18

EXECUTIVE SUMMARY

This Report provides a summary of the status of the University Compliance Program at Florida International University five years since its implementation. This Program, which serves to oversee compliance on a university-wide basis, is patterned after the requirements for effective compliance and ethics programs established by the U. S. Sentencing Guidelines for Organizations. Each element of the Program is individually addressed with a brief overview of its status and an explanation regarding opportunities for improvement.

Maintaining the University Compliance Program is an ever evolving process which will not become static, or dormant, but which will continue to grow and gain strength in policy, in infrastructure and in culture -- a strong, ethical culture that exemplifies FIU employees' commitment to doing things right and Worlds Ahead.

UNIVERSITY COMPLIANCE PROGRAM

STATUS REPORT

Introduction

Through its mission and institutional values statement, Florida International University continuously reaffirms its commitment to:

- Freedom of thought and expression
- Excellence in teaching and in the pursuit, generation, dissemination, and application of knowledge
- Respect for the dignity of the individual
- Respect for the environment
- Honesty, integrity and truth
- Diversity and
- Strategic, operational and service excellence

The University community understands that these values do not and cannot exist in a vacuum, but within the framework of those state and federal laws that apply to Florida International University as a public institution that is a part of the State University System under the governance of the State of Florida Board of Governors and The Florida International University Board of Trustees.

Florida International University maintains a compliance and ethics program patterned after the requirements for effective compliance and ethics programs established by the U.S. Sentencing Guidelines for Organizations.¹ The goals for an effective compliance and ethics program at Florida International University are two-fold:

- To assist in the prevention and detection of conduct that is contrary to applicable law or established University policy; and
- To promote a culture within the institution that encourages ethical conduct and a commitment to compliance with laws.

Beginning with the hiring of the University Compliance Officer in May of 2004 and the presentation of the concept of an institutional compliance program to various constituencies during the Fiscal Year 2004-2005, the University Compliance Program has served to oversee compliance on a university-wide basis for the past five years.

In addition, the University Compliance Office has three distinct areas of operational oversight responsibility:

- As of the summer of 2006, the University Compliance Office launched the University Policies and Procedures Library, an on-line repository of official university policies and

¹ United States Sentencing Guidelines § 8 B2.1 (November 1, 2004).

UNIVERSITY COMPLIANCE PROGRAM
STATUS REPORT

- procedures. The University Compliance Office is intrinsically involved in the policy review, approval and maintenance processes.
- As of September, 2009, the University Compliance Officer has been designated as the Interim Privacy Officer for the institution.
 - As of January, 2010, the University Compliance Officer was assigned oversight of the Athletics Compliance Office at the University, which carries principal responsibility in connection with NCAA legislation and rules compliance.

This Status Report describes the main components of the University Compliance Program, how each individual element for an effective compliance and ethics program is met and addressed, opportunities for improvement, and challenges that lie ahead. This Status Report is written as of the end of Fiscal Year 2009-2010, marking the fifth year anniversary since the implementation of the program at Florida International University.

Prepared and respectfully submitted by,

Leyda Benitez, J.D.
Associate Vice President and University Compliance Officer

Compliance Program Elements

The essential elements of an effective compliance and ethics program are the following:

1. Establish and maintain compliance standards and procedures.
2. Governing body knowledgeable about the compliance program and high-level personnel designated as responsible.
3. Exercise due care in assignments with substantial discretionary authority.
4. Effectively communicate the standards and procedures (through dissemination of information; education and training tailored to respective roles and responsibilities).
5. Establish monitoring, auditing and reporting systems (complaints without fear of retaliation).
6. Consistently enforce standards through appropriate mechanisms.
7. Respond appropriately to the criminal conduct and to prevent further similar criminal conduct from taking place.
8. Periodically conduct risk assessments and take reasonable appropriate steps to modify each requirement based on these risk assessments.²

² United States Sentencing Guidelines § 8 B2.1 (November 1, 2004).

I. Establish and Maintain Compliance Standards and Procedures

1. The Operating Procedures of The Florida International University Board of Trustees (“the Procedures”) clearly delineate the specific responsibilities of the Finance and Audit Committee in relation to the University’s compliance policies and procedures. Specifically, the Procedures provide that the Finance Committee shall review with the Office of Internal Audit and the University Compliance Officer the following:
 - The University’s monitoring of compliance with University policies, including (but not limited to) policies regarding the conduct of research.
 - The results of the University’s monitoring and enforcement of compliance with University standards of ethical conduct and conflict of interest policies.³
2. The University Compliance Officer plays a very active role in the oversight of the process by which official University administrative policies and procedures are developed and presented to senior leadership for approval.⁴
3. The University Compliance Officer meets on a regular basis with the Office of Research representatives regarding the University’s research policies and procedures, and works closely with these representatives in developing new, or revising existing, policies and procedures.
4. As part of the continuous improvement process to ensure that policies and procedures are updated as necessary, and represent current practice, the University Compliance Office meets with policy “owners” from the various University divisions and units to ensure that the policies and procedures are periodically reviewed and updated, as necessary.
5. In addition to policies and procedures, The Florida International University Board of Trustees has the authority to, and does periodically, promulgate regulations, which process is overseen by the Office of the General Counsel. The regulations are maintained through the Office of the General Counsel in an on-line format that meets the formal requirements specified by the regulation-making process (i.e., searchability, archive ability, and notification requirements).
6. Key to the University community in connection with institutional compliance obligations are two separate policies which are addressed in turn:
 - a. **University Policy #140.105, Ethics in Purchasing and Gift Policy.** (Effective August 3, 2009). This policy reaffirms FIU employees’ obligations to abide by the State of Florida Code of Ethics for Public Officers and Employees, Part III, Chapter 112, Florida Statutes and to:

³ See Operating Procedures of The Florida International University Board of Trustees, Finance and Audit Committee Charter, Appendix “A.”

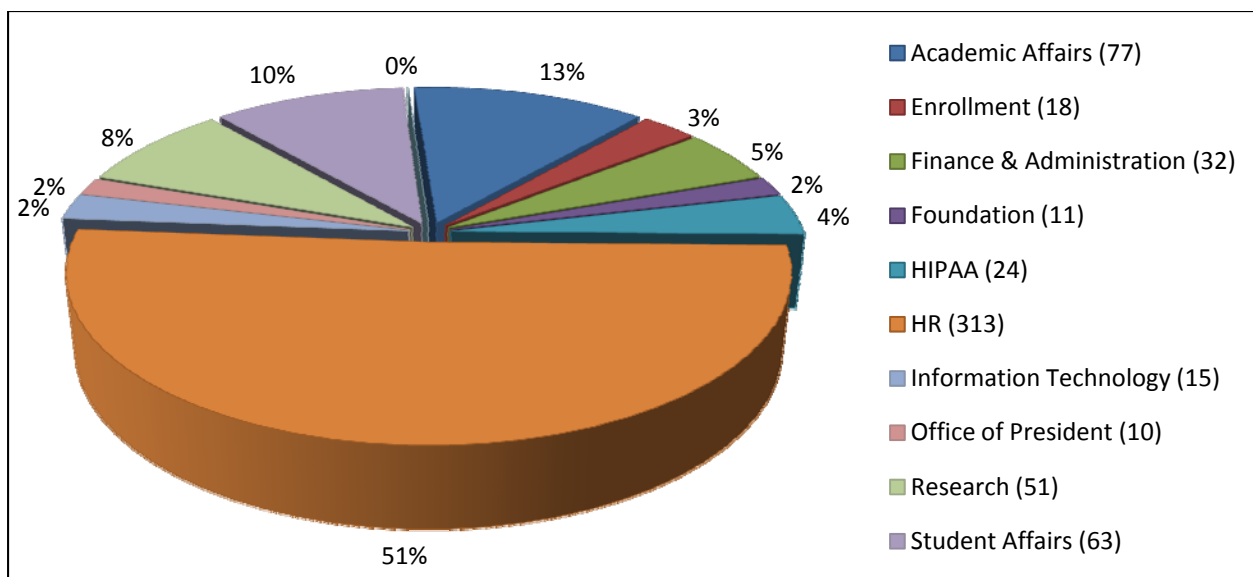
⁴ See University Policy #150.205, Developing University-Wide Policies.

- i. Conduct themselves, in connection with any purchasing activity on behalf of the University, in an unbiased manner that is above reproach in all respects;
 - ii. Be responsible for processing any such purchase in compliance with the highest ethical standards; and
 - iii. Be prohibited from having any employment or contractual relationship that would create a continuing or frequently recurring conflict between the University employee's private interests and the performance of his/her duties on behalf of the University.
 - b. **University Policy #140.110, Fraud Prevention and Mitigation/University Responsibility and Response.** (Effective November 18, 2009). This policy reaffirms FIU employees' obligations to:
 - i. Be familiar with the types of improprieties that might occur within their areas of responsibility and to immediately notify their supervisor, the Office of Internal Audit, the Office of the General Counsel, the University Compliance Office or the Division of Human Resources regarding such improprieties.
 - ii. At the managerial level, be responsible for the detection and prevention of fraud, misappropriation, and other improper behavior through the maintenance of appropriate internal controls and through the creation of a responsible environment by displaying the proper attitude toward complying with applicable laws, regulations and University policies.
7. One challenge that lies ahead in connection with the adoption of University-wide compliance standards is to determine whether, in connection with the University Compliance Program, the University will adopt a compliance-specific code of conduct. At present, the University community is guided by the State of Florida Code of Ethics for Public Officers and Employees, Part III, Chapter 112, Florida Statutes and by the many State of Florida Board of Governors and Florida International University regulations, policies and procedures that apply to FIU employees' and students' conduct.⁵
8. Another challenge which the University is currently addressing is to revisit its conflict of interest disclosure process. A work group which is currently chaired by the Vice President for Human Resources is developing an electronic portal that will capture conflict of interest disclosures in the context of employment and research activities. Members of this work group include representatives from the Office of the Provost, Human Resources, Office of

⁵As a federal contractor, FIU must have in place a contractor code of business ethics and conduct which must be in writing and which must be provided to each employee engaged in the performance of a contract that falls within these regulations. See Federal Acquisition Regulation, 48 CFR §52.203(13). (Final Rule: December 12, 2008).

Research, Division of Information Technology, College of Medicine, Office of the General Counsel and the University Compliance Office.

9. Official University policies and procedures are maintained in an on-line **University Policies and Procedures Library** which was designed and developed through the University Compliance Officer and a Committee convened by senior leadership in late 2004 through late 2006 to review, actualize and bring forth all official University policies and procedures into this on-line repository.
10. In June of 2009, the University Compliance Office created a more efficient process for the removal and archiving of policies and procedures. A new policy template was created to reflect only the name of the responsible University department or division, and not the responsible individual, thus protecting the integrity of the document without the necessity of manipulating each policy document based on personnel changes. All 530 policies and 84 procedures as generated by the various University areas have been transitioned.



11. In September of 2009, the University Compliance Officer presented to senior leadership for review and approval twenty-four policies and procedures to bring the University into compliance with the Health Insurance Portability and Accountability Act of 1996, as amended, and implementing regulations (“HIPAA”). The University Compliance Officer chaired the HIPAA Committee which was comprised, primarily, of representatives from the Division of Student Affairs’ University Health Services. The opening of the Herbert Wertheim College of Medicine and its inaugural class in the Fall of 2009 also prompted the need for implementing the framework for HIPAA compliance. Immediate next steps to ensure compliance with HIPAA are the adoption of necessary policies and procedures that address HIPAA requirements within the context of research.
12. Since September of 2009, the University Compliance Officer also serves as the Interim Privacy Officer for the University. In light of the growing complexity of the University’s

environment for privacy including, without limitation, the College of Medicine faculty and student clinical and research activities, the interdisciplinary nature of clinical and health-related research activities contemplated by the University such as through, for example, the NeighborhoodHELPTM Program, and a recent emphasis on research involving health informatics, the privacy function will need to continue to grow at the University.

II. Governing Body Knowledgeable About the Compliance Program and High-Level Personnel Designated as Responsible

1. The Florida International University Board of Trustees, through its Finance and Audit Committee, is kept apprised of all activities undertaken by, or through the assistance of, the University Compliance Office. The University Compliance Officer submits a written report to the Finance and Audit Committee in anticipation of each Committee meeting and has, since 2004, been available at each of the Finance and Audit Committee meetings to answer any questions, concerns, or follow up inquiries.
2. The University Compliance Program is overseen by the Associate Vice President and University Compliance Officer. The University Compliance Officer reports to the University General Counsel, with a dotted line to both the University President and The Florida International University Board of Trustees.⁶ Since the inception of the Program, the University Compliance Officer has met on a regular basis with the Provost or the Provost's designee. The University Compliance Officer also provides frequent updates to the Senior Vice President of Finance and Administration and Chief Financial Officer regarding compliance initiatives and issues.
3. Compliance at the institution is the responsibility of the entire University Community. A University Compliance Directory is maintained through the University Compliance Program that lists individual administrators throughout the University who have significant day-to-day compliance responsibilities. This directory, available online, lists these individuals by compliance subject matter areas.
4. At the State of Florida Board of Governors (BOG) level, the University Compliance Officer has been a member of the work group assigned by the BOG Inspector General and Director of Compliance to work on the review of the Charter for the BOG Audit and Compliance Committee and the Charter for the Office of Inspector General and Director of Compliance. Most recently, the University Compliance Officer continues to work in the development and review of guidelines for the full implementation of the compliance

⁶ One of the challenges for the University Compliance Program is to consider whether the direct reporting structure of the University Compliance Officer needs to be changed at some point in the future. In its recent \$2.3 billion settlement with the U.S. Department of Justice, Pfizer Inc. entered into an expansive corporate integrity agreement with the Office of Inspector General of the Department of Health and Human Services. Under this agreement, the Compliance Officer cannot report directly to the General Counsel in order to avoid any possible conflict of interest. Additionally, amendments to the U.S. Sentencing Guidelines proposed as of May 3, 2010, which are due to take effect in November 2010, are raising the level of attention and discussion on the reporting structure for compliance officers. One element that will facilitate a compliance program's effectiveness is that the compliance officer "have direct reporting obligations to the governing authority or an appropriate subgroup thereof..." It is not entirely clear whether this requirement consists of a "direct" versus a "dotted" line reporting structure and therefore the University Compliance Office is closely monitoring discussions regarding these recent amendments.

function for the BOG and how this function will evolve in applicability to the State University System.

5. At FIU, compliance work groups are convened, as necessary, in order to address compliance issues, identified gaps or new regulatory requirements. A major emphasis of the University Compliance Program since its inception has been to address research compliance issues and initiatives. In addition, the University Compliance Program has handled compliance initiatives in subject matter areas such as: academic affairs, athletics, environmental health and safety, ethics, export controls, financial processes and internal controls, governmental relations, human resources, identity theft prevention, information technology security, privacy and security of sensitive information, risk management, and student affairs.

III. Exercise Due Care in Assignments With Substantial Discretionary Authority

1. At Florida International University, management is responsible for the detection and prevention of fraud, misappropriation, and other improper behavior that involves a willful or deliberate act or omission with the intention of obtaining unauthorized benefits, services or something of value through unethical or unlawful means. Management is also responsible for creating an accountable environment to prevent improper behavior by displaying the proper attitudes toward complying with applicable laws, University regulations and policies and by maintaining proper internal controls that will provide for the accountability and safeguarding of resources.⁷
2. University's senior leadership is responsible for the creation and maintenance of various offices and functions that oversee compliance throughout the institution. Fairly recently, and due to the University's expanding level of complexity, the institution has developed and will continue to develop compliance related offices and functions within the institution such as, by way of example, the Office of Research Integrity, the Office of Academic Planning and Accountability, and the proposed compliance function and program for the Herbert Wertheim College of Medicine.⁸
3. In addition, the University's senior leadership routinely creates work groups that meet as necessary in order to address a new regulatory requirement, or to address a perceived or actual gap in compliance. The need for these work groups is often times identified through the University Compliance Program. Within the past twelve months, by way of example and not limitation, work groups have included: the Clinical Trials Office Work Group, the Conflict of Interest Disclosure Work Group, the Identity Theft Prevention Committee, the Web and Social Networking Media Work Group, the Payment Card Industry Data Security Standards Work Group, and the Title IX Equity in Athletics Work Group.
4. On a proactive basis, the institution implemented on March 31, 2009, a Pre-Employment Requirements policy that provides: "[a]ll prospective candidates for employment at Florida

⁷ See University Policy #140.110, Fraud Prevention and Mitigation/University Responsibility and Response, effective November 18, 2009.

⁸ As the more difficult compliance areas and concerns cut across purely "divisional" and "functional" lines, it will be important to ensure a certain level of coordination of efforts and consistency in order to maximize the University's compliance efforts especially at a time of severe budgetary constraints. Two possible ways to achieve greater coordination of efforts are discussed in Section VI below.

International University for a regular full-time, part-time or temporary position will, at a minimum, be subject to a reference check, a criminal history check, and any other background check required by law.”⁹

5. As of April 8, 2010, the University also implemented the Payment Card Processing Policy. This policy requires background checks on all employees who are assigned to a position wherein they will handle credit card payments and is a part of the University’s framework to address compliance with the Payment Card Industry Data Security Standard.¹⁰

IV. Effectively Communicate the Standards and Procedures through Dissemination of Information; Education and Training Tailored to Respective Roles and Responsibilities

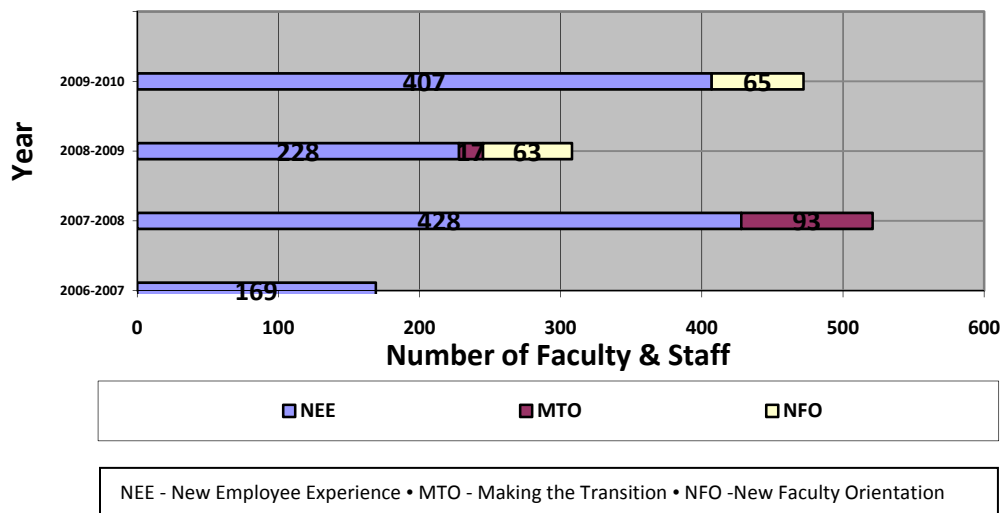
1. Over the past five years, the University community has received significant education and training in compliance related areas such as: conflict of interest, conflict of interest in research, ethics, export controls, privacy and security of sensitive information, including health information, student education records privacy, and identity theft prevention.
2. During Fiscal Years 2004-2005 and 2005-2006, the University Compliance Office provided a total of forty-one education and training sessions in the areas of compliance program elements, effort reporting, ethics in research and in the workplace, policies and procedures project and goals, and research compliance.
3. In November of 2006, the University Compliance Office began to participate in the New Employee Experience (NEE), a full day orientation for all new employees held by the Office of Organizational Development and Learning. Initially, an overview of the University Compliance Office was presented to all new employees on a weekly basis. For employees making the transition (MTO) from part time or temporary employment to full time employment, trainings were held on a monthly basis. In 2009, MTO was combined with NEE and the schedule was modified to hold the orientation on a bi-monthly basis.
4. Additionally, in 2008 the Office of Organizational Development and Learning in collaboration with the Division of Academic Affairs held a New Faculty Orientation (NFO) program. The University Compliance Office participated in the program and has presented at the NFO for the past two years. In support of the NFO, the University Compliance Office developed nine separate education and training modules which are succinct synopses of high risk compliance areas addressing: compliance program and tools, ethics, student education records, privacy, public records, information technology security, research, export controls and disruptive students.
5. The following chart illustrates the number of new and current FIU faculty and staff who have received compliance education and training in connection with their orientation activities:

⁹ See University Policy #1710.257, Pre-Employment Requirements.

¹⁰ See University Policy #1110.025, Payment Card Processing.

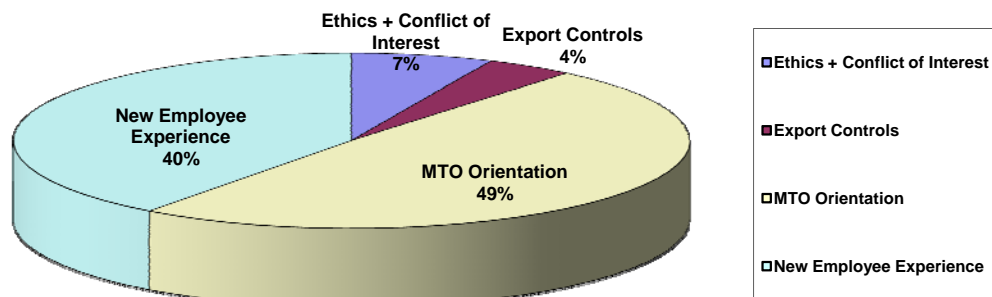
UNIVERSITY COMPLIANCE PROGRAM
STATUS REPORT

Compliance Education Provided During Orientation



6. In the Fall of 2009, the University Compliance Officer and the University Health Services Security Officer developed education and training materials addressing health information privacy and security, respectively. Since the Fall of 2009, thirteen HIPAA education and training sessions have been held and attended by 184 participants.
7. The progression of education and training sessions through the years can be reviewed, as follows:

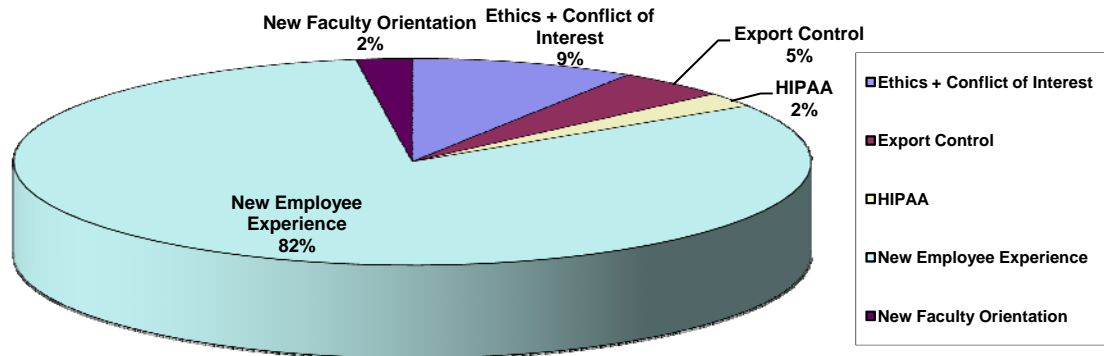
University Compliance Education and Training 2007-2008



FY 2007-2008		
Training	# of Presentations	# Attending
Ethics & Conflict of Interest	8	139
Export Controls	5	57
NEE	47	428
MTO	58	93
TOTAL	118	717

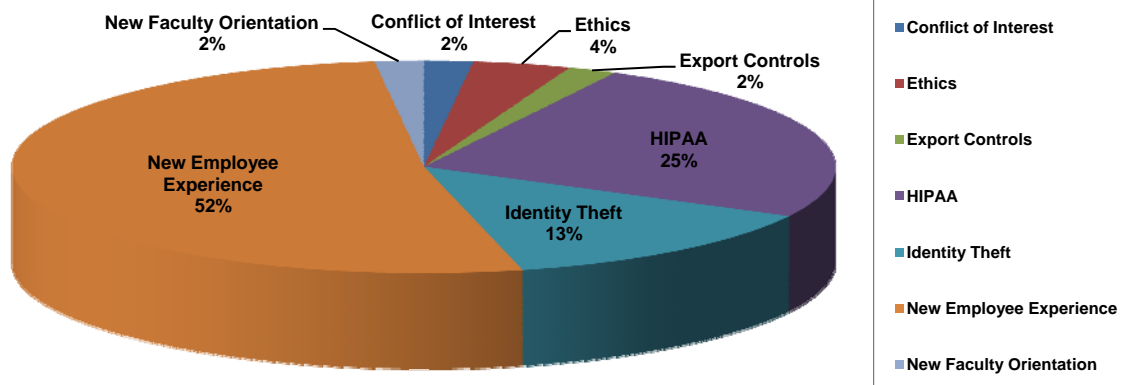
UNIVERSITY COMPLIANCE PROGRAM
STATUS REPORT

University Compliance Education and Training 2008-2009



FY 2008-2009		
Training	# of Presentations	# Attending
Ethics & Conflict of Interest	4	11
Export Controls	2	28
HIPAA	1	15
NEE	36	245
New Faculty Orientation	1	63
TOTAL	44	362

University Compliance Education and Training 2009-2010



FY 2009-2010		
Training	# of Presentations	# Attending
Conflict of Interest in Research	1	27
Ethics & Conflict of Interest	2	30
Export Controls ¹¹	0	0
HIPAA	13	184
Identity Theft	7	127
NEE	26	407
New Faculty Orientation	1	65
TOTAL	50	840

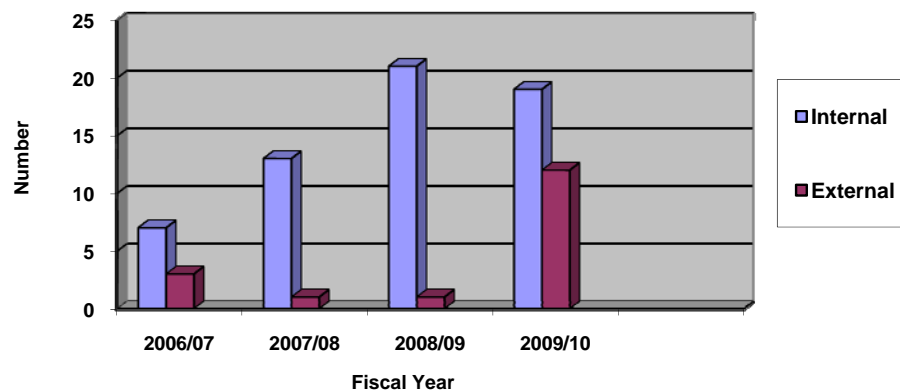
¹¹ Additional sessions on export controls are now being offered through the Office of Sponsored Research Administration workshops, under the leadership of the Associate Director of Research. The Office of the General Counsel and the University Compliance Office participate in several of these workshops.

V. Establish Monitoring, Auditing and Reporting Systems (Complaints Without Fear of Retaliation)

1. In December 2009, the University fully implemented an ethics and compliance hotline that allows members of the University community to report instances of known or suspected misconduct or violation of University policy. This service is provided by an outside vendor and allows the reporter to submit his or her inquiry or complaint on an anonymous basis. The University Compliance Office played a primary role in the creation, development and implementation of this essential element for an effective compliance program.¹²
2. The reports submitted through the ethics and compliance hotline are initially reviewed by a committee of three individuals: the Vice President for Human Resources, the Internal Audit Director and the University Compliance Officer. This Committee is responsible for determining immediate next steps to review the matters raised by the report. Since the launch of the hotline, nine reports have been received.
3. In addition, the University Compliance Officer receives numerous compliance and ethics inquiries by phone, e-mail or in person contact. The following chart tracks inquiries received through the Office including those received through the ethics and compliance hotline:

FY	INTERNAL	EXTERNAL	TOTAL
06-07	7	3	10
07-08	13	1	14
08-09	21	1	22
09-10	19	12	31

Table 1: Growth of inquiries over past 4 years.



¹² Detailed information about the Ethics and Compliance hotline may be accessed at:
http://compliance.fiu.edu/ethics_comp.htm.

VI. Consistently Enforce Standards Through Appropriate Mechanisms

1. Both disciplinary and incentive mechanisms exist through the University's Division of Human Resources. As it relates to claims of discrimination, or potential discrimination, such claims are handled through the Office of Equal Opportunity Programs and Diversity.
2. One challenge in this area is to determine consistency regarding enforcement of standards in areas that go beyond human resources personnel considerations. For example, the Office of Risk Management and Environmental Health and Safety oversees environmental management, compliance and stewardship. The Office of Research Integrity has recently added a monitoring arm that will allow for active monitoring of ongoing research protocols.
3. This is an area that will need significant strengthening through the efforts of all offices and functions that oversee enforcement of compliance standards throughout the University.
4. There are significant opportunities for improvement in this area. One possibility is to ensure that the University Compliance Officer has the ability to oversee, on at least a dotted line reporting basis, the activities of the various University functions with significant compliance responsibility. Some of these areas include, without limitation, the Office of Equal Opportunity Programs and Diversity, the Office of Risk Management and Environmental Health and Safety, the Office of Research Integrity and Post Award, the Office of Academic Planning and Accountability, among others.
5. Another necessary step to ensure greater cooperation, consistency and coordination of efforts throughout these various areas is to create a University Compliance Program Advisory Committee. The concept for this committee has been presented to senior leadership in the past, and a proposed constituency for this committee would be, as follows:

<u>Title</u>	<u>Department</u>
Associate Vice President	Human Resources
Associate Vice President	Office of Research
Senior Associate Athletic Director	Intercollegiate Athletics
Controller	Office of the Controller
Associate Vice President	Information Technology - University
	Technology Services
IT Security Officer	Information Technology
Vice Provost	Academic Affairs
Director	Department of Public Safety
Associate Vice President and	Student Affairs
Ombudsman	
Director	Purchasing
Associate Vice President	University Compliance
Director	Risk Management & Environmental
	Health & Safety
Director	Financial Aid Office

Representative - College of Medicine
Representative - Enrollment Services
Representative - External Relations
Representative - Faculty Member
Representative - Office of the General Counsel

6. The University Compliance Officer would chair the University Compliance Program Advisory Committee which would meet at least quarterly or more often, as needed. The Committee would serve to update senior leaders regarding the status of ongoing compliance initiatives. The Committee would also serve to provide guidance to the institution in terms of any real or perceived compliance gaps; assist in the prioritization of compliance initiatives; increase the level of awareness, education and training regarding these initiatives, and ensure that the University community is consistently enforcing compliance standards as required by applicable law or University policy.
7. The University Compliance Program Advisory Committee would also serve as an effective mechanism to integrate newly created compliance functions or programs such as those under discussion and consideration in connection with clinical trials and billing compliance for the Herbert Wertheim College of Medicine.

VII. Respond Appropriately to the Criminal Conduct and to Prevent Further Similar Criminal Conduct from Taking Place

1. Mechanisms to ensure appropriate responses and preventive measures are in place exist through collaboration between various offices including, without limitation, the Office of the General Counsel, the Office of Internal Audit, the Division of Human Resources, the Division of Academic Affairs and the University Compliance Office.
2. The University Compliance Program Advisory Committee, as set forth in Section VI above, is also a mechanism that could be used to ensure that the University's response is appropriate, timely, and that any necessary preventive measures are put in place in order to avoid the recurrence of the same inappropriate or criminal conduct.
3. Research conducted by the Ethics Resource Center indicates that in 2009, nearly one in two (49%) business employees observed at least one act that constituted a violation of law or of the employer's ethics standards.¹³ Earlier research conducted by the Ethics Research Center also indicates that it is "the culture of an organization that is impacted by an ethics and compliance program, and it is the culture that will be the single largest determinant of the extent to which further criminal activity will occur."¹⁴ In her March 10, 2010 Comment Letter to the U. S. Sentencing Commission, Ethics Resource Center President Patricia Harned noted that the Center's research found that when an organization adopts the elements of an effective compliance program, "misconduct is reduced by as much as 75%,"

¹³ Ethics Resource Center, *2009 National Business Ethics Survey*.

¹⁴ Patricia J. Harned, Ph.D., President, Ethics Resource Center, *Comment Letter to the U.S. Sentencing Commission*, March 10, 2010.

reporting of observed misconduct doubles, and retaliation against whistleblowers is essentially eliminated.” Dr. Harned goes on to note: “Yet our research has also shown that the implementation of the Guidelines yields these outcomes because a well-implemented program lends itself to the establishment of a strong ethical culture. It is the culture that, in turn, drives these dramatic changes.”¹⁵

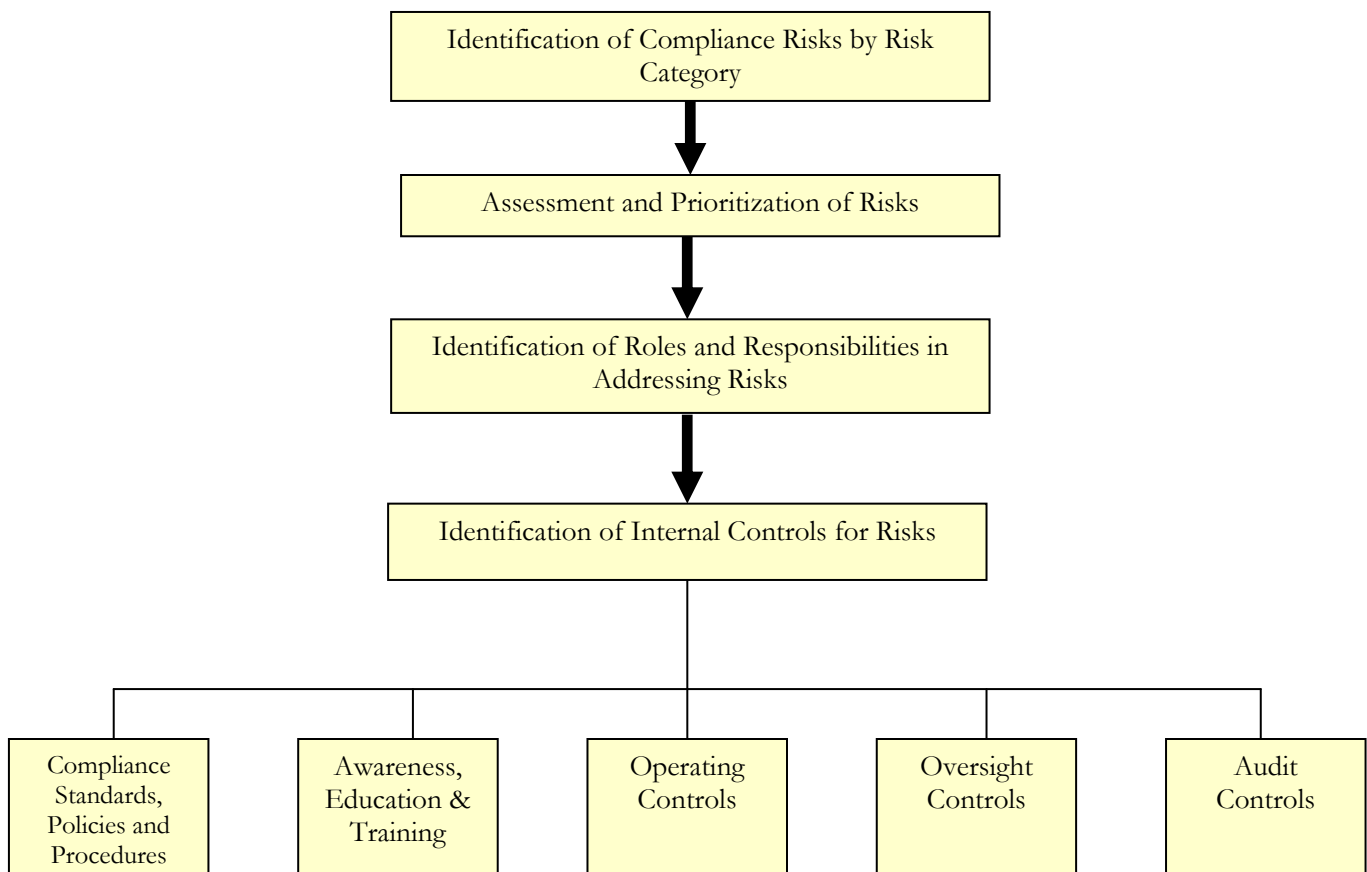
4. The University Compliance Program then has, as a challenge that lies ahead, the development of appropriate metrics regarding the culture of a university unit or division when, in the conduct of an investigation, audit or inquiry, the University uncovers a significant breach of an ethical standard or University policy. How best to develop and implement this metric is one of the future steps in strengthening the University Compliance Program that must be made.

VIII. Periodically Conduct Risk Assessments and Take Reasonable Appropriate Steps to Modify Each Requirement Based on These Risk Assessments

1. Early on, at the request of the then Provost, now President Mark B. Rosenberg, the University Compliance Officer created a matrix of major laws that apply to Florida International University and that must be abided by from a compliance standpoint.
2. In addition, at the request of the Chair of the Finance and Audit Committee of The Florida International University Board of Trustees, in February of 2008 the University Compliance Officer prepared a report for Trustee Landon identifying the top ten (10) risks to the University and assigning a University representative to be in charge of each identified risk.
3. The University Compliance Officer met with President Rosenberg on November 3, 2009 and has begun active discussions and activity regarding the ten (10) risk areas identified. In addition, the University Compliance Officer has always relied on the support of work groups that meet, as necessary and appropriate, to address the various risk areas that are identified, and compliance gaps associated with these risks.
4. This area of the University Compliance Program can be strengthened. There needs to be a mechanism, whether at the direction of senior leadership or through, for example, the University Compliance Program Advisory Committee, for the University to conduct more comprehensive risk assessments that will consider the risk area in its totality, and that will seek to implement ways in which to ameliorate any perceived or actual gaps in compliance.
5. There are a number of different ways in which risk assessments can be conducted, but it is critical that individuals who have both oversight as well as operational responsibility be involved in the conduct of the risk assessment for the areas that they oversee. For each compliance risk reviewed, the assessment process would lead to a review of the internal controls-operational, oversight and audit-that the institution has in place to address this risk:

¹⁵ *Id.*

Review of High Risk Compliance Areas by the Conduct of Comprehensive Risk Assessments¹⁶



6. On a proactive basis, and in light of the many compliance complexities brought about by the Herbert Wertheim College of Medicine, there are numerous areas that must be carefully reviewed and assessed, most important of which is the infrastructure to support research compliance including, without limitation, clinical research and billing, which will begin to take place at a larger scale. The University Compliance Officer serves as a member of the Clinical Trials Office Work Group convened by the Vice President for Research to identify and address areas of concern in building this significant compliance infrastructure.

Conclusion

The University Compliance Program has made great strides in the strengthening of the framework Florida International University has in place to support legal and regulatory compliance matters.

¹⁶ Chart adapted from Crawford, David, Charles G. Chaffin, and Scott Scarborough. *Effective Compliance Systems: A Practical Guide for Educational Institutions*. The Institute of Internal Auditors Research Foundation, November 2001.

UNIVERSITY COMPLIANCE PROGRAM
STATUS REPORT

The University community is invested in doing things the right way and in keeping with our student-centered and public mission. Significant opportunities to strengthen the University Compliance Program lie ahead, including a review of the current reporting structure, the level of coordination and integration that should exist between the newly developing compliance functions, the creation of the University Compliance Program Advisory Committee, and a proactive assessment of the increasing level of compliance complexity impacting the University's operations as the Herbert Wertheim College of Medicine becomes a more fully developed academic medical enterprise.

Thank you for the time dedicated to the review of this document.

THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Audit Committee

September 8, 2010

Subject: Office of Internal Audit Status Report

Proposed Committee Action:

None. Discussion item.

Background Information:

The Office of Internal Audit Report provides the status of audits and investigations since the Finance and Audit Committee last met on May 20, 2010.

Supporting Documentation: Office of Internal Audit Status Report

Facilitator/Presenter: Allen Vann

This page intentionally left blank



Office of Internal Audit Status Report

BOARD OF TRUSTEES

September 8, 2010

Date: August 26, 2010

To: Board of Trustees and Finance and Audit Committee

From: Allen Vann, Audit Director

Subject: OFFICE OF INTERNAL AUDIT STATUS REPORT

COMPLETED AUDITS AND INVESTIGATIONS

Since our last Finance and Audit Committee meeting on May 20, 2010 we completed the following projects:

- 1. Audit of the Information Systems Continuity Plan** – We conducted a University-wide audit of the Information Systems Continuity Plan. The primary objective of the audit was to ensure that in the event of a disruption, the University has adequate business continuity and disaster recovery processes for the resumption of IT services.

Our audit revealed that a comprehensive University-wide information systems continuity framework needs to be developed and implemented. The current disaster recovery plan needs to be tailored to address different threats and should be updated employing business impact analysis techniques to better understand the University's vulnerabilities. Finally, our review disclosed that there are infrastructure related issues affecting information systems continuity that need to be addressed. Management agreed to implement the ten resulting recommendations.

- 2. Investigation of a University Health Services Employee** – We conducted an investigation based on information provided by an informant that a University Health Services (UHS) employee was providing family members with free blood tests. Based on our investigation, we found that the complainant's allegation was sustained. In addition, during our investigation we found other internal control weaknesses resulting in the questionable use of UHS' services by other University employees. The Vice President of Student Affairs took appropriate personnel action and will ensure that restitution is made.

- 3. Investigation of Improper Use of University Issued Procurement Card and Leave by the IT Director at the College of Medicine** – This investigation was self initiated as a result of audit work we are performing at the College. Based on our investigation, we concluded that the IT Director misused the credit card provided to him by the University and failed to report leave time taken. The Dean is in the process of taking appropriate corrective actions.
- 4. Follow-up Investigation at the College of Medicine** – This investigation focused on the Human Resource Manager of the College and a Program Coordinator. The allegation was that the two individuals received unallowable/personal items.

Based on the results of our investigation the College in consultation with the Division of Human Resources, took appropriate personnel actions. The two employees are no longer employed by the University.

- 5. Investigation at Enrollment Information Services** – We conducted an investigation based on information provided by an informant alleging that three University employees were on the Board of Directors of an organization that provided educational services, which represents a potential conflict of interest. There were other unrelated allegations that we also investigated.

Based on our investigation we concluded that the three employees neglected to adequately disclose their outside activities. The other allegations were not sustained and/or had no merit. Management is in the process of taking appropriate corrective actions.

- 6. Investigation Concerning the FIU ROTC Program** – We received a complaint via a referral from the Office of the Chief Inspector General (Governor's Office) regarding a potential whistle-blower case. We initiated a review, which resulted in our Office determining that the complainant was neither an employee, agent of an agency, or independent contractor to the University. The complaint did not merit further investigation as this complaint did not qualify under the whistle-blower statute.
- 7. Investigation Concerning a Potential Conflict of Interest at the Honors College** – We received a complaint via referral from a member of FIU's Board of Trustees concerning an alleged conflict of interest against an adjunct professor at the Honors College. Our investigation revealed that the complaint had no merit.

WORK IN PROGRESS

Audits	Status
College of Medicine	Draft Report Issued
Housing	Drafting Report
Implementation of Audit Recommendations	Fieldwork in Progress
Major Construction Projects	Fieldwork in Progress
Cash Counts	Fieldwork in Progress
OSRA Implementation of PeopleSoft Grants Module	On-Hold*

*Pending filling recent IT Auditor vacancy.

RESOURCES

One of the responsibilities of the Finance and Audit Committee is to “Assess the staffing of the Office of Internal Audit, including the annual budget.”¹ Accordingly, the following information is presented for your consideration:

- Staffing** - The Office had an Audit Director, five auditors, and an office manager during FY 2010, as well as three FIU students who served intermittently as interns. During the early part of FY 2010 one auditor was replaced due to attrition. Recently our IT auditor resigned. We are in the process of searching for a replacement.

During the current Fiscal Year (FY 2011) I am pleased to announce that we received additional funding for one auditor. We recently hired Ms. Vivian Ferradaz, who started on August 2nd. Ms. Ferradaz received her Masters in Business Administration and Bachelor of Accounting from the University of Miami. She also has six years of relevant internal auditing and CPA firm experience. I am also pleased to announce that we received funding for two intern positions. Ms. Heather Farkas and Ms. Damilola Dipeolu, FIU accounting students, have been selected as interns.

- Budget** - While the budgetary resources provided for salaries and benefits improved significantly the amount budgeted for operating expenses are disappointing. The total amount budgeted; \$29,700 is 43% less than requested and represents only 3.5% of the Department’s budget, a significant imbalance. It is unlikely that the amount budgeted will be sufficient to cover all of the necessary professional development, travel, membership dues, office supplies, software, equipment and other needs of the Department. We will continue to work with management during the year to ensure that our needs are adequately addressed.

¹ FIU, Board of Trustees Operating Procedures, page 15.

FOLLOW-UP STATUS REPORTS

Management is primarily responsible for addressing audit recommendations. The Office of Internal Audit periodically surveys cognizant University officials for a status report on recommendations due for implementation in their areas. Please note that we are currently performing a validation audit where we are testing reported implementation on a sample basis.

As of July 31, 2010, there were 47 outstanding recommendations, 22 of which are not due for implementation. Of the remaining 25 recommendations, management indicated that they completely implemented 23 recommendations (92%) and are working on implementing the remaining two. Revised target dates were provided for the two remaining recommendations.

Attachment A – Follow-up Status Report – Internal Audits

Attachment B – Follow-up Status Report – Operational Audit (Auditor General)

Attachment C – Management Responses to Past Due Recommendations with
Revised Target Dates

FLORIDA INTERNATIONAL UNIVERSITY
OFFICE OF INTERNAL AUDIT
FOLLOW-UP STATUS REPORT - INTERNAL AUDITS
AS OF JULY 2010

Report	Audit Issue(s)/Recommendations	Responsible Executive/Director	Status	Original Due Date	Revised Due Date
Audit of Accounts Receivable Report Issued: July 22, 2009	1. Accounts Receivable Write-Offs (Rec. #4)	Jessell/Blevens	N/A	09/10	
Audit on FIU Safeguards Over Credit Card Holder Data Report Issued: July 30, 2009	1. PCI Information Security Policy (Rec. #4.4)	Jessell/Blevens	Yes	06/10	
Review of Four Grants at the Request of the Department of Energy & National Science Foundation Inspector General Report Issued: August 20, 2009	1. Terminal Leave Payouts <i>(This recommendation required signoff from NSF & DOE. NSF responded that the matter was satisfactorily resolved, based on the results of the internal audit, but DOE has not. FIU does not have any control over DOE schedule for closing this matter. Therefore, the implementation date has been extended.)</i>	Carbajal de Garcia/ Gil/Barabino	No	06/10	09/11
Investigation of Improper Use of University Issued Procurement Card by a Professor in the College of Business Administration Report Issued: October 8, 2009	1. Reimbursement to the University (Rec. #1.2)	Wartzok/Elam	Yes	11/09	
Investigation of Improper Procurement Card Use and Questionable Payroll Transactions in the College of Education Report Issued: November 24, 2009	1. Reimbursement to the University (Rec. #1.2)	Wartzok/Garcia	Yes	06/10	
Investigation into Allegations Against a Professor at the College of Medicine Report Issued: January 13, 2010	1. Conflict of Interest (Rec. #1.1) 2. Violation of Policies/Ethics Laws (Rec. #1.2) 3. Outside Activities (Rec. #1.3) 4. Purchasing Card Training (Rec. #2)	Rock/Smithburg	Yes Yes Yes Yes	04/10 04/10 04/10 06/10	06/10 06/10 06/10 06/10
Investigation of Improper Procurement Card Use & Other Questionable Transactions at the College of Education by the Former Interim Dean Report Issued: January 20, 2010	1. Reimbursement to the University (Rec. #2)	Wartzok/Garcia	Yes	04/10	06/10
Review of the Administration of American Reinvestment & Recovery Act Funds Program Report Issued: March 9, 2010	1. Compliance Documents for Projects (Rec. #1.3) 2. Personnel Knowledge of Compliance (Rec. #1.4)	Jessell/Cal Jessell/Martinez	Yes Yes	06/10 07/10	
Investigation of Improper Procurement Card Use at the College of Medicine by the Director of Operations & His Former Office Assistant Report Issued: March 15, 2010	1. Reimbursement to the University (Rec. #2)	Rock/Smithburg	Yes	08/10	

Report	Audit Issue(s)/Recommendations	Responsible Executive/Director	Status	Original Due Date	Revised Due Date
Audit of ProCard/Credit Card Solutions Program: Better Controls & Administrative Practices Needed Report Issued: April 21, 2010	1. Untimely Cancellation of Credit Cards (Rec. #1.1) 2. Lack of Administrative Oversight (Rec. #1.2) 3. Physical Control Over Cards (Rec. #1.3) 4. Inadequately Managed Credit Card Limits (Rec. #1.4) 5. Reduced Different Types of Cards (Rec. #1.5) 6. Monitor Cardholders Approvers (Rec. #1.6) 7. Lack of Written Procedures (Rec. #1.7) 8. Monitoring Credit Card Program (Rec. #2.1) 9. Periodical Retraining (Rec. #2.2)	Jessell/Blevens	Yes N/A N/A N/A N/A Yes N/A Yes N/A	06/10 08/10 08/10 08/10 08/10 06/10 08/10 04/10 10/10	
Investigation into Enrollment Information Services Allegations Report Issued: May 26, 2010	1. Outside Activities-Conflict of Interest (Rec. #1) <i>(According to the Associate Vice President for Academic Affairs this recommendation will be fully implemented by August 31, 2010)</i>	Wartzok/Moore	No	06/10	08/10
Audit of the Information Systems Continuity Plan Report Issued: July 13, 2010	1. Develop Continuity Framework (Rec. #1.1) 2. Implement Continuity Framework (Rec. #1.2) 3. Perform Business Impact Analysis (Rec. #2.1) 4. Identify Major Disasters Threats (Rec. #2.2) 5. Need for Resilient Infrastructure (Rec. #3.1) 6. Replace Outdated Equipment (Rec. #3.2) 7. Test Resources at NWRDC (Rec. #4.1) 8. Background Check for IT Employees (Rec.#4.2) 9. Incorporate IT Continuity & DRP Training (Rec. #4.3) 10. Train Staff on Business Continuity (Rec. #4.4)	Yao/Drake	N/A N/A N/A N/A N/A N/A Yes N/A N/A N/A	12/10 01/11 12/10 12/10 03/11 12/10 07/10 08/10 12/10 12/10	
Allegations Against a University Health Services Employee Report Issued: July 20, 2010	1. Appropriate Disciplinary Action (Rec. #1.1) 2. Review UHS Current Practices (Rec. #1.2) 3. Review & Update UHS's guidelines (Rec. #1.3)	Jones/Loynaz	Yes N/A N/A	07/10 08/10 08/10	
Investigation of Improper Use of University Issued Procurement Card and Leave by the IT Director at the College of Medicine Report Issued: July 28, 2010	1. Appropriate Disciplinary Action (Rec. #1.1) 2. Reimburse the University for ProCard Transactions (Rec. #1.2) 3. Adjust Leave Records (Rec. #1.3) 4. Controls Over Time Reporting (Rec. #1.4)	Rock/Smithburg	N/A N/A N/A N/A	09/10 09/10 09/10 09/10	

**FLORIDA INTERNATIONAL UNIVERSITY
OFFICE OF INTERNAL AUDIT**

**FOLLOW-UP STATUS REPORT - OPERATIONAL AUDIT
AS OF JULY 2010**

The following summarizes current status of audit issues from the State Auditor's Operational Audit (Report No. 2010 -096)

Note: Items bolded in status column (Yes or No) were due for implementation this period.

Finding Number & Area	Audit Issue(s)/Finding	Responsible Executive/Director	Status	Original Due Date	Revised Due Date
Finding No. 2 Direct Purchase of Construction Materials	Establish written policies and procedures for the direct purchase of construction materials. In addition, for future construction contracts, take advantage of sales tax exemptions or document how greater savings were achieved by the CM making the purchases.	Cal	Yes	06/10	
Finding No. 3 Design Professionals Liability Insurance	Establish written policies and procedures prescribing minimum liability insurance coverage requirements for design professionals. Additionally, enhance procedures to ensure that insurance coverage for design professionals is provided through completion of the project.	Cal	Yes	06/10	
Finding No. 6 Tangible Personal Property Records	Strengthen procedures to ensure that the property records are complete and accurate. When personnel cannot locate property items, missing property item reports should be filed with the appropriate law enforcement agency. Also, property transfer forms or off-campus use forms should be completed to document approval for transfers or off-campus use of property.	Blevens/Carmenate	Yes	06/10	
Finding No. 7 Property Deletions	Strengthen procedures to ensure accurate completion of survey forms for property deletions.	Blevens/Carmenate	Yes	06/10	
Finding No. 8 Vehicle Records	Implement procedures to ensure that University-owned vehicle usage is adequately documented and approved by the vehicle user department.	Martinez/Foster	Yes	06/10	
Finding No. 9 Monitoring Fuel Efficiency of Vehicles	Continue efforts to monitor the reasonableness of fuel consumption, but also establish monitoring procedures sufficient to ensure the accuracy of odometer readings recorded in the system. In addition, University records should document the resolution of exceptions disclosed by monitoring procedures.	Martinez/Foster	Yes	06/10	
Finding No. 10 Decentralized Collections- The School of Hospitality & Tourism Management	Strengthen procedures at the School of Hospitality and Tourism Management to ensure that checks received are restrictively endorsed, and recorded to a mail receipt log, immediately upon receipt; transfer documents are used to evidence the transfer of collections between employees; and collections remitted to the Student Financials Office are periodically reconciled to the accounting records.	Remington/Qureshi	Yes	06/10	

Explanatory Notes to Follow-up Status Report

- Explanation of status column
 - **Yes** = implemented;
 - **No** = not fully implemented by original due date;
 - **N/A** = not due for implementation.
- For those recommendations not fully implemented, please see Management Responses to Outstanding Recommendation(s) (Attachment C) for management's detailed current action plan.

**FLORIDA INTERNATIONAL UNIVERSITY
OFFICE OF INTERNAL AUDIT**

**MANAGEMENT RESPONSES TO PAST DUE RECOMMENDATIONS
WITH REVISED TARGET DATES**

Review of Four Grants at the Request of the Department of Energy & National Science Foundation Inspector General (August 2009)

Audit Issue: **Terminal Leave Payouts** (Recommendation #1)

Recommendation:

We recommend that the University discuss with DOE the need to make a financial adjustment associated with the \$33,781 in direct-charged terminal leave payouts during the PAF period. We further recommend that the University consider whether, after it discontinued the PAF, it was appropriate to direct charge the DOE award for terminal leave payouts associated with employees whose salaries may have contributed to the PAF charges on the DOE award, and whether a financial adjustment associated with the \$11,253 would be necessary.

Action Plan to Complete:

The Office of the General Counsel has repeatedly followed up with the Department of Energy (DOE) and the National Science Foundation (NSF) regarding the requested internal audit provided to each agency. NSF responded that the matter was satisfactorily resolved based on the results of the internal audit but DOE has not. FIU does not have any control over DOE schedule for closing this matter. Therefore the implementation date of the recommendations remains an open item and the Office of General Counsel will continue to follow-up until the issues are resolved.

Original Target Date: June 30, 2010

New Target Date: September 30, 2011

Investigation into Enrollment Information Services Allegations (May 2010)
--

Audit Issue: **Outside Activities Conflict of Interest** (Recommendation #1)

Recommendation:

We recommend that the employees' supervisors request their employees to complete the Outside Activity and Financial Interest Report and then consult with Human Resources for determination of any conflict of interest.

Action Plan to Complete:

According to the Associate Vice President for Academic Affairs this recommendation will be fully implemented by August 31, 2010.

Original Target Date: June 30, 2010

New Target Date: August 31, 2010

This page intentionally left blank

THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Audit Committee

September 8, 2010

Subject: Division of Research Report, Fiscal Year 2009-2010 Report

Proposed Committee Action:

None. For Information Only.

Background Information:

The Division of Research Report (DoR) provides data for Fiscal Year 2009-2010 and focuses on two areas. The Report presents an overview of performance regarding research awards, facilities and administrative costs (F&A), and research grant applications. The Report also provides an update and summary of several key DoR initiatives that represent ongoing efforts aimed at improving research support to faculty and addressing needs associated with the growing breadth and quality of the research enterprise at FIU.

Supporting Documentation:	Division of Research Report, <i>Fiscal Year 2009-2010 Report</i>
----------------------------------	--

Facilitator/Presenter:	Andres Gil
-------------------------------	------------

This page intentionally left blank

THE FLORIDA INTERNATIONAL UNIVERSITY BOARD OF TRUSTEES FINANCE AND AUDIT COMMITTEE

DIVISION OF RESEARCH

FISCAL YEAR 2009-2010 REPORT

I. Introduction

This document presents Division of Research (DoR) data for Fiscal Year 2009-2010 (FY 2010) and focuses on two areas. In [Section II](#), we present an overview of performance regarding research awards, facilities and administrative costs (F&A), and research grant applications. In [Section III](#), we provide an update and summary of several key DoR initiatives that represent ongoing efforts aimed at improving research support to faculty and addressing needs associated with the growing breadth and quality of the research enterprise at FIU.

II. Overview of Awards, Applications, and F&A

For this report we provide data on research awards for FY 2009-2010 (FY 2010). Data on research expenditures for FY 2010 will be provided in the next Finance and Audit Committee report, since those data are not available until the NSF report (due to the NSF each February) is completed during the fall. We expect research expenditures to once again surpass the \$100 million mark for FY 2010.

The data presented in [Table 1](#) compares awards received during FY 2008-2009 (FY 2009) with those received in FY 2010 by unit (academic and/or administrative). Total amount received in grants during FY 2010 totaled \$100,521,743. In addition to representing a 13.22% increase from the previous fiscal year, it is also the first time we have exceeded \$100 million in research awards. Moreover, this increase in research awards is on the heels of a 22% increase during FY 2009. Finally, the University also received gifts for research with a value of \$960,416.

In reporting research awards on Table 1, we have adopted a standard practice of giving credit for research awards across the multiple units that may be involved in a particular project. Thus, for example, grants awarded to faculty in Centers and Institutes are also credited to the faculty member's home college. For instance, the total amount of awards received by the International Hurricane Research Center (IHRC) is reflected in the total for Academic Affairs, but that same amount is divided between the College for Arts and Sciences (CAS) and the College of Business Administration (CBA), according to the college to which the Principal Investigator (PI) belongs. The same situation applies to CRUSADA; the center is under Academic Affairs, but the PI is affiliated with the Robert Stempel College of Public Health and Social Work (RSCPHSW). *It is important to note*

that this practice of giving “double” credit is not reflected in the calculation of the total amount of awards.

[Figure 1](#) presents the changes in new awards for each of the colleges. Overall, awards for colleges/schools increased by 34.8%, from \$67.5M to \$90.98M. The College of Nursing and Health Sciences (CNHS) experienced a 241.4% increase in awards during FY 2010 when compared with FY 2009. Significant increases were those for the College of Law (CoL) with a 96.9% increase, the School of Hospitality and Tourism Management (SHTM) with a 74.7% increase, the Herbert Wertheim College of Medicine (HWCoM) which experienced a 48.9% increase, and the College of Education (CoE) with an increase of 34.4%. The three largest colleges in terms of sponsored research also had notable increases during FY 2010: RSCPHSW increased by 78.5%, the College of Arts and Sciences (CAS) had an increase of 24.7%, and the College of Engineering & Computing (CEC) had an increase of 22.8%. There were two colleges with decreases in grant awards: the College of Architecture + the Arts (CARTA) and the School of Journalism and Mass Communication (SJMC), with 71.2% and 88.8% decreases respectively.

[Figure 2](#) presents the average award F&A rate by college or school. The overall F&A rate for new awards has been steadily increasing (from 15.8% in FY 2005 to 20.6% in FY 2010)¹. This indicates we are close to our goal of maintaining an overall rate that is 50% of the full rate (44% in FY 2010), which is standard for research universities. Notable points on Figure 2 are the high F&A rates for HWCoM (38.6%) and RSCPHSW (28.4%). This is to be expected given the likelihood of obtaining funding from NIH, which tends to carry the full F&A rate. On the other hand, CNHS has a substantially lower F&A rate (10.3%), which reflects that large portions of its research funding consists of training grants, which tend to carry lower F&A rates (5-10%). The rate of 20.1% for CAS is remarkable given the wide range of fields in the College; many of which (Humanities, Political Science, etc.) receive research funding from entities that do not allow any F&A or reduced F&A rates.

Awards received by Centers, Institutes and Museums are presented by unit in [Table 2](#). There was a 29.5% decline in awards in this category, representing \$12 million less in awards compared to the prior year. This decline is represented by two Centers (Center for the Administration of Justice and the International Hurricane Research Center) that received two large one-time awards the prior year. In terms of increases, the largest ones were for the Jack D. Gordon Institute for Public Policy and Citizenship Studies (898.2%), the Center for Labor Research and Studies (173.5%), the Institute for Public Management and Community Service (145%), CIARA (124.15), and CRUSADA (118.8%).

¹ F&A has increased from 15.8% in FY 2005, to 16.9% in FY2007, to 17.87% in FY 2008, to 19.24% in 2009, to 20.61% in FY 2010.

[Table 3](#) illustrates the distribution of new research awards by three categories: Federal, State, and Private/Other. Note that the majority of grant awards continue to be from federal sources. While the increase in the proportion of federally funded grants (from 72% to 90%) is partially related to ARRA funding, we continue to have significant increases in non-ARRA funding from the NIH, NSF, and USAID.

[Table 4](#) presents the funding value of applications submitted by colleges. The amount of funding requested during FY 2010 increased by 44%, compared to FY 2009. The average funding requested per application has also increased, given that the actual number of applications declined by 2% (from 776 to 760). The very high increase in requested amount of funding is partially attributable to large grant applications associated with ARRA.

[Table 5](#) presents the same information on applications submitted for centers and institutes. Overall, the funding values of applications increased by 66.02%, which is higher than the total for the University (44% – see Table 4).

III. Initiatives Update

In this section, we provide an update and summary of several key DoR initiatives aimed at improving research support to faculty and growing the breadth and quality of the research enterprise at FIU.

- 1) **Centralized Support for Grant Applications** – The process for submissions of grant applications will be converted to an electronic system. As part of this initiative, personnel from the DoR will be deployed to the Colleges to provide support for researchers in the preparation and submission of grants. The goal is to allow the researchers to dedicate more of their time and effort to the science. The deployment of DoR staff will allow the colleges to focus their support on the more specialized needs of the researchers. Through this initiative, we will have DoR support at the BBC for the first time. Personnel will be trained in the new system during the fall semester; deployment of the new system will begin in January 2011, and will be completed by June 30, 2011.
- 2) **IRB and IACUC Electronic System** – As research grows throughout the University, and new areas of research grow in the Herbert Wertheim College of Medicine and the other colleges focusing on health-related research, there will be a need for increased infrastructure, including addressing compliance needs, in areas pertaining to the conduct of research with human and animal subjects, including biological safety. Therefore, the DoR has embarked in an initiative to have in place an electronic system addressing management and overview of human subject and animal research. This new system will be fully deployed and functional by June 30, 2011.

- 3) Designation of Core Research Facilities - As the two initiatives described above illustrate, the University is aggressively pursuing the expansion of the research enterprise. This has included building new state-of-the-art laboratory facilities in the new Academic Health Complex (AHC) III or the CNHS Building, as well as extensive laboratory facilities and animal care facilities in the new Science Classroom Building and the AHC IV or RSCPHSW Building (both expected to be completed in 2012). As part of the process, we are embarking on the designation and planning for maintenance and operation of Core Research Facilities. These are facilities that are shared by multiple researchers across disciplines. By developing a coordinated financial and operational management plan, the facilities will be operating with greater efficiency. We expect to have established criteria for the creation of Core Research Facilities and to have a system in place for their operation and upkeep by June 30, 2011.

Table 1: Comparison of Awards Received

College/Division	July 2008 - June 2009			July 2009 - June 2010			% change
	Direct	F&A	Total	Direct	F&A	Total	
Academic Affairs (AA)	\$16,643,950	\$2,402,104	\$19,046,054	\$7,997,609	\$1,793,351	\$9,790,960	-48.6%
College of Architecture & the Arts (CARTA)	\$346,815	\$4,346	\$351,161	\$101,155	\$0	\$101,155	-71.2%
College of Arts & Sciences (CAS) *	\$27,258,238	\$5,923,915	\$33,182,153	\$34,462,592	\$6,914,341	\$41,376,933	24.7%
College of Business Administration (CBA) *	\$862,483	\$52,325	\$914,808	\$885,122	\$126,065	\$1,011,187	10.5%
College of Education (CoE)	\$3,536,608	\$302,048	\$3,838,656	\$4,802,842	\$355,379	\$5,158,221	34.4%
College of Engineering & Computing (CEC)	\$12,767,325	\$2,695,663	\$15,462,988	\$15,706,581	\$3,283,647	\$18,990,228	22.8%
College of Law (CoL)	\$286,431	\$0	\$286,431	\$564,050	\$0	\$564,050	96.9%
College of Nursing & Health Sciences (CNHS)	\$855,049	\$158,235	\$1,013,284	\$3,136,815	\$322,106	\$3,458,921	241.4%
Division of Student Affairs (SA)	\$1,635,302	\$90,551	\$1,725,853	\$1,497,709	\$113,835	\$1,611,544	-6.6%
Division of University Advancement (UA)	\$86,402	\$0	\$86,402	\$0	\$0	\$0	N/A
Herbert Wertheim College of Medicine (HWCoM)	\$2,302,133	\$813,866	\$3,115,999	\$3,348,179	\$1,290,739	\$4,638,918	48.9%
Robert Stempel College of Public Health & Social Work (RSCPHSW) *	\$6,902,079	\$1,756,995	\$8,659,074	\$12,036,430	\$3,422,705	\$15,459,135	78.5%
School of Hospitality & Tourism Management (SHTM)	\$90,750	\$0	\$90,750	\$158,537	\$0	\$158,537	74.7%
School of Journalism & Mass Communication (SJMC)	\$471,677	\$108,690	\$580,367	\$53,812	\$11,386	\$65,198	-88.8%
UTS/CIARA	\$1,016,723	\$85,158	\$1,101,881	\$393,647	\$74,699	\$468,346	-57.5%
TOTAL	\$74,459,883	\$14,325,263	\$88,785,146	\$83,345,210	\$17,176,533	\$100,521,743	13.2%
The effective/average F&A rate	19.2%			20.6%			

* The following are **NOT** reflected in the “TOTAL” above, but are included in the respective colleges, thus “double counted.”

	FY 2008-2009 Total	FY 2009-2010 Total
Included in AA (IHRC) and CAS	\$143,998	\$841,215
Included in AA (IHRC) and CBA	\$497,508	\$506,010
Included in AA (CRUSADA) and RSCPHSW	\$29,209	\$98,4365

Figure 1: Comparison of Awards Received by College/School (\$M)

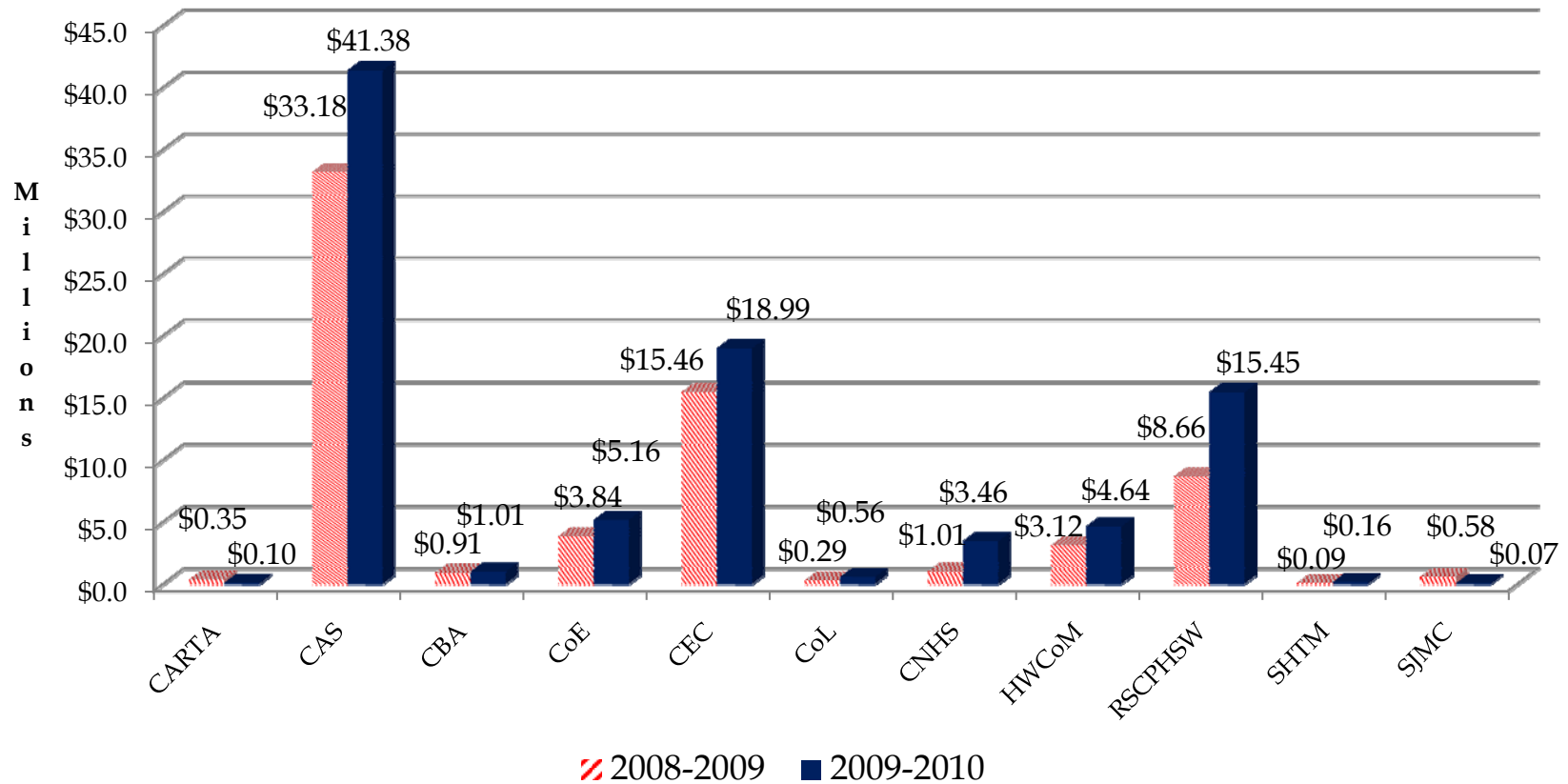


Figure 2: Average Award F&A Rate by College/School

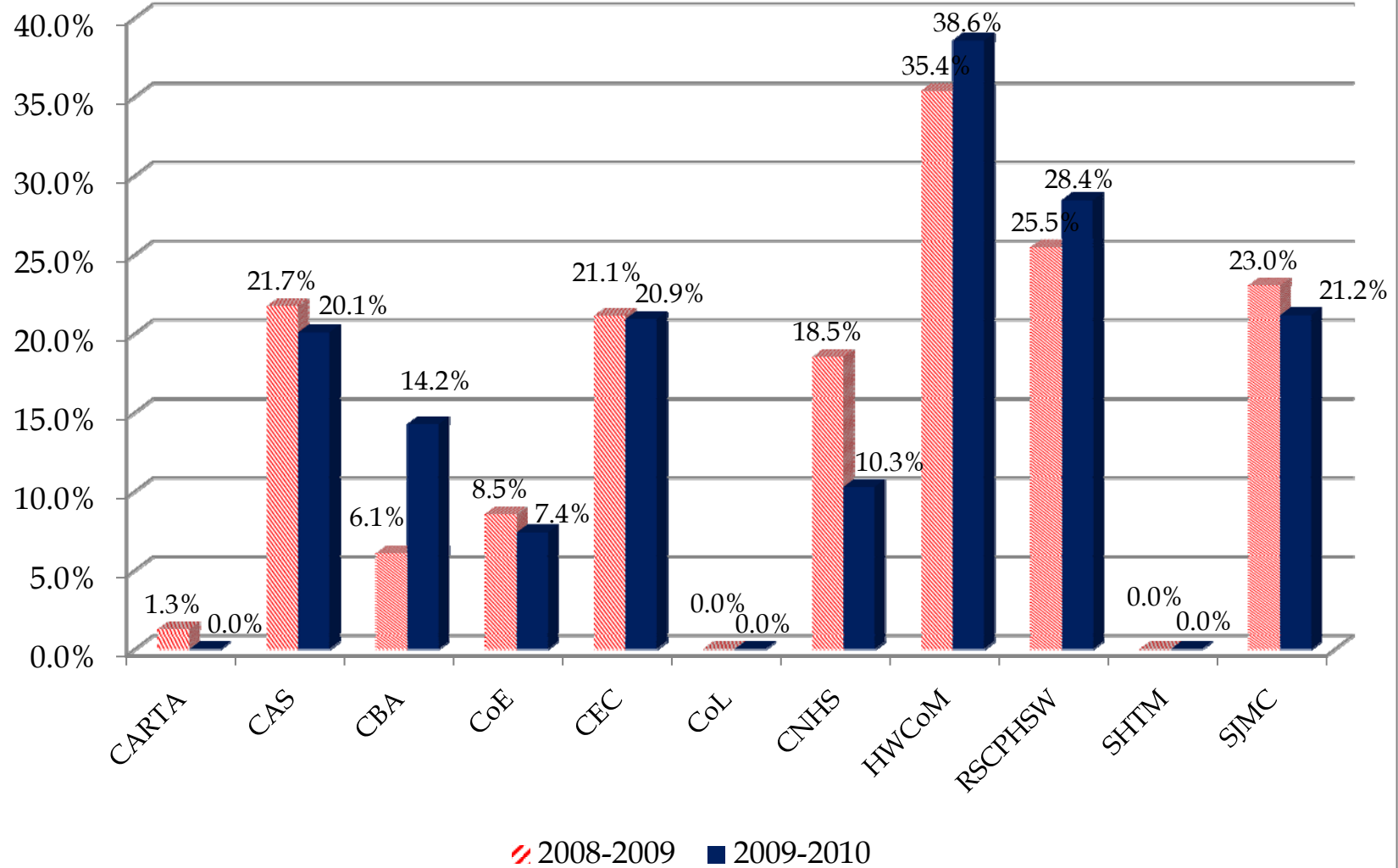


Table 2: Comparison of Awards Received by Centers, Institutes, Museums

College/Division	July 2008 - June 2009			July 2009 - June 2010			% change
	Direct	F&A	Total	Direct	F&A	Total	
Academic Affairs							
Applied Research Center (ARC)	\$5,935,730	\$2,067,538	\$8,003,268	\$4,059,772	\$1,074,785	\$5,134,557	-35.8%
CRUSADA*	\$1,448,305	\$474,439	\$1,922,744	\$3,100,511	\$1,106,826	\$4,207,337	118.8%
Int'l Hurricane Research Center (IHRC)	\$8,899,690	\$265,055	\$9,164,745	\$1,263,531	\$292,939	\$1,556,470	-83.0%
Wolfsonian	\$1,043,881	\$13,251	\$1,057,132	\$912,456	\$15,000	\$927,456	-12.3%
College of Architecture + the Arts							
Frost Art Museum	\$193,729	\$0	\$193,729	\$142,133	\$0	\$142,133	-26.6%
College of Arts & Sciences							
Center for Administration of Justice (CAJ)	\$5,324,209	\$1,175,791	\$6,500,000	\$1,711,882	\$342,746	\$2,054,628	-68.4%
Center for Labor Research and Studies (CLRS)	\$121,911	\$12,089	\$134,000	\$337,644	\$28,844	\$366,488	173.5%
Center for Transnational & Comparative Studies (CTCS)	\$158,125	\$9,249	\$167,374	\$131,046	\$9,173	\$140,219	-16.2%
Institute for Public Management and Community Service	\$123,313	\$14,837	\$138,150	\$310,337	\$28,187	\$338,524	145.0%
International Forensic Research Institute (IFRI)	\$367,392	\$85,760	\$453,152	\$148,681	\$45,990	\$194,671	-57.0%
Jack D. Gordon Institute for Public Policy & Citizenship Studies	\$13,889	\$1,111	\$15,000	\$139,654	\$10,080	\$149,734	898.2%
Latin American and Caribbean Center (LACC)	\$2,526,353	\$265,299	\$2,791,652	\$2,911,619	\$384,417	\$3,296,036	18.1%
Metropolitan Center	\$502,808	\$126,060	\$628,868	\$200,883	\$43,969	\$244,852	-61.1%
Southeast Environmental Research Center (SERC)	\$5,293,306	\$1,100,017	\$6,393,323	\$7,097,230	\$1,492,875	\$8,590,105	34.4%
Women's Studies Center	\$263,886	\$26,389	\$290,275	\$0	\$0	\$0	N/A
College of Engineering & Computing							
Center for Diversity in Engineering & Computing	\$727,177	\$69,862	\$797,039	\$828,119	\$82,159	\$910,278	14.2%
Telecommunications & Information Technology Institute	\$594,588	\$95,884	\$690,472	\$0	\$0	\$0	N/A

Table 2: Comparison of Awards Received by Centers, Institutes, Museums

College/Division	July 2008 - June 2009			July 2009 - June 2010			% change
	Direct	F&A	Total	Direct	F&A	Total	
College of Education							
Center for Urban Education and Innovation (CUEI)	\$431,310	\$58,692	\$490,002	\$126,133	\$32,164	\$158,297	-67.7%
Division of Research							
MBRS: Minority Biomedical Research Support Program	\$129,122	\$10,329	\$139,451	\$89,017	\$7,121	\$96,138	-31.1%
Division of Student Affairs							
Children's Creative Learning Center (CCLC)	\$223,529	\$17,530	\$241,059	\$0	\$0	\$0	N/A
Victim Advocacy Center (VAC)	\$14,015	\$1,402	\$15,417	\$0	\$0	\$0	N/A
School of Journalism & Mass Communication							
Institute for Public Opinion Research (IPOR)	\$217,969	\$56,744	\$274,713	\$48,261	\$9,943	\$58,204	-78.8%
International Media Center (IMC)	\$203,708	\$51,946	\$255,654	\$5,551	\$1,443	\$6,994	-97.3%
University Technology Services							
CIARA: Center for Internet Augmented Research	\$68,067	\$28,814	\$96,881	\$162,574	\$54,517	\$217,091	124.1%
Total	\$34,826,012	\$6,028,088	\$40,854,100	\$23,727,034	\$5,063,178	\$28,790,212	-29.5%
Effective F&A rate	17.3%			21.3%			

* Includes \$1,893,535 and \$2,859,222 credited to the School of Social Work for FY 2008-2009 and 2009-2010, respectively.

Table 3: Awards by Sponsor Type				
July 2008 - June 2009				
Funding Source	Awarded Direct Costs	Awarded F&A	Awarded Total	Percent
Federal Government	\$51,117,263	\$12,736,792	\$63,854,055	71.92%
State & Local Government	\$16,245,503	\$1,107,833	\$17,353,336	19.55%
Private / Other Sources	\$7,097,117	\$480,638	\$7,577,755	8.53%
TOTAL	\$74,459,883	\$ 14,325,263	\$88,785,146	100.00%
July 2009 - June 2010				
Federal Government	\$66,127,709	\$ 15,128,133	\$81,255,842	80.83%
State & Local Government	\$7,564,578	\$ 1,063,190	\$8,627,768	8.58%
Private / Other Sources	\$9,652,923	\$985,210	\$10,638,133	10.58%
TOTAL	\$83,345,210	\$17,176,533	\$100,521,743	100.00%

Table 4: Comparison of Applications Submitted by Colleges							
College/School/Center/Division	July 2008 - June 2009			July 2009 - June 2010			% change
	Direct	F&A	Total	Direct	F&A	Total	
Academic Affairs	\$19,723,108	\$5,292,199	\$25,015,307	\$68,585,156	\$15,578,393	\$84,163,549	236%
College of Architecture & the Arts	\$289,902	\$15,389	\$305,291	\$304,199	\$19,603	\$323,802	6%
College of Arts & Sciences	\$72,098,748	\$18,239,763	\$90,338,511	\$108,261,471	\$20,483,097	\$128,744,568	43%
College of Business Administration	\$115,686	\$38,566	\$154,252	\$2,141,727	\$336,578	\$2,478,305	1507%
College of Education	\$14,438,276	\$1,316,946	\$15,755,222	\$15,560,299	\$1,865,696	\$17,425,995	11%
College of Engineering & Computing	\$76,255,445	\$18,424,512	\$94,679,957	\$114,863,639	\$27,764,539	\$142,628,178	51%
College of Law	\$318,755	\$0	\$318,755	\$614,751	\$0	\$614,751	93%
College of Nursing & Health Sciences	\$10,536,381	\$3,834,275	\$14,370,656	\$7,396,229	\$1,973,922	\$9,370,151	-35%
Division of Student Affairs	\$659,935	\$36,225	\$696,160	\$2,722,126	\$430,050	\$3,152,176	353%
Herbert Wertheim College of Medicine	\$13,012,245	\$4,498,781	\$17,511,026	\$11,918,886	\$4,440,635	\$16,359,521	-7%
Robert Stempel College of Public Health & Social Work	\$52,906,767	\$18,785,343	\$71,692,110	\$54,427,654	\$17,950,893	\$72,378,547	1%
School of Hospitality & Tourism Management	\$195,750	\$0	\$195,750	\$84,000	\$0	\$84,000	-57%
School of Journalism & Mass Communication	\$40,868	\$7,152	\$48,020	\$6,637,754	\$1,560,078	\$8,197,832	16972%
UTS/CIARA	\$10,506,398	\$2,880,314	\$13,386,712	\$8,865,092	\$972,739	\$9,837,831	-27%
TOTAL	\$271,098,264	\$73,369,465	\$344,467,729	\$402,382,983	\$93,376,223	\$495,759,206	44%
Effective/average F&A rate	27.06%			23.21%			

Table 5: Comparison of Applications Submitted by Centers, Institutes, Museums

College/Division	July 2008 - June 2009			July 2009 - June 2010			% change
	Direct	F&A	Total	Direct	F&A	Total	
Academic Affairs							
Applied Research Center (ARC)	\$9,039,001	\$2,927,087	\$11,966,088	\$34,156,070	\$12,413,459	\$46,569,529	289.18%
CRUSADA: Center for Research on US Latino AIDS/HIV/Drug Abuse	\$6,041,799	\$2,114,571	\$8,156,370	\$4,620,343	\$1,940,298	\$6,560,641	-19.56%
Frost Art Museum	\$279,070	\$0	\$279,070	\$375,875	\$13,858	\$389,733	39.65%
International Hurricane Research Center (IHRC)	\$1,065,788	\$171,831	\$1,237,619	\$4,759,755	\$707,751	\$5,467,506	341.78%
MBRS-RISE	\$0	\$0	\$0	\$600,000	\$270,000	\$870,000	N/A
The Wolfsonian	\$2,904,191	\$23,655	\$2,927,846	\$1,071,231	\$65,544	\$1,136,775	-61.17%
College of Arts & Sciences							
Center for Administration of Justice	\$1,444,852	\$508,232	\$1,953,084	\$6,684,497	\$956,821	\$7,641,318	291.24%
Center for Labor Research and Studies (CLRS)	\$152,030	\$13,970	\$166,000	\$400,755	\$22,923	\$423,678	155.23%
Institute for Asian Studies (IAS)	\$170,791	\$7,243	\$178,034	\$173,483	\$13,184	\$186,667	4.85%
Institute for Judaic Studies & Near Eastern Studies	\$49,961	\$0	\$49,961	\$0	\$0	\$0	N/A
Institute for Public Management and Community Service	\$113,313	\$14,837	\$128,150	\$308,856	\$28,068	\$336,924	162.91%
Institute for Public Opinion Research (IPOR)	\$40,868	\$7,152	\$48,020	\$5,273,619	\$1,410,937	\$6,684,556	13820.36%
International Forensic Research Institute (IFRI)	\$297,308	\$107,603	\$404,911	\$1,222,767	\$335,468	\$1,558,235	284.83%
Jack D. Gordon Institute for Public Policy & Citizenship Studies	\$3,125,388	\$724,385	\$3,849,773	\$940,698	\$77,507	\$1,018,205	-73.55%
Latin American and Caribbean Center (LACC)	\$1,965,383	\$356,085	\$2,321,468	\$2,907,808	\$54,898	\$2,962,706	27.62%
Metropolitan Center	\$1,837,346	\$460,844	\$2,298,190	\$924,214	\$283,300	\$1,207,514	-47.46%
Southeast Environmental Research Center (SERC)	\$10,757,226	\$2,615,183	\$13,372,409	\$9,403,478	\$1,887,169	\$11,290,647	-15.57%
Women’s Study Center	\$0	\$0	\$0	\$2,399,968	\$566,710	\$2,966,678	N/A

Table 5: Comparison of Applications Submitted by Centers, Institutes, Museums

College/Division	July 2008 - June 2009			July 2009 - June 2010			% change
	Direct	F&A	Total	Direct	F&A	Total	
College of Business Administration							
Center for International Business Education & Research	\$0	\$0	\$0	\$1,482,075	\$117,925	\$1,600,000	N/A
College of Education							
Center for Urban Education and Innovation (CUEI)	\$446,388	\$53,250	\$499,638	\$0	\$0	\$0	N/A
College of Engineering & Computing							
Center for Diversity in Engineering & Computing	\$3,965,162	\$49,231	\$4,014,393	\$5,058,596	\$872,037	\$5,930,633	47.73 %
Telecommunications & Information Technology Institute	\$1,519,920	\$386,146	\$1,906,066	\$0	\$0	\$0	N/A
Division of Student Affairs							
Children's Creative Learning Center (CCLC)	\$273,341	\$21,525	\$294,866	\$0	\$0	\$0	N/A
Disability Research Center (DRC)	\$83,300	\$14,700	\$98,000	\$0	\$0	\$0	N/A
School of Journalism & Mass Communication							
International Media Center (IMC)	\$0	\$0	\$0	\$682,317	\$80,959	\$763,276	N/A
UTS							
CIARA: Center for Internet Augmented Research	\$10,481,397	\$2,880,314	\$13,361,711	\$8,865,092	\$972,739	\$9,837,831	-26.37%
Total	\$56,053,823	\$13,457,844	\$69,511,667	\$92,311,497	\$23,091,555	\$115,403,052	66.02%
Effective F&A rate	24.01%			25.01%			

This page intentionally left blank

THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Audit Committee

September 8, 2010

Subject: Treasury Report

Proposed Committee Action:

None. For Information Only.

Background Information:

The Treasury Report provides an update on Investment Portfolio Performance and Composition for the Quarter ending June 30, 2010.

Supporting Documentation:

Treasury Report – Investment Portfolio
Performance and Composition for the Quarter
Ending June 30, 2010

Facilitator/Presenter:

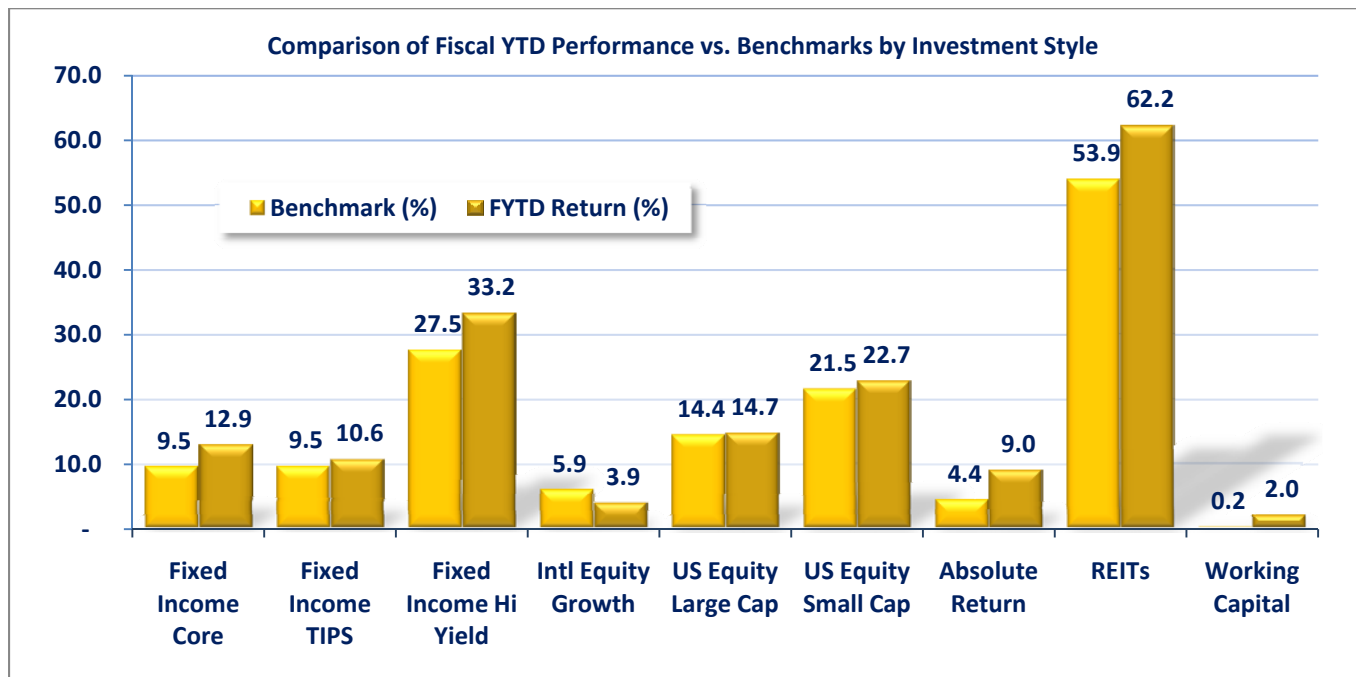
Tony Vu

This page intentionally left blank

Treasury Report of Investment Portfolio Performance and Composition
Investment Performance for Quarter Ending June 30, 2010

Fiscal YTD Performance

Every asset class in the University's investment portfolio experienced positive performance in 2010. Overall, fiscal YTD return for the portfolio was **9.3%**. The Strategic/Reserve Pools gained **15.5%** and the Working Capital Pool gained **2.0%** for the fiscal year. The following chart details the fiscal year to date returns by investment class. Returns from the State Treasury's Special Purpose Investment Account (SPIA) have totaled **2.5%** during the same period.



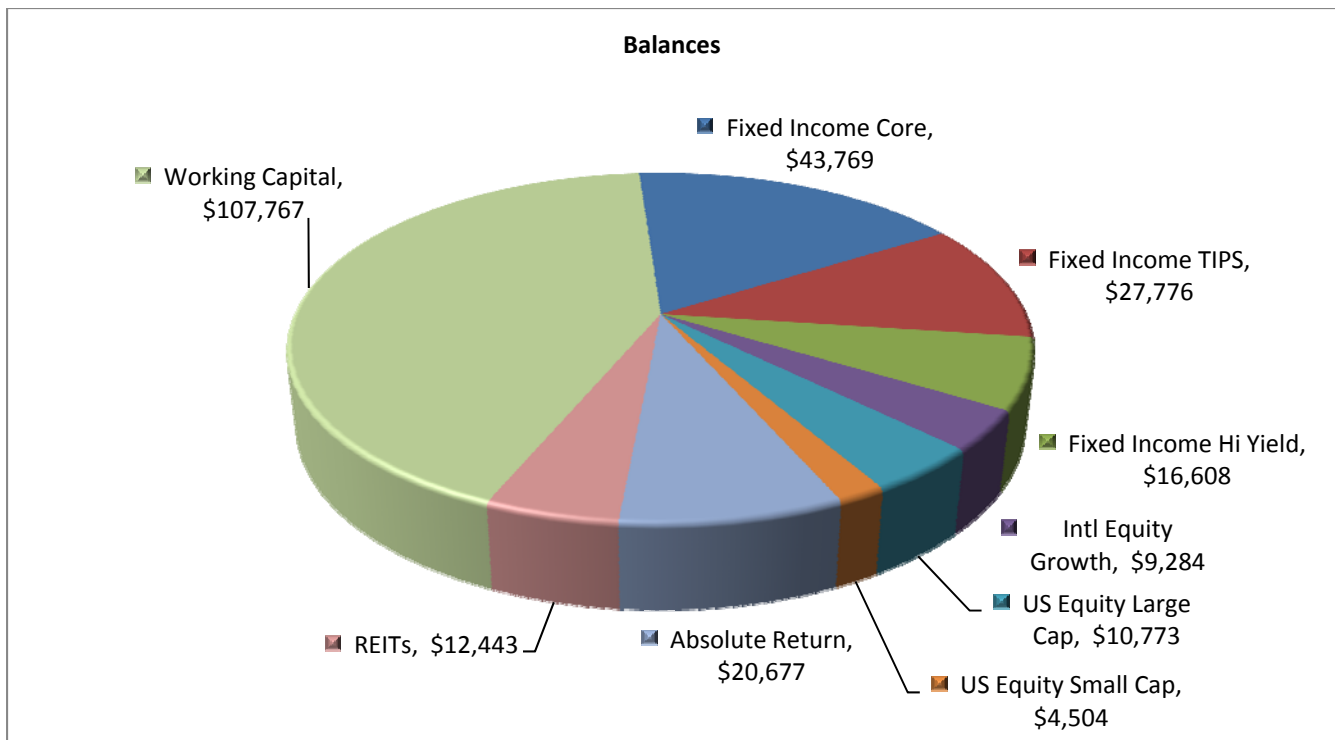
As shown above, every investment manager met or exceeded benchmarks with the exception of the International Equity Growth manager, who gained 3.9% versus the benchmark return of 5.9%.

A detailed schedule of the portfolio's performance overall and versus benchmarks, for the month and fiscal year to date is attached at the end of this report.

Year Ending Composition

Asset allocations at the end of the fiscal year remained within policy guidelines. The year end investment market value of the university's operating investment portfolio totaled \$253.6 million. This balance reflects an increase of \$62.4 million (33%) over the 2009 fiscal year end. Non-operating investment revenue gains represented 35% (\$21.6 million) of the total year over year increase.

The following chart details the allocation of investments within the university's operating investment portfolio.



Investment Committee Meeting

The Investment Committee met on August 25, 2010 to review performance and discuss adjustments to the asset allocations targets. The investment committee consists of:

Membership

Dr. Chun-Hao Chang
Department Chair, Finance and Real Estate
College of Business Administration

Dr. Kenneth Jessell
SVP & CFO
Office of Finance & Administration

Albert Maury
Chair, Finance & Audit Committee
FIU Board of Trustees

Tony Vu – Committee Chair
University Treasurer
Office of the Treasurer

Dr. William Welch
Retired
College of Business Administration

Consultant

Bill Bensusan
Vice President
Wilshire & Associates

**Performance Summary as of
June 30, 2010**

OPERATING FUNDS PORTFOLIO								
Fund / Manager (Inception Date) <i>Benchmark</i>	<u>Market Value</u> (000's)	<u>Allocation</u> (%)	<u>Current</u> <u>Month</u>	<u>Fiscal</u> <u>YTD</u>	<u>1 Year</u>	<u>Trailing</u> <u>2 Years</u>	<u>3 Years</u>	<u>Since</u> <u>Inception</u>
Working Capital Pool (03/31/06) <i>91-Day Treasury Bill</i>	\$ 107,767	42%	0.2%	2.0%	2.0%	1.9%	2.5%	3.3%
		30%	0.0%	0.2%	0.2%	0.6%	1.6%	2.6%
Strategic / Reserve Capital Pool (03/31/06) <i>Weighted Average Benchmark Index</i>	145,836	58%	-0.5%	15.5%	15.5%	3.1%	2.5%	4.1%
		70%	-0.1%	14.1%	14.1%	3.6%	3.5%	4.7%
TOTAL COMBINED POOL (03/31/06) <i>Weighted Average Benchmark Index</i>	\$ 253,603	100%	-0.2%	9.3%	9.3%	3.3%	2.9%	3.9%
		100%	-0.1%	9.8%	9.8%	2.8%	3.0%	4.0%

WORKING CAPITAL POOL								
Fund / Manager (Inception Date) <i>Benchmark</i>	<u>Market Value</u> (000's)	<u>Allocation</u> (%)	<u>Current</u> <u>Month</u>	<u>Fiscal</u> <u>YTD</u>	<u>1 Year</u>	<u>Trailing</u> <u>2 Years</u>	<u>3 Years</u>	<u>Since</u> <u>Inception</u>
WORKING CAPITAL POOL								
SPIA Account (03/31/06) <i>91-Day Treasury Bill</i>	\$ 82,724	33%	0.2%	2.5%	2.5%	2.2%	2.8%	3.5%
			0.0%	0.2%	0.2%	0.6%	1.6%	2.6%
MS Institutional Liquid Funds Account (08/07/09) <i>91-Day Treasury Bill</i>	20,024	8%	0.0%	0.1%	0.1%	0.0%	0.0%	0.1%
			0.0%	0.2%	0.2%	0.0%	0.0%	0.0%
Regions Account (12/15/09) <i>91-Day Treasury Bill</i>	5,005	2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
			0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
WORKING CAPITAL POOL COMPOSITE (3/31/06) <i>Target Allocation / 91-Day Treasury Bill</i>	\$ 107,767	42%	0.2%	2.0%	2.0%	1.9%	2.5%	3.3%
		30%	0.0%	0.2%	0.2%	0.6%	1.6%	2.6%
STRATEGIC / RESERVE CAPITAL POOL								
Prudential Core Fixed (11/30/07) <i>Barclays Aggregate</i>	\$ 43,769	17%	1.9%	12.9%	12.9%	9.1%	0.0%	7.5%
		21%	1.6%	9.5%	9.5%	7.8%	0.0%	6.5%
Northern Trust TIPS (6/30/06) <i>Barclays U.S. TIPS</i>	27,776	11%	1.5%	10.6%	10.6%	4.1%	7.8%	6.9%
		14%	1.4%	9.5%	9.5%	4.1%	7.6%	6.7%
BlackRock HY Bond (3/31/06) <i>ML High Yield Master II</i>	16,608	7%	0.7%	33.2%	33.2%	9.1%	5.2%	6.8%
		7%	1.3%	27.5%	27.5%	10.9%	6.4%	7.3%
FIXED INCOME COMPOSITE (3/31/06) <i>Fixed Income Benchmark Index</i>	88,154	35%	1.5%	15.3%	15.3%	7.8%	7.6%	6.9%
		42%	1.5%	12.4%	12.4%	7.5%	7.9%	7.1%
Northern Trust S&P 500 (6/30/06) <i>S&P 500</i>	10,773	4%	-5.2%	14.7%	14.7%	-8.0%	-9.7%	-2.9%
		5%	-5.2%	14.4%	14.4%	-8.1%	-9.8%	-3.0%
CS McKee Small Cap (6/30/08) <i>Russell 2000</i>	4,504	2%	-7.0%	22.7%	22.7%	0.9%	0.0%	0.8%
		2%	-7.8%	21.5%	21.5%	-4.6%	0.0%	-8.0%
U.S. EQUITY COMPOSITE (3/31/06) <i>Wilshire 5000</i>	15,278	6%	-5.8%	17.0%	17.0%	-6.1%	-9.5%	-4.8%
		7%	-5.5%	15.7%	15.7%	-7.7%	-9.4%	-3.0%
Alliance Bernstein (6/30/08) <i>MSCI EAFE Index (N)</i>	9,284	4%	-3.3%	3.9%	3.9%	-16.8%	0.0%	-16.2%
		5%	-1.0%	5.9%	5.9%	-14.7%	0.0%	-17.6%
INTERNATIONAL EQUITY COMPOSITE (3/31/06) <i>MSCI EAFE Index (N)</i>	9,284	4%	-3.3%	3.9%	3.9%	-18.4%	-16.6%	-6.7%
		5%	-1.0%	5.9%	5.9%	-14.7%	-13.4%	-4.3%
Aetos Alternatives Mgmt. (4/31/06) <i>CPI + 3.25%</i>	20,677	8%	-0.7%	9.0%	9.0%	-1.8%	-0.9%	2.1%
		11%	0.2%	4.4%	4.4%	3.1%	4.9%	5.3%
ABSOLUTE RETURN COMPOSITE (3/31/06) <i>CPI + 3.25%</i>	20,677	8%	-0.7%	8.9%	8.9%	-1.8%	-1.0%	2.1%
		11%	0.2%	4.4%	4.4%	3.1%	4.9%	5.3%
Urdang REIT (6/30/06) <i>NAREIT Equity</i>	12,443	5%	-5.0%	62.2%	62.2%	-1.2%	-4.4%	-0.4%
		5%	-5.0%	53.9%	53.9%	-6.6%	-9.0%	-4.0%
REITs COMPOSITE (6/30/06) <i>NAREIT Equity</i>	\$ 12,443	5%	-5.0%	62.2%	62.2%	-1.2%	-4.4%	-0.4%
		5%	-5.0%	53.9%	53.9%	-6.6%	-9.0%	-4.0%

This page intentionally left blank

THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Audit Committee

September 8, 2010

Subject: Environmental – Regulatory & Compliance

Proposed Committee Action:
None. For Information Only.

Background Information:
The Safety and Environmental Compliance Report provides the status of compliance issues.

Supporting Documentation: Safety and Environmental Compliance Status Report

Facilitator/Presenter: William Youngblut

This page intentionally left blank



SAFETY & ENVIRONMENTAL COMPLIANCE STATUS REPORT

AUGUST 10, 2010 UPDATE

Agency: Miami Dade County Department of Environmental Resources Management (DERM)

Florida Department of Environmental Protection (FDEP)

United States Environmental Protection Agency (USEPA)

Issue: Fuel Line Leak at Green Library

Status: Wells are inspected monthly. Well samples are collected and visually inspected for signs of contamination or pollution. As of August 2010, samples have shown no signs of pollution. Well monitoring results were sent to DERM for review, awaiting reply.

Issue: Hazardous Waste Management

Agency:

Florida Department of Environmental Protection (FDEP)

Status: On August 3rd, 2010, FIU Biscayne Bay Campus' hazardous waste management practices and facilities were inspected by FDEP. EH&S received a draft report of findings on August 6th, 2010, and is presently addressing the alleged violations cited by the inspector. FIU will respond to FDEP within 30 days of receipt of the letter, as requested in the letter

Issue: Chemical Inventory Management (CIMS)

Status: As of August 2010, EH&S created a chemical inventory template based on the requirements of the CIMS and distributed to contacts with a thirty day deadline for submittal. EH&S has started receiving inventories from research and teaching lab locations. Receipt deadline is August 27, 2010

Agency: Florida Department of Health (FDOH)

US Nuclear Regulatory Commission (USNRC)

Radiation Machine Registration Renewal

Radioactive Material Broad Scope License Renewal

Issue: Radioactive Materials Use Compliance**Status:**

As of August 2010, per the amendment of the FIU Broad Scope Radioactive Material License authorizing the use of radioactive materials at Jackson North Medical Center, radioactive materials were received, transferred to JNMC and research studies were conducted at JNMC.

Issue: Laser Device Registration and Use Compliance

Status: As of August 2010, FIU completed compliance with regulation requirements. Eight new Class 3B and 3 Class 4 laser devices were registered with the Florida Department of Health Bureau of Radiation Control. One Class 3B laser device was replaced with a new one and registered with the Bureau. Fourteen Class 3B and 5 Class 4 laser devices were relocated to different labs within FIU and re-registered with the Bureau. At present there are 101 Class 3B and Class 4 laser devices registered with the Bureau.

Agency: United States Drug Enforcement Administration (USDEA)

Issue: Controlled Substance Use Compliance

Status: In June 2010 the DEA issued a new registration for the use of controlled substances at the Animal Care Facility (FIU OE building). Registrations were renewed for College of Medicine (Schedule 2-5 DEA registration) and Biomedical Engineering (EC registration). An arrangement was made with the DEA for clinical use of controlled substances by the College of Medicine under the FIU pharmacy registration.

Agency: State Fire Marshal

Issue: Life Safety Code Compliance Repeat Violations

Status: Life Safety Code inspections for the 2009-2010 fiscal are complete. EH&S is currently conducting 2010-2011 Life Safety Code inspections and construction/remodeling inspections for the following campus buildings/areas: PG5, Football Stadium, Graham Center bookstore and surrounding restaurants, Campus Support Complex, and US Century Bank Arena

THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Finance and Audit Committee

September 8, 2010

Subject: Athletics Update

Proposed Committee Action:

None. For Information Only.

Background Information:

The Athletics Update provides a Fundraising Report and the financial highlights from the Athletics Finance Corporation.

Supporting Documentation: Athletics Update

Facilitator/Presenter: Pete Garcia

This page intentionally left blank



ATHLETICS UPDATE
September 8, 2010

Reports *(For Information Only – no action required)*

Pete Garcia, Athletics Director

Fundraising Report

FIU Foundation, Inc.
Preliminary Recap of Statement of Activities
Through the Period Ended June 30, 2010 (in thousands)

	Actual	Budget	Variance
Revenues	\$855	\$918	\$63

- This variance is driven by Bank of America Affinity Card revenues which are unfavorable by \$113,000 to budget on a year-to-date basis. Fundraising revenues are favorable \$50,000
- The Naming Rights donation from Mr. Kirk Landon for the naming of the Football Field House in the amount of \$1.0 million is incremental to the below and are recorded separately under Building Funds.

Financial Highlights

Based on Athletics Finance Corporation, Unaudited Preliminary Recap through the period ended June 30, 2010

- June year-to-date Net Income was \$3.2 million and favorable \$501,050 vs. budget
 - Primary drivers included:
 - Additional pledged revenues of \$500,000
 - Favorable Operating expenses of \$296,461
 - Unfavorable Naming Rights of \$331,333
- Debt coverage covenant requirement have been met

This page intentionally left blank