



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

Wednesday, September 10, 2014  
9:30 am *\*approximate start time*  
Florida International University  
Modesto A. Maidique Campus  
Graham Center Ballrooms

**Committee Membership:**

Sukrit Agrawal, *Chair*; Robert T. Barlick, Jr., *Vice Chair*; Cesar L. Alvarez; Gerald C. Grant, Jr.; Kathleen L. Wilson

**Liaison:**

Richard Brilliant, *Foundation Board of Directors*

**AGENDA**

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| 1. Call to Order and Chair's Remarks  | Sukrit Agrawal     |
| 2. Approval of Minutes  | Sukrit Agrawal     |
| 3. Action Items   |                    |
| FA1. Approval of the Amendment to the Bylaws of the Florida International University Foundation, Inc. | Candice B. Gidney  |
| FA2. Florida International University Donative Naming Policy  | Howard R. Lipman   |
| FA3. Proposed Amendment to FIU-1101 Tuition and Fees Schedule Regulation                              | Kenneth A. Jessell |
| 4. Discussion Items <i>(No Action Required)</i>   |                    |
| 4.1 Office of Internal Audit Status Report  | Allen Vann         |
| 4.2 Financial Performance Review – FY 2013-14   | Kenneth A. Jessell |
| 4.3 New Biscayne Bay Campus Student Housing Project Update  | Kenneth A. Jessell |

**5. Reports** *(For Information Only)*

<b>5.1 Treasury Report</b>	<b>Phong Vu</b>
<b>5.2 Business Services Report</b>	<b>Aime Martinez</b>
<b>5.3 Athletics Update</b>	<b>Pete Garcia</b>
<b>5.4 Emergency Management Status Report</b>	<b>Ruben D. Almaguer</b>
<b>5.5 University Compliance Report</b>	<b>Karyn Boston</b>
<b>5.6 Safety and Environmental Compliance Report</b>	<b>Ruben D. Almaguer</b>
<b>5.7 Facilities and Construction Update</b>	<b>John Cal</b>
<b>5.8 Foundation Report</b>	<b>Richard Brilliant</b>

**6. New Business**

<b>6.1 Office of Internal Audit Discussion of Audit Processes</b>	<b>Sukrit Agrawal</b>
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<b>7. Concluding Remarks and Adjournment</b>	<b>Sukrit Agrawal</b>
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*Next Finance and Audit Committee Meeting is scheduled for Wednesday, January 14, 2015*

**THE FLORIDA INTERNATIONAL UNIVERSITY  
BOARD OF TRUSTEES**

**Finance and Audit Committee**

September 10, 2014

**Subject: Approval of Minutes of Meetings held: June 3, 2014 and June 12, 2014**

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**Proposed Committee Action:**

Approval of Minutes of the Finance and Audit Committee meeting held on Tuesday, June 3, 2014 at the FIU, Modesto A. Maidique Campus, MARC International Pavilion; and Minutes of the Finance and Audit Committee meeting held on Thursday, June 12, 2014 at the FIU, Biscayne Bay Campus, Wolfe University Center, room 221.

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**Background Information:**

Committee members will review and approve the Minutes of the Finance and Audit meeting held on Tuesday, June 3, 2014 at the FIU, Modesto A. Maidique Campus, MARC International Pavilion; and Minutes of the Finance and Audit Committee meeting held on Thursday, June 12, 2014 at the FIU, Biscayne Bay Campus, Wolfe University Center, room 221.

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**Supporting Documentation:** Finance and Audit Committee Meeting Minutes:  
June 3, 2014 and June 12, 2014

**Facilitator/Presenter:** Committee Chair Sukrit Agrawal

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**FLORIDA INTERNATIONAL UNIVERSITY  
BOARD OF TRUSTEES  
FINANCE AND AUDIT COMMITTEE  
MINUTES  
JUNE 3, 2014**

**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 Sukrit Agrawal at 2:03 pm on Tuesday, June 3, 2014, at the Modesto A. Maidique Campus, MARC International Pavilion.

The following attendance was recorded:

***Present***

Sukrit Agrawal, *Chair*  
Robert T. Barlick, Jr., *Vice Chair*  
Gerald C. Grant, Jr.  
C. Delano Gray

***Excused***

Cesar L. Alvarez

Trustee Alexis Calatayud and President Mark B. Rosenberg were also in attendance.

Committee Chair Agrawal welcomed all Trustees, faculty and staff to the meeting. He welcomed newly-elected Student Government President for the Modesto A. Maidique Campus, Alexis Calatayud. He noted that Trustee C. Delano Gray's term as Chair of the Faculty Senate would conclude on July 31, 2014 and thanked Instructor Gray for his dedicated service to the University's Faculty Senate and Board of Trustees.

Committee Chair Agrawal noted that as Dr. Douglas Wartzok concludes his tenure as Provost and prepares to begin his sabbatical effective July 1, 2014, he wished to express the Board's gratitude for the countless contributions and accomplishments during his tenure.

**2. Approval of Minutes**

Committee Chair Agrawal asked that the Committee approve the Minutes of the meeting held on March 27, 2014. A motion was made and passed to approve the Minutes of the Finance and Audit Committee Meeting held on Thursday, March 27, 2014.

### **3. Action Items**

#### **FA1. Proposed 2014-15 Operating Budget**

Committee Chair Agrawal introduced the proposed 2014-15 Operating Budget, noting that Senior Vice President of Administration and Chief Financial Officer Kenneth A. Jessell would provide a comprehensive review of all of the components, including the tuition for market rate programs for the 2015-16 academic year and proposed increases in tuition for Graduate, Nursing, Law, and Medical students. Committee Chair Agrawal recommended that all of the action items included within the 2014-15 Operating Budget be voted on in one (1) motion. There were no objections.

#### **A. University and Direct Support Organizations (DSO) Operating Budgets**

Sr. VP and CFO Jessell presented the University and DSO Operating Budgets totaling \$1.28 billion for Committee review, providing a detailed summary of key aspects of each budget. He noted that key components of the operating budget included tuition increases for Graduate, Nursing, Law and Medical students, in addition to increases in the Financial Aid fee and Technology fee for these students. He reported on Educational and General (E&G) State Appropriations, indicating that FIU received an allocation of \$12.5 million in the new State budget for Fixed Capital Outlay projects including Critical Deferred Maintenance, Renovation, Remodeling and Repairs, and Capital Improvement Trust Fund requests.

#### **B. University Tuition Fee**

Sr. VP and CFO Jessell presented the proposed amendments to the 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 2014-15 academic year as authorized by the Florida State Legislature and the Florida Board of Governors. He added that the proposed amendments reflect the adjustment of tuition increases (3 percent Nursing and Graduate; 10.08 percent Nursing Practicum and Ph.D. in Nursing Practice; 10 percent Law; 2.5 percent Medicine), an 8.33 percent increase in the Graduate and Nursing Non-Resident Fee, and fees calculated as 5 percent of tuition (financial aid and technology).

#### **C. Tuition for Market Rate Programs, 2015-16 Academic Year**

Sr. VP and CFO Jessell presented the request to establish Market Rate Tuition for the Professional Science Master in Environmental Policy and Management, the online Master of Science in Curriculum and Instruction, and the online Master of Science in Special Education offered through continuing education beginning academic year 2015-16. He further noted that market rate tuition programs receive no state funding and must cover all costs associated with program delivery.

A motion was made and passed that the FIU Board of Trustees Finance and Audit Committee recommend for Board of Trustees' approval the proposed 2014-15 University and DSO Operating Budgets, request to establish market tuition rates and proposed amendments to existing tuition and fees regulations, including the following:

- A. University and DSO Operating Budgets
- B. University Tuition Fee
- C. Tuition for Market Rate Programs, 2015-16 Academic Year

**FA2. Proposed 2014-15 Fixed Capital Outlay Budget**

Sr. VP and CFO Jessell presented the University's 2014-15 Fixed Capital Outlay Budget for Committee review, noting that the Fixed Capital Outlay Budget governs the University's capital expenditures during the year. He further noted that FIU's 2014-15 Capital Outlay Budget for Public Education Capital Outlay Projects (PECO) totaled \$21,981,713 for the University's Strategic Land Acquisition, Student Academic Support Center and minor building repair and maintenance. He added that FIU's 2014-15 Fixed Capital Outlay Budget for Capital Improvement Trust Fund Projects (CITF) Projects totaled \$7,328,254 for the renovation of the Graham University Center and the improvements to the Wolfe University Center, and expansion of the Wellness and Fitness Center.

A motion was made and passed that the FIU Board of Trustees Finance and Audit Committee recommend for Board of Trustees' approval FIU's 2014-15 Fixed Capital Outlay Budget and also authorize the University President to amend this budget as necessary, consistent with Florida Board of Governors and FIU Board of Trustees directives and guidelines.

**FA3. Request for Approval of Florida International University's 2015-16 Fixed Capital Outlay Legislative Budget Request, consisting of the five-year Capital Improvement Plan**

Sr. VP and CFO Jessell presented the request for approval of FIU's 2015-16 Fixed Capital Outlay Legislative Budget Request, consisting of the five-year Capital Improvement Plan or CIP, for Committee review, noting that the Fixed Capital Outlay Budget Request sets forth the University's proposed capital expenditures during the next five years. He further noted that FIU's 2015-16 Capital Outlay Budget for PECO-eligible projects totaled \$42,875,877 for facilities infrastructure, satellite chiller plant expansion, building repair and maintenance and the building of the humanities center.

A motion was made and passed that the FIU Board of Trustees Finance and Audit Committee recommend for Board of Trustees' approval the 2015-16 Fixed Capital Outlay Legislative Budget Request, consisting of the five-year Capital Improvement Plan, and also authorize the University President to amend this Fixed Capital Outlay Legislative Budget Request as necessary, consistent with Florida Board of Governors and BOT directives and guidelines.

**FA4. Internal Audit Plan, 2014-15**

Internal Audit Director Allen Vann presented the Internal Audit Plan for fiscal year 2014-15 for Committee review and approval, noting that the plan was developed using a systematic approach that aids in the determination of the audits that need to be performed, while also considering the most appropriate allocation of available resources to maximize productivity. He added that he would be undergoing a self-assessment as part of a mandatory quality assurance review for fiscal year 2015 to be conducted by external validator, Drummond Kahn.

A motion was made and passed that the FIU Board of Trustees Finance and Audit Committee approve the University Internal Audit Plan for Fiscal Year 2014-15.

#### **FA5. Amendment of University Traffic and Parking Regulation**

Sr. VP and CFO Jessell presented the proposed amendments to the University Traffic and Parking Regulation FIU-1105 for Committee review, noting that the amendments reflect various changes that include: making the cost of duplicate decals uniform at \$15.00; requiring that stolen decals be reported to the University Police Department; adding immobilization as a penalty to various infractions; deleting two designated parking restrictions; adding a citation category classified as a “boot fee”; reducing the cost of a one/two semester housing garage decal; and adding two reasons for which appeals are disallowed. He added that the regulation is also being edited for clarification and to update current procedures.

A motion was made and passed that the FIU Board of Trustees Finance and Audit Committee recommend for Board of Trustees’ approval the proposed amendments to FIU-1105 University Traffic and Parking Regulation and delegate authority to the University President to approve any subsequent amendments that are based on comments to the regulation received from the Florida Board of Governors and as a result of the regulation-making process.

#### **FA6. Amendment to Student Debt Collection Regulation**

Sr. VP and CFO Jessell presented the Student Debt Collection Regulation, FIU-1109, for Committee review, noting that the amendment to the regulation delineates the procedures for the collection of funds owed to the University by its students.

A motion was made and passed that the FIU Board of Trustees Finance and Audit Committee recommend for Board of Trustees the approval of the proposed amendments to FIU-1109 Student Debt Collection regulation.

#### **FA7. UniversityCity Prosperity Project TIGER Improvements**

Sr. VP and CFO Jessell presented the UniversityCity Prosperity Project TIGER Improvements for Committee review, noting that FIU was awarded a United States Department of Transportation (USDOT) grant to support an innovative package of technology, streetscaping and transit improvements to connect the City of Sweetwater with the Modesto A. Maidique Campus. He added that the total project budget is \$15,505,663 and that project funds will be used to construct a new signature pedestrian-oriented bridge over SW 8th Street, pedestrian-oriented plazas and walkways, a memorial plaza in the City of Sweetwater and streetscaping elements such as shade trees, street furniture, and lighting. He stated that project funds will also be used for advanced and comprehensive electronic wayfinding systems and community transit. He further added that FIU will acquire, as part of the project, donated real property from the City of Sweetwater for certain portions of the project located on the north side of SW 8th Street.

A motion was made and passed that the FIU Board of Trustees Finance and Audit Committee recommend for Board of Trustees’ approval the performance of the project contemplated by the USDOT grant on the FIU Modesto A. Maidique Campus and in the City of Sweetwater, and authorize the University President or designee to take all actions and execute any documents necessary or desirable in connection with the project.

#### **4. Discussion Items**

##### **4.1 Office of Internal Audit Status Report**

Internal Audit Director Vann presented the Internal Audit Report, providing updates on recently completed audits, work in progress and a follow-up status report. He noted that 38 of the 51 recommendations due for implementation this quarter were completed and the remaining 13 recommendations are in progress.

##### **4.2 Financial Performance Review – Third Quarter FY 2013-14**

Sr. VP and CFO Jessell presented the Financial Performance Review for the third quarter of fiscal year 2013-14 and provided a summary of University revenues and expenditures. He reported that the University and direct support organizations' operating revenues were above estimates by \$28 M (or four percent), which can be primarily attributed to higher undergraduate enrollment and non-resident students, higher Pell grants due to an increase in the maximum award and larger number of eligible students due to higher enrollment. He noted that expenses were below estimates by \$16M (or two percent), primarily due to lower expenditures, vacant positions and delays in spending on the capital campaign program.

#### **5. Reports *(For Information Only)***

Committee Chair Agrawal requested that the Treasury Report, Business Services Report, Athletics Update, Emergency Management Status Report, University Compliance Report, Safety and Environmental Compliance Report, Facilities and Construction Update, and Foundation Report be accepted as written. There were no objections.

#### **6. New Business**

##### **6.1 Senior Management Discussion of Audit Processes**

Committee Chair Agrawal noted that as is stipulated in the Finance and Audit Committee Charter, the Committee must meet with Senior Management without the presence of the Office of Internal Audit. He further noted that as a meeting conducted in the Sunshine, no one present was required to leave during the discussion with Senior Management, adding that this was strictly voluntary. Members of Senior Management discussed the auditor's performance.

#### **7. Concluding Remarks and Adjournment**

With no other business, Committee Chair Sukrit Agrawal adjourned the meeting of the Florida International University Board of Trustees Finance and Audit Committee on Tuesday, June 3, 2014 at 3:35 pm.

*There were no Trustee requests.*

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**FLORIDA INTERNATIONAL UNIVERSITY  
BOARD OF TRUSTEES  
FINANCE AND AUDIT COMMITTEE  
MINUTES  
JUNE 12, 2014**

**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 Vice Chair Robert T. Barlick, Jr. at 10:04 am on Thursday, June 12, 2014, at the Biscayne Bays Campus, Wolfe University Center, room 221.

The following attendance was recorded:

***Present***

Robert T. Barlick, Jr., *Vice Chair*  
Cesar L. Alvarez  
Gerald C. Grant, Jr.  
C. Delano Gray

***Excused***

Sukrit Agrawal, *Chair*

Trustees Michael M. Adler, Jorge L. Arrizurieta and Alexis Calatayud and President Mark B. Rosenberg were also in attendance.

Committee Vice Chair Barlick noted that on May 29, 2014, the Board's Real Estate Subcommittee reviewed the new Biscayne Bay Campus Student Housing project and recommended the item for Finance and Audit Committee consideration.

**2. Action Item**

**FA8. New Biscayne Bay Campus Student Housing Project**

Senior Vice President of Administration and Chief Financial Officer Kenneth A. Jessell presented the new Biscayne Bay Campus (BBC) student housing project for Committee review. He noted that student housing helps to create an immersive academic environment that increases student retention and success. He stated that Alvarez & Marsal, LLC conducted a market demand study that analyzes the potential demand for student housing at the BBC Campus. He added that the study found that while growth in the City of North Miami is higher than the county and the State of Florida as a whole and population and household growth is projected to be strong over the next five years in all geographic areas with the highest growth in the one mile ring, the majority of the developments in the pipeline are conventional projects and not in proximity to the BBC campus and are also not likely to appeal to a significant number of BBC students.

Sr. VP and CFO Jessell noted that the proposed project consists of the development of a 297,000 square foot, on campus residence hall that will include approximately 618 beds with a resort-style swimming pool and other amenities. He added that the project responds to Governor Rick Scott's letter to the Florida Board of Governors encouraging universities to consider alternative development and financing of facilities and infrastructure. He added that the University's Evaluation Committee selected Servitas LLC as the program and development management firm, following a formal, competitive solicitation process. He indicated that the members of the Servitas LLC team have served more than 40 universities in 15 states with the delivery of more than 40,000 on-campus beds.

Sr. VP and CFO Jessell noted that as the winning bidder, Servitas LLC, will assume full responsibility and liability for the project and will serve as the primary point of contact for FIU, coordinating all details, decisions and deliverables. He further noted that the collaboration, referred to as a public-private partnership, will serve to meet student need for safe, high-quality on campus housing within close proximity to University facilities.

Sr. VP and CFO Jessell provided a comprehensive overview of the Project Sublease and Operating Agreement terms, indicating that as part of the public-private partnership, Servitas LLC will bear all responsibility and risk associated with financing, designing, building, furnishing, operating and maintaining the facility. He stated that all revenues generated by the project in excess of the debt service, operating costs, capital reserves and management fees are to be paid to FIU as rent. He stated that the project will be financed through the issuance of fixed rate tax-exempt investment grade (BBB- or better) bonds by NCCD-Biscayne Properties, a national 501(c)(3), the owner of the project. He indicated that NCCD-Biscayne Properties will have a 40-year ground lease with the University.

Sr. VP and CFO Jessell stated that the Operating Agreement requires the creation of an Advisory Committee, membership of which includes FIU representatives and that the Advisory Committee will have approval rights over the budget and marketing and operating plans. He added that Phase I of the Project (410 beds) is to be substantially completed by July 15, 2015 and available for occupancy by eligible residents by August 1, 2015 and Phase II (208 beds) is to be substantially completed by July 15, 2016 and available for occupancy by eligible residents by August 1, 2016.

A discussion ensued among Trustees regarding the project. Trustee Michael M. Adler, who is also Chair of the Board's Real-Estate Sub Committee, noted that the public-private partnership model will enable the University to construct much needed student housing at a time when traditional funding sources, like bonding, are not readily available. He added that the public-private partnership is expected to yield positive benefits and experiences for the University community by providing better dorms and facilities for students and lowering long-term taxpayer costs, while freeing the University to focus on providing a quality education. He stated that moving forward the public-private partnership model will be examined as a possible solution for the University to bridge the gap between capital plans and the resources needed to execute and deliver the facilities and infrastructure needed for long-term and sustainable success.



Trustee Alexis Calatayud noted that on-campus housing has reached capacity levels at the Modesto A. Maidique campus while student demand continues to rise. She noted that the new student housing facility in BBC responds to the current and anticipated need and will greatly enhance the student collegiate experience.

A motion was made and passed that the FIU Board of Trustees Finance and Audit Committee recommend that the FIU Board of Trustees authorize the University President or designee to (i) enter into a Sublease Agreement and Operating Agreement with NCCD–Biscayne Properties LLC (“NCCD-Biscayne”), a single member limited liability company owned by National Campus and Community Development Corporation (“NCCD”), on substantially the same terms as described herein, and (ii) take all actions and execute all other incidental documents necessary or desirable in connection with NCCD-Biscayne’s development, construction and operation of the Student Housing project, including, but not limited to, granting easements and licenses on the Biscayne Bay Campus.

### **3. New Business**

*No new business was raised.*

### **4. Concluding Remarks and Adjournment**

With no other business, Committee Vice Chair Robert T. Barlick, Jr. adjourned the meeting of the Florida International University Board of Trustees Finance and Audit Committee on Thursday, June 12, 2014 at 10:56 am.

*There were no Trustee requests.*

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**THE FLORIDA INTERNATIONAL UNIVERSITY  
BOARD OF TRUSTEES  
Finance and Audit Committee**

September 10, 2014

**Subject: Approval of the Amendment to the Bylaws of the Florida International University Foundation, Inc.**

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**Proposed Committee Action:**

Recommend to The Florida International University Board of Trustees (the BOT) approval of the Florida International University Foundation Inc. Bylaws as amended and restated on June 7, 2014.

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**Background Information:**

On June 7, 2014, the Florida International University Foundation Inc. Board of Directors approved amendments to the Foundation's Bylaws.

The BOT must approve any amendments to the FIU Foundation, Inc. Bylaws before their becoming effective.

Regulation FIU-1502 Direct Support Organizations (2) (a) provides that any amendments to the Articles of Incorporation of Bylaws must be submitted by the President of the University to the BOT for approval prior to becoming effective.

Article 10, Section 1 of the Florida International University Foundation Inc. Bylaws provides that any amendment to the Bylaws, approved by the Board, shall be submitted by the University President to the BOT for approval prior to its effective date.

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**Supporting Documentation:** Florida International University Foundation, Inc. Bylaws as Amended and Restated on the 7<sup>th</sup> day of June 2014

**Facilitator/Presenter:** Candice B. Gidney, *FIU Foundation , Inc. Board of Directors*

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FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION INC.  
A Florida Not For Profit Corporation  
(The "Foundation")

BYLAWS

As Amended and Restated the ~~26<sup>th</sup>~~7<sup>th</sup> day of ~~October 2013~~June 2014

ARTICLE 1. BOARD OF DIRECTORS.

Section 1. Governance. In accordance with Article 5 of the Articles of Incorporation of the Foundation, the affairs of the Foundation shall be managed by and under the direction of the Board of Directors (the "Board") and by various Officers and committees thereof as powers may be delegated to such Officers and committees by these Bylaws or by Resolution of the Directors. Members of the Board shall be the sole voting members of the Foundation and shall be called "Directors."

Section 2. Number and Qualifications of Directors. The Directors shall include three categories of members:

(i) Elected Members. The Directors shall elect from the nominations of the Membership & Board Management Committee, or from nominations made from the floor, a total of not less than twenty-eight (28) and not more than sixty (60) members in accordance with the nomination and election procedures specified by these Bylaws. Each Director shall have demonstrated outstanding qualities of leadership and managerial ability and a serious personal intention to promote the advancement of higher education and Florida International University ("the University") through dedicated service to the Foundation. Each Director should set an example of charitable interest in the University and the Foundation which alumni and other friends of the University may emulate. To that end, each elected member of the Board shall contribute to the Foundation, at a minimum, an annual membership gift, the amount of which shall be recommended by the Executive Committee and approved by the Board at the Annual Meeting, and which shall be paid to the Foundation by each Director during the first quarter of each fiscal year of membership. In addition, each Director shall either make a donation, or get others to make donations, annually in the amount established by the Board at its Annual Meeting. Directors shall be expected to participate in University functions and events whenever reasonable and practicable and act as an emissary to promote and advance the goals of the University.

(ii) Officers. The Directors shall elect a Chairperson of the Board ("Chairperson"), up to two (2) Vice Chairpersons, Secretary and Treasurer from among its membership. The Chairperson may appoint an Assistant Secretary and Assistant Treasurer to provide administrative support.

(iii) Designated Ex Officio Members. The Directors shall include among their members the persons who hold the following offices during the time they hold such offices: the President of the University or his designee, a Faculty representative from the Faculty Senate recommended by the President after consultation with the Faculty Senate Chairperson, the President of the Student Government Council who is not serving on the Board of Trustees, the President of the Alumni Association, the Chairperson of the FIU President's Council, and others who may be designated by the Directors from time to time. The Chairperson of the University Board of Trustees may appoint a representative to the Board and the Executive Committee. Ex Officio members shall have the right to vote and shall be counted towards quorum.

Section 3. Terms of Service. A newly elected Director, who has not previously been a Director, shall be elected to serve for one Board calendar year. If the initial term of service is less than 6 months, the Director shall continue to serve during the next calendar year before being elected to any subsequent term. Following the initial year, he/she may be elected for up to a two year term, followed by two three year terms before having to rotate off the Board for a minimum of one year. Directors shall be eligible to serve for nine (9) years before having to rotate off the Board for one (1) year. Terms of service shall begin immediately after election. With respect to any Director whose tenure also includes service to the Foundation as an Officer, the term limits set forth herein shall be extended commensurate with the period of time of the Director's service as an Officer.

Section 4. Election. The Board shall elect new members to fill expiring and vacant terms at the Annual Meeting of the Directors to be held in May or June of each year. Directors may elect additional members at any other regular or special meeting of the Directors, as provided in these Bylaws. Nominations for Directors shall be made by the Membership & Board Management Committee, as described in Article 3 of the Bylaws.

Section 5. Vacancies. Vacancies occurring during a term may be filled by the Directors at any regular or special meeting of the Directors, as provided in Section 4 of Article 1 of these Bylaws.

Section 6. Meetings. Regular meetings of the Board shall be held at least three times a year. One such meeting shall be held in May or June of each year and such meeting shall be the Annual Meeting of the Directors when new Directors and Officers shall be elected and take office, subject to other provisions of these Bylaws. Notice to the public of Regular meetings, Committee meetings, and Special meetings of the Board will be given by posting on the Foundation's website at <http://foundation.fiu.edu/> not less than seven (7) days before the meeting and will include a statement of the general subject matters to be considered. Notice to each Director shall be emailed or faxed to each Director not less than seven (7) days prior to each meeting.. Special meetings may

be called by the Chairperson, the President of the University or his designee, or by any three (3) Directors and the agenda for special meetings shall be limited to matters listed in the written notice of the special meeting.

Emergency Meetings: An emergency meeting of the Board may be called by the Chairperson or a Vice Chairperson in the Chairperson's absence, upon as much notice as is reasonably possible but not less than twenty-four (24) hours notice whenever, in the opinion of the Chairperson or Vice Chairperson, an issue requires immediate Board action. Whenever such emergency meeting is called, the Chairperson will notify the Secretary. The Secretary will immediately serve either verbal or written notice upon each member of the Board, and shall provide notice to the public, by any procedure that is fair under the circumstances, stating the date, hour and place of the meeting and the purpose for which the meeting has been called. No other business will be transacted at the meeting unless additional emergency matters are agreed to by a majority of those Board members in attendance. The minutes of each emergency meeting will show the manner and method by which notice of such emergency meeting was given to each member of the Board and to the public.

Executive Session: The Legislature has provided limited exemptions from the Sunshine law for certain meetings because of the confidential material that must be discussed. When the Board decides to avail itself of any such exemption, it will do so by convening an executive session of the Board.

A. Pending Litigation:

Meetings to discuss pending litigation in which the Board is presently a party before a court or administrative agency may be held in executive session outside the Sunshine, provided the following procedures and conditions are met.

1. Counsel for the Board must advise the Board at a public meeting that he or she desires an executive session and must state the basis therefore.
2. Only Board members, the Board's attorney(s) and the President of the University may attend a closed executive session to discuss pending litigation. Staff members or consultants are not permitted to attend. The Board must give advance public notice, pursuant to its procedures, of the time and date of the executive session, and must identify the names of the persons who will be attending the closed session.
3. The session must commence with an open meeting at which the Chairperson or his/her designee shall announce the commencement of the meeting, the estimated length of the closed executive session, and the names of the persons attending. At that point, the meeting is closed to all

except those whose names have been announced. The executive session may then commence. At the conclusion of the executive session, the meeting must be reopened to the public and the person chairing the meeting shall announce the termination of the closed executive session.

4. A certified court reporter must record the entire executive session. The reporter must record the times of commencement and termination of the executive session; all discussions and proceedings; the names of all persons present at any time; and the names of all persons speaking. No portion of any executive session may be held off the record. The Board must have the court reporter's notes fully transcribed, and the transcript filed with its records custodian. The transcript is exempt from Florida's public records law, and is not to be disclosed until the litigation concludes. Upon the conclusion of the litigation, the transcript becomes part of the public record.

5. The subject matter of the closed session must be confined to settlement negotiations or strategy sessions related to litigation expenditures. The Board may not go beyond these strict parameters. No final action, no vote, and no decisive action may be taken during the closed session. Any final decision to settle a lawsuit, for a certain amount of money, or under certain conditions, is a decision that must be voted upon in a public meeting.

Section 7. Quorum. A quorum of the Directors shall be one-third of the voting Directors holding office at the time of the vote. A quorum must be present to transact the business of the Foundation at a meeting.

Section 8. Voting. Each Director shall have one vote. When a quorum is present at the meeting, all questions shall be decided by majority vote of the voting Directors present, except as otherwise provided in these Bylaws.

Section 9. Proxies. Proxies, general or special, shall not be accepted for any purpose in the meetings of the Directors or committees.

Section 10. Telephonic Meetings. Meetings of the Directors and of committees may be conducted by conference telephone or similar communications facilities, in the same manner as if the meeting were held in person, if the Chairperson or the Chairperson of the Committee determines it is appropriate and is in full compliance with all requirements of the Sunshine Law. The notice of any meeting conducted by means of telephone or similar communication facilities will state where and how members of the public may gain access to the meeting.



Section 11. Resignation or Removal. A Director may resign at any time by giving written notice to the Chairperson, the ~~President and CEO~~ of the Foundation or the Secretary of the Foundation. Any such resignation shall take effect at the time specified therein or, if no time is specified therein, upon its acceptance by the Board. Any Director who is not present for three (3) regular meetings of the Board during a fiscal year, or who otherwise fails to meaningfully participate as a Director in accordance with the provisions of these Bylaws, shall be placed on probation. The Membership & Board Management Committee, in consultation with the Chairperson and the ~~President and CEO~~ of the Foundation, shall determine whether to remove the Director from the Board or continue his/her probationary period. In addition any Director may be removed from office by a two-thirds vote of all of the Directors present or no less than fifteen (15) members, effective as of the date of such vote.

## ARTICLE 2. OFFICERS.

Section 1. Titles. The Officers of the Foundation, who also serve as Officers of the Board of the Foundation, shall be: a Chairperson, up to two (2) Vice Chairpersons, a Secretary, a Treasurer, and such other officers as the Board may determine.

Section 2. Election. The Chairperson, Vice Chairperson(s), Treasurer and Secretary shall be elected at the Annual Meeting of the Directors from nominations submitted to the Directors by the Membership & Board Management Committee, or from nominations from the floor. No Officer may hold more than one Foundation office concurrently.

Section 3. Term of Service. Each Officer shall be elected for a term of one year and shall be eligible to succeed himself/herself for no more than two (2) additional terms, except as may be otherwise extended for one additional year if approved by the recommendation of the Membership & Board Management Committee and the affirmative vote of two-thirds of the voting Directors present. In the event any officer is elected to fill a vacancy at any regular meeting other than the Annual Meeting of the Directors, the term for filling that vacancy shall not be counted towards the term limits set forth herein.

Section 4. Vacancies. In case any vacancy occurs in an elected office, an election shall be held at the first regular or special meeting of the Directors after such vacancy occurs and nominations may be received directly from the floor to fill such vacant positions. Notice of such vacancy and scheduled election must be given in the same manner as notice for regular or special meetings.

Section 5. Resignation and Removal. An Officer of the Foundation may resign at any time by giving written notice to the Board, the Chairperson or the Secretary of the Foundation. Any such resignation shall take effect at the time specified therein or, if no time is specified therein, upon its acceptance by the Board. Any Officer may be

removed from office by a two-thirds vote of all of the Directors present or no less than fifteen (15) members, effective as of the date of such vote.

#### Section 6. Powers and Duties.

(i) Chairperson of the Board. The Chairperson shall preside at all meetings of the Board and Executive Committee, and perform all other duties as may from time to time be assigned by the Directors or the Executive Committee. Among the Chairperson's powers and duties, without limitation, are to appoint the members and Chairpersons of all Standing Committees established by the Directors, except when members or Chairpersons may be designated by these Bylaws; name Special Committees and appoint their members and Chairpersons; appoint, a person to serve as Registered Agent for the Foundation; represent the Foundation at official functions of the University and elsewhere as he/she may determine proper; and present a report of the activities of the Foundation and the conduct of his/her office at the Annual Meeting which occurs when his/her term of office expires. The Chairperson shall report to the Board and the University President.

(ii) Vice Chairperson(s). The Vice Chairperson(s) shall be responsible for assisting the Chairperson in any way so designated by the Chairperson and shall serve as temporary Chairperson in the Chairperson's absence. Vice Chairpersons shall perform such other duties as may from time to time be assigned by the Chairperson, the Directors or the Executive Committee.

(iii) Secretary. The Secretary shall be responsible for the maintenance and management of the Foundation's activities as may be required by the Chairperson, the Directors or the Executive Committee. He/she shall have charge of the Foundation's corporate records and corporate seal; record the minutes of all meetings of the Directors, Executive Committee and other committees; give and serve notice of meetings as required by these Bylaws; and perform such other duties as may be assigned to him/her by the Chairperson, the Board or the Executive Committee. The Secretary may delegate part of his/her duties to an Assistant Secretary as set forth in Article 5 below.

(iv) Treasurer. The Treasurer shall serve as Chairperson for the Finance ~~and Audit~~ Committee; approve all day-to-day disbursements by the Foundation; have custody of all of the funds and financial records of the Foundation; disburse funds upon instruction of the Directors or the Executive Committee; keep full and accurate accounts of all funds, together with the report of the annual audit; present a financial report for the Foundation at each meeting of the Directors and an annual financial report at the Annual Meeting; file all financial reports required by Federal and Florida law, regulation, rule or established procedure; and perform such other duties as may be assigned to him/her by the Chairperson, the Board or the Executive Committee. The

Treasurer may delegate part of his/her duties to an Assistant Treasurer as set forth in Article 5 below.

### ARTICLE 3. COMMITTEES.

Section 1. Designation and Appointment of Committees. Committees of the Board shall either be Standing Committees, as designated by these Bylaws, or Special Committees, as established by the Chairperson. Standing Committees or Special Committees shall have the power to establish Sub-Committees. The Chairperson of the Foundation shall appoint the members of all committees and designate their chairpersons, except as otherwise specified by these Bylaws. A majority of the members of Standing Committees, Special Committees and of any sub-committees must be Directors. All members of the committees shall have voting rights. One-third of the voting members of any Committee, except the Executive Committee as provided for below in these bylaws, shall constitute a quorum and a majority vote of the voting members of the Committee present, after a quorum has been declared, shall be required to enact business of the Committee. The actions of any committee shall be subject to review and approval by the Executive Committee, and to confirmation by the Board at its next ensuing meeting, except when the power to act is specifically granted to a committee by these Bylaws or by action of the Directors or Executive Committee. Each committee shall keep approved minutes and submit them to the Directors for review. Committees shall present an annual plan at the first meeting of the Board for the Foundation's calendar year.

Section 2. Standing Committees. The Directors shall have the following Standing Committees:

(i) Executive Committee. The Executive Committee of the Directors of the Foundation shall have and may exercise all powers and authority of the Board when the Directors are not in session, subject only to such restrictions or limitations as the Directors may from time to time specify, except that the Executive Committee shall have no authority to alter, amend, or repeal the Articles of Incorporation or Bylaws of the Foundation, to remove Directors or Officers or to elect Officers. The Executive Committee may elect Directors that have been recommended by the Membership & Board Management Committee, provided that the Membership & Board Management Committee circulates its recommendations to the full Board prior to the Executive Committee meeting where new directors will be elected. The Executive Committee shall meet at the call of the Chairperson of the Directors. A majority of the voting members of the Executive Committee shall constitute a quorum and a majority vote of the voting members of the Committee present, after a quorum has been declared, shall be required to enact business of the Executive Committee. When urgency precludes a formal meeting, matters may be handled by telephone in accordance with provisions of these Bylaws and the requirements of Florida law regarding meetings of the Directors.

All actions of the Executive Committee shall be reported to the Directors at the next ensuing meeting of the Board, or when deemed sufficiently important by the Chairperson and the University President, such actions shall be reported to the Directors within thirty (30) days after such action is taken, or at a meeting of the Directors if a meeting is held within that period of time. All actions of the Executive Committee shall be included in the minutes of the Board. Members of the Executive Committee shall be the Chairperson, Vice Chairperson(s), Treasurer and Secretary of the Foundation, the President of the University or his designee, the Chairpersons of each standing committee, and two (2) additional members as may be designated by the Chairperson. The University President shall participate at Executive Committee meetings in a non-voting capacity in the event he or she appoints a designee to serve on the Board and Executive Committee.

(ii) Development Management Committee. The Development Management Committee shall review, approve and recommend to the Directors all major fundraising initiatives and campaigns undertaken by the Foundation or the University and each of its components; carry out a regular fundraising program and coordinate the efforts of the Development Sub-Committee; prepare policies and strategies for the solicitation, receipt, acknowledgment, stewardship and recognition of financial support; and prepare standards for gift recognition including, without limitation, endowed chairs, endowed professorships, endowed lectureships, endowed scholarships, the naming of colleges, schools, centers, buildings, areas and other significant facilities and activities of the University, recognizing, however, that only the University Board of Trustees has the ability to recommend that state buildings and facilities be permanently named after donors.

(a) Development Sub-Committee. Each member of the Foundation board shall be a member of the Development Sub-Committee, which shall be known as the "Development Committee." The Development Committee, with the guidance and strategic direction provided by the Development Management Committee, shall be responsible for supporting the Foundation's overall efforts to secure private philanthropic financial support and for promoting the University's mission.

(iii) Finance Committee. The Finance Committee shall be responsible for the oversight of the fiscal matters of the Foundation, including but not limited to the preparation of the Foundation's annual budget, which shall be prepared before the beginning of the University's fiscal year, approved by the Directors and recommended by the University President to the Board of Trustees each year no later than sixty (60) days following the beginning of the Foundation's fiscal year. The Board of Trustees must approve the Foundation budget before it can be enacted. The Finance Committee shall approve or reject gifts or bequests which impose unusual conditions on the Foundation or the University, subject to review and approval by the Executive

Committee or the Directors. It shall periodically review the Foundation's performance against budget and monitor and coordinate the work of the Foundation's Assistant Treasurer and the Investment Sub-Committee, Audit Sub-Committee, and Real Estate Sub-Committee. The Finance Committee shall ensure that consistent and reliable financial practices are followed and that the current financial status of the Foundation is reported to the Executive Committee and the Directors regularly.

(a) The Investment Sub-Committee. The Investment Sub-Committee, with the guidance and recommendations of the Finance Committee and the investment consultants hired by the Foundation, shall be responsible for formulation of the Foundation's investment objectives, and for assisting the Directors in its oversight of the Foundation's investment portfolio and investment managers. The Investment Sub-Committee shall recommend to the Board investment policies, asset allocation policies and guidelines, and shall review and advise on any other investment-related matters as the Finance Committee may from time to time determine. The Investment Sub-Committee shall recommend engagement or termination of investment managers, consultants and custodians, evaluate the performance of investment managers, consultants and custodians and make periodic reports to the Finance Committee and the Board on investment performance and related matters. The Investment Sub-Committee shall meet at least quarterly to review the results of the investment portfolios and recommend appropriate adjustments, as necessary. All actions of the Investment Sub-Committee shall be reported to the Finance Committee.

(b) The Audit Sub-Committee. The Audit Sub-Committee shall be responsible for assisting the Directors in fulfilling its oversight responsibility with respect to the audit policies and system of internal controls of the Foundation. The Audit Sub-Committee shall cause an audit to be made by an independent certified public accountant of the books of the Foundation as soon as possible after the close of the fiscal year of the Foundation, and to have the results reported to the ~~President and CEO~~CEO of the Foundation immediately, and to the full Board at their next meeting thereafter. The annual audit report shall be submitted by the University President to the Board of Trustees for review no later than the end of the fourth month following the close of the organization's fiscal year. The annual audit report shall also be submitted to the Auditor General and to the Board of Governors no later than nine (9) months after the close of the Foundation's fiscal year. The audit shall be conducted in accordance with rules promulgated by the Board of Trustees and with the policies adopted by the Auditor General. The Audit Sub-committee shall recommend the engagement or termination of the external auditors and shall review their performance. The Audit Sub-Committee shall ensure the financial records of the Foundation are maintained in accordance with generally accepted accounting principles and shall monitor compliance with internal controls and all requirements set forth in the Audit Charter, as may be amended from time to time by the Audit Sub-Committee.

(c) Real Estate Sub-Committee. The Real Estate Committee shall be responsible for developing and coordinating the Foundation's overall real estate strategy and objectives, and for reviewing and recommending to the Finance Committee and the Directors general real estate policies, guidelines, and best practices for achieving the Foundation's goals. The Committee shall review potential real estate acquisitions and provide recommendations to the Finance Committee with regard to the potential use or disposition of real property.

(iv) Membership & Board Management Committee. The Membership & Board Management Committee shall receive recommendations for nominees to the Board and as Officers, evaluate such recommendations, and present nominations for open positions to the Board at least seven (7) days prior to the Annual Meeting, or any meeting where new Directors will be chosen. The Membership & Board Management Committee shall advise new Directors of the responsibilities of membership; nominate individuals for special recognition as members of the Foundation; and monitor the attendance, participation and activity of Foundation members and Directors.

Section 3. Special Committees. The Chairperson of the Directors may establish Special Committees from time to time to assist the Directors in carrying out the purposes of the Foundation. The Chairperson shall report the establishment of all Special Committees and the names of their chairpersons and members to the Executive Committee and the Directors at the next ensuing regular meetings of the Executive Committee and Directors.

#### ARTICLE 4. SPECIAL MEMBERS OF THE FOUNDATION.

Section 1. Purpose of Special Members. The Directors may from time to time, acting by majority vote, establish special categories of membership in the Foundation for the purpose of honoring persons for contributions, service or achievement. The qualifications for special membership for each category shall be determined by the Directors as they deem necessary for the benefit of the Foundation and the University. Special members shall have no vote in meetings of the Foundation's members or Directors except as specifically provided in these bylaws.

Section 2. Special Member Categories. The Foundation shall have the following special member categories for honorary and recognition purposes:

(i) Chairperson Emeritus. This category honors the Chief Executive Officers of the Foundation who have rendered extraordinary service to the Foundation. The Directors may elect a former Chairperson, after his/her term of office shall have expired, as Chairperson Emeritus of the Foundation. The Chairperson Emeritus shall be elected by a two-thirds vote of the Directors present.

- (ii) Director Emeritus. The Directors may elect a former Director, after his/her term of office shall have expired, as a Director Emeritus to honor those who have given distinguished service as members of the Board. The Director Emeritus shall be elected by a two-thirds vote of the Directors present.

#### ARTICLE 5. EXECUTIVE AND ADMINISTRATIVE SUPPORT

There shall be a ~~President and CEO~~ of the Foundation. The President of the University shall approve and recommend to the Board a person to serve as ~~President and CEO~~ of the Foundation. After duly considering the recommendation of the University President, the Board shall appoint, by majority vote, the ~~President and CEO~~ of the Foundation, whose primary responsibilities are to manage the corporate affairs of the Foundation on a day-to-day basis, in accordance with policies established by the Directors, and to carry out the functions and duties of the position as prescribed by the Directors in consultation with the University President. The ~~President and CEO~~ shall report to the Board and the University President.

There may be an Assistant Secretary and an Assistant Treasurer to whom the Secretary or Treasurer may delegate part of their duties. The Assistant Secretary and Assistant Treasurer shall report to the Secretary and Treasurer respectively. Neither the ~~President and CEO~~ of the Foundation, the Assistant Secretary nor the Assistant Treasurer shall be considered members or officers of the Foundation nor shall they have voting rights.

#### ARTICLE 6. FUNDS.

Section 1. Fund Categories. The assets of the Foundation shall be held in various Funds as established in these Bylaws or as the Directors shall designate, with as many subfunds and accounts within these groupings as shall be necessary or desirable to achieve the purposes of the Foundation and to comply with the terms of gifts to the Foundation. The Foundation's Finance ~~and Audit~~ Committee shall review these fund categories at least annually and will recommend changes needed to the Executive Committee and the Directors. "Funds" include General Funds, Designated Funds (including Building Funds), Endowment Funds and other special fund categories.

Section 2. General Funds. General Funds are funds which may be used for the general purposes of the Foundation, including administration of the Foundation's affairs, or funds with restrictions which do not seriously inhibit their use for general Foundation purposes. All donations to the Foundation shall be credited to the General Funds when received, including all principal and income from properties donated to, disposed of, or held by the Foundation, unless the terms of the gift shall require the Foundation to credit such donations or the income of principal from such properties to a specific

Designated Fund, as described in the Bylaws, or to a specific use or purpose inconsistent with the general unrestricted use by the Foundation of such donation or the income therefrom.

Section 3. Designated Funds. Designated Funds of the Foundation will be established for each major academic and administrative unit of the University to receive donations to the Foundation which are designated for such purposes. Additional Designated Funds for other specific purposes may be established by the Executive Committee or Directors. The principal of all designated Donations shall be credited to such Designated Fund. Interest income from designated funds shall be credited to the Foundation's General Funds to offset additional university fundraising and support activities unless the terms of the gift specify otherwise.

Section 4. Building Funds. The Board may, from time to time, establish Building Funds for specifically designated capital projects. They shall be administered as Designated Funds.

Section 5. Endowment Funds. Endowment Funds, or Permanently Restricted net assets, are contributions including state matching that must be held and invested in perpetuity as stipulated by the Donor. Only the earnings generated by these investments may be expended and only in accordance with the donor's intent and the gift agreement. All endowment funds are pooled and invested as directed by the Board. Investment earnings/losses are distributed to each endowment on a yearly basis based on its pro-rated share of earnings/losses generated by the permanently restricted net assets. Unless stipulated by the donor, earnings shall not be permanently restricted. The Board will determine the percentage of yearly earnings to be distributed for spending and the percentage to be held in reserve as added principal. The added principal is available for future spending and although it is temporarily restricted, it may be used to calculate the endowment's average balance from which future distributions are based. Losses attributable to permanently restricted net assets must first reduce any added principal held in reserve prior to reducing the corpus of the endowment. Any permanently restricted net asset which has been reduced by losses must be reinstated to its original corpus before any future investment earnings are distributed for spending. No corpus including state matching may be reduced for spending. An administration fee, as approved by the Board, may be charged to endowments. This fee will be covered by the endowment's investment earnings, but may not reduce an endowment's corpus.

Section 6. Ownership and Use of Funds.

(i) All Funds described herein shall be the property of the Foundation and shall be owned by the Foundation as defined in and limited by its Articles of Incorporation, Bylaws, and applicable Florida and Federal law and regulations. In such capacity, the



Foundation shall have the ultimate authority and control over all property in the Funds, and the income derived there from, for the general purposes of the Foundation.

(ii) The assets and income of any Fund may be commingled with those of other unrestricted funds of the Foundation, or may be invested in units of a common investment fund which may be established or utilized by the Foundation, unless otherwise restricted by the terms of gift. The Foundation shall not have an obligation to commingle the assets for investment purposes and may, in its discretion, retain any assets received or hold the assets of a Fund as a separate unit for investment purposes. Any investment or reinvestment of assets shall be made only in such investments as are appropriate for a prudent fiduciary.

(iii) Specific expenses necessary or desirable for the proper administration of each Fund and subfund shall be charged to that Fund or subfund. General operational and administrative expenses shall be charged to each Fund or subfund in accordance with a formula approved by the Directors unless inconsistent with the terms of the gift or otherwise legally improper. Such charges shall be paid into the General Funds where they may be disbursed to pay such expenses. In the event such charges are inconsistent with the terms of the gift or otherwise legally improper, the Directors shall determine which Funds may be used to pay for such expenses.

(iv) These provisions shall not limit in any way the power and ability of the Directors to accept special gifts from donors which may be used for purposes specified by the donors, if such purposes fall within the Foundation's broad general purposes, and which may be subject to such ownership, income and distribution characteristics and restrictions as the Directors of the Foundation and the donors of such gifts may agree, but no characteristic or restriction shall jeopardize the Foundation's tax exempt status or its corporate charter. The Directors intend that all donations will be administratively grouped as a part of one or more of the Funds specified above or as may be established.

(v) Upon the voluntary or involuntary dissolution of the Foundation, or decertification of the Foundation by the Board of Trustees, the Directors shall, after paying or providing for all debts and obligations of the Foundation, transfer the assets of the Foundation to the University, subject to the conditions, restrictions and limitations to which the assets were subject when they were assets of the Foundation.

Section 7. Checks and Depositories. Except as may otherwise be specified in these Bylaws, the Directors shall provide by Resolution which Officers, Directors, or their designees are authorized to draw checks on the Funds of the Foundation and may impose any reasonable terms, conditions or limitation on such authority. Checks or drafts on the Funds of the Foundation shall be signed by any two of the Officers, Directors, or their designees authorized to do so by the Directors or by these Bylaws. Funds of the Foundation shall be deposited to the credit of the Foundation only in

institutions approved by the Directors by resolution and only in financial institutions insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation.

Section 8. Fiscal Year. The fiscal year of the Foundation shall be consistent with the fiscal year of the University.

## ARTICLE 7. APPEARANCES BEFORE THE BOARD.

### Section 1. Registration Procedures.

Individuals or group representatives who desire to be heard on a proposition before the Board shall register in advance of the meeting by completing a public comment form ("Form") specifying the agenda item or specific matter on which they wish to be heard. The Form shall be available at the Foundation's Board Relations office, and must be submitted no later than 11:00 a.m. on the business day preceding the Board meeting.

The Assistant Secretary, in consultation with University counsel, shall determine whether the speaker is entitled to be heard in accordance with applicable law. Only registered persons who timely submit a Form will be called on to speak during the public comment period of a Board meeting. Any person who has not timely registered to speak may request approval to be heard by submitting a Form to staff at a registration table at the Board meeting location no later than twenty (20) minutes prior to the scheduled commencement of the Board meeting. Persons submitting any such untimely requests shall be required to show good cause as to why the person was unable to timely submit the Form in accordance with these procedures. Any such untimely requests shall be considered at the sole discretion of the Chair.

### Section 2. Time Limits.

As a general matter, speakers shall be allotted a maximum of two (2) minutes to be heard on a proposition before the Board. At the discretion of the Chair, time limits may be extended or shortened depending on the number of speakers requesting to be heard. Organizations or groups wishing to address the Board on a proposition shall designate one representative to speak on their behalf, to ensure the orderly presentation of information to the Board. If a speaker has requested to speak on more than one agenda item before the Board, the maximum time that will be allotted to any individual speaker during a Board meeting is five (5) minutes, regardless of the number of agenda items or topics to be addressed.

### Section 3. Decorum.

In order to proceed with the essential business of the Board in an orderly manner, the following rules of decorum shall be strictly observed:

1. Persons scheduled to speak shall be called by the Chair at the appropriate time during the meeting. Any person not immediately appearing at the podium when called upon by the Chair shall waive the right to any further participation at the Board meeting. Each speaker shall state for the record his or her name and the organization or group represented, if any. Substitutions for scheduled speakers will not be allowed except in exceptional circumstances as determined by the Chair.

2. Each speaker's remarks must be directed to the Chair or the Board as a whole and not to individual board members.

3. Speakers shall confine their comments solely to the proposition before the Board they have asked to speak on. Speakers may not use any form of profanity or loud abusive comments. The Chair may notify and warn speakers that their comments have gone beyond the subject matter for which they had signed up to address. The Chair may turn off the microphone or recess the meeting if a speaker persists in addressing irrelevant topics or engaging in inappropriate comments. The Chair has the authority after one warning to order the removal of the speaker from the meetings.

4. Speakers may not refuse to yield the podium when the Chair has advised that their time is up.

5. No clapping, applauding, heckling, shouting comments from the audience, or verbal outbursts in support or opposition to a speaker or his/her remarks shall be permitted. No signs or placards shall be allowed in the Board meeting. Persons exiting the Board meeting shall do so quietly.

6. Personal cellular telephone conversations shall be prohibited during Board meetings. Ringers must be set to silent mode to avoid disruption of proceedings.

Any individual or group representative who attempts to disrupt a Board meeting will be subject to appropriate action pursuant to law.

#### ARTICLE 8. CODE OF ETHICS.

##### Code of Ethics – Conflict of Interest

Directors stand in a fiduciary relationship to the University and the Foundation. Therefore, Directors shall act in good faith, with due regard to the interests of the University and the Foundation, and shall comply with the fiduciary principles and law set forth in the Code of Ethics for Public Officers and Employees, Chapter 112, Part III, Florida Statutes. Directors shall comport themselves in accord with the statutory Code

of Ethics and the Conflict of Interest Policy attached to these Bylaws as Appendix "B". Each Director shall annually complete and sign a disclosure form as required by said policy.

The Foundation shall maintain the highest ethical standards in all of its operations in order to protect and preserve the Foundation's good name, business interests, and relationships with donors, beneficiaries, and the community at large, and shall adhere to the requirements of the Florida Whistle-blower's Act, Sections 112.3187 - 112.31895, Florida Statutes.

#### ARTICLE 9. MISCELLANEOUS PROVISIONS

##### Indemnification

The Board shall, to the extent legally permissible, indemnify and defend each of its Directors, officers, employees, volunteers and other agents against all liabilities and expenses incurred in the connection with the disposition or defense of any action, suit or other proceeding, whether civil or criminal, in which such person may be involved by reason of Foundation service, except with respect to any matter in which such person shall have been adjudicated in any proceeding not to have acted in good faith; and further provided that no settlement shall be entered into without the prior consultation and approval of a duly authorized representative of the Board.

##### Service of Process

Service of process may be made on the Office of the University's General Counsel.

##### Fiscal Year

The fiscal year of the Foundation shall commence on July 1 of each year and end on June 30.

##### Foundation Records and Sunshine Laws

Public access to Board records will be governed by the provisions of Chapter 1004.28(5), Florida Statutes. Board meetings shall be governed by the provisions of the Open Meetings Law, Chapter 286, Florida Statutes. The Foundation shall maintain and/or dispose of all records made or received in connection with Foundation business in accordance with a document retention schedule as the Board may adopt from time to time.

#### ARTICLE 10. AMENDMENTS.

Section 1. Amendments to Bylaws. These Bylaws may be altered, amended, rescinded, or repealed at any regular or special meeting of the voting Directors by the affirmative vote of two-thirds of the voting Directors present. Any amendment to the Bylaws,

approved by the Board, shall be submitted by the University President to the Board of Trustees for approval prior to its effective date.

Section 2. Amendments to Articles of Incorporation. Articles of Incorporation of the Foundation may be altered or amended at any regular or special meeting of the Board by resolution approved by the affirmative vote of two-thirds of the voting Directors present, subject to approval by the Secretary of State of Florida as required by law and subject to any approval which may be required by the Board of Trustees. Written notice of any proposed amendment of the Articles of Incorporation shall be mailed to each Director not less than fifteen (15) days prior to any meeting at which such proposed amendment is to be considered.

Section 3. Requirements of Florida Law. All amendments to the Bylaws and Articles of Incorporation of the Foundation shall comply with Florida law and appropriate state rules and policies.

#### ARTICLE 11. OFFICE.

The office of the Foundation shall be located at the University.

#### ARTICLE 12. EMPLOYEES OF THE FOUNDATION

Any person employed by the Foundation shall not be considered to be an employee of the State of Florida by virtue of such employment. Any employee of the State of Florida who is assigned to work on Foundation matters shall not be considered an employee of the Foundation.

#### ARTICLE 13. SEAL.

The corporate seal of the Foundation shall bear the words "FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION, INC." and "MIAMI, FLORIDA" and the date "1969". The corporate seal shall be used only in connection with the transaction of business of the Board and of the University. The Secretary may affix the seal on any document signed on behalf of the corporation. Permission may be granted by the Secretary for use of the seal in the decoration of any University building or in other special circumstances. The seal of the Board shall be consistent with the following form and design:

#### ARTICLE 14. PARLIAMENTARY PROCEDURE.

Where not addressed by these Bylaws, the Articles of Incorporation, or Florida law, all matters of procedure shall be governed by Roberts Rules of Order (latest edition).

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**THE FLORIDA INTERNATIONAL UNIVERSITY  
BOARD OF TRUSTEES**

**Finance and Audit Committee**

September 10, 2014

**Subject: Florida International University Donative Naming Policy**

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**Proposed Committee Action:**

Recommend to The Florida International University Board of Trustees adoption of the University's Donative Naming Policy.

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**Background Information:**

The University is recommending approval of the Donative Naming Policy as approved by the Florida International University Foundation, Inc. Full Board of Directors on June 7, 2014 to create a standard for all donor naming opportunities throughout the University.

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**Supporting Documentation:** Donative Naming Policy

**Facilitator/Presenter:** Howard R. Lipman

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**SUBJECT (R\*)**

DONATIVE  
NAMING POLICY

**EFFECTIVE DATE (R\*)**

July 1, 2014

**POLICY NUMBER (O\*)**

**POLICY STATEMENT (R\*)**

This policy governs the naming of University campuses, buildings, other physical spaces or structures, academic or departmental units, programs, endowed faculty positions, fellowships and other endowed funds, where appropriate, for naming opportunities associated with donor recognition. This policy applies to all donor naming opportunities, regardless of whether a donor is an individual, foundation or corporation. Honorary namings are not covered by this policy, and are reserved to the Board of Trustees.

**GENERAL REQUIREMENTS FOR NAMING OPPORTUNITIES**

1. The University may grant a donor permanent naming recognition in connection with a University building, academic unit, department, program, or faculty and/or student support endowment if the donor has satisfied the minimum philanthropic contributions as outlined in this policy, and if the recommended naming is consistent with the University's reputation as a public entity and advances the University's educational, research and public service missions.
2. Because of the public visibility and significance associated with such permanent naming recognition, the University should only recognize donors who have attained achievements of distinction and who have made a significant contribution to the community, their profession and/or the University. Individual donors should be of exemplary personal integrity, and corporate or foundation donors should have a high ethical standard of business and personal practice, as determined in the University's sole discretion.
3. Naming recognition of any building shall be provided in accordance with all applicable laws, including but not limited to Board of Governors Regulation 9.005 and IRS requirements relating to naming opportunities for tax-exempt bond financed facilities. The naming of any building must be approved by the Board of Trustees as a noticed, non-consent agenda item.
4. All endowments created in connection with any naming opportunities shall be managed and administered by the FIU Foundation, Inc. in accordance with applicable law and the Foundation's investment and disbursement policies, as they may be amended from time to time.
5. Timeline for Naming: The naming recognition benefits conferred on a donor shall be provided after any requisite board approvals are obtained and no earlier than execution of the gift agreement and receipt of first payment. In the case of an irrevocable gift, when a building or facility will be named and the funds are not required for construction or renovation, naming recognition may be provided following execution of the gift agreement and receipt of requisite board approvals.
6. Minimums for naming opportunities are maintained in the Naming Opportunity Guidelines.

**REASON FOR POLICY (O\*)**

To create a standard for all donor naming opportunities throughout the University.

**DEFINITIONS (R\*)**

"Gifts" refer to contributions consisting of an unconditional transfer of cash or other assets such as securities, land, or personal property, without consideration (i.e. a bargained-for exchange). Certain gifts to qualified charitable entities are entitled to charitable contribution deductions under the Internal Revenue Code.

"Endowments" refer to assets donated with stipulations that they be invested to provide a permanent source of income.

“State Matching Funds” refer to funds appropriated by the State of Florida pursuant to challenge grant programs established to encourage private gifts to state universities, including funds provided pursuant to the Alec P. Courtelis University Facility Enhancement Challenge Grant Program, the University Major Gifts Program, the First Generation Matching Grant Program, or other similar challenge grant programs that may be established by the Florida Legislature from time to time.

“Honorary Namings” refer to non-gift related naming of a University Facility to individuals who have made significant contributions to the University or to the state of Florida or to the fields of education, government, science or human betterment and who are of recognized accomplishment and character. Consistent with Florida Board of Governors Regulation 9.005, Honorary Naming is not allowed for any active board member or employee of the Board of Governors or any active employee, student, or trustee of the university.

## **PROCEDURES (O\*)**

### **I. SPECIFIC REQUIREMENTS FOR PERMANENT NAMING OF BUILDINGS AND FACILITIES**

#### **A. Existing Facilities:**

1. Total cost of remodeling or 50% of the replacement cost of the facility, whichever is greater.

#### **B. New Facilities:**

1. For facilities constructed with a combination of state and donated funds: The Donor’s gift, plus any associated state matching funds, if any, should equal 50% or more of the cost of the project.
2. For facilities constructed solely with donated funds: Lead Donor’s gift, plus associated state matching funds, if any, must equal 50% or more of the cost of the project.
3. For University or DSO debt-financed facilities: The IRS imposes strict limitations and compliance requirements on naming opportunities for facilities financed with tax-exempt bonds (i.e. athletics-related facilities). If the University believes a naming opportunity is likely to materialize for any given project, the gift levels for such naming recognition must be determined in consultation with the University Treasurer and bond counsel prior to the BOT’s approval of the issuance of any debt, so as to permit the financing structure for the project to be developed in a manner that complies with all applicable bond-related requirements.

#### **C. Gifts shall be used for construction or to establish a general restricted endowment in support of the programs intended for the facility to be named or the maintenance and upkeep associated with the facility or program. This endowment will not be named in recognition of the donor.**

#### **D. Irrevocable planned gift commitments will be counted at their present value toward the minimum naming amount. Revocable deferred gifts are not eligible to be counted toward the minimum amount required to name a facility.**

#### **E. Gifts made to an endowment or for facility improvements shall be considered for the following naming opportunities. Gifts in these categories shall be used for construction, renovation, equipment, expansion, or endowment.**

Wet Laboratory

Dry Laboratory

Programmatic Laboratory

Electronic Classroom, Case Room, or Auditorium

Large Classrooms (> 50 seats)

Small Classrooms ( $\leq$  50 seats)

Large Conference Rooms, Administrative Suites, Faculty Suites, Study Rooms, etc. (> 300 sq. ft.)

Small Conference Rooms, Administrative Suites, Faculty Suites, Study Rooms, etc. ( $\leq$  300 sq. ft.)

#### **F. Naming of benches, fountains, outdoor gardens, donor walls, other structures and spaces shall be addressed on a case-by-case basis as set forth in the section titled Approval Process (see Procedures). The appropriate minimum gift level will be calculated based on a variety of factors, including but not limited to location, structure, scale and function. Gifts must cover the entire cost of construction, installation or replacement and, if required, an endowment sufficient to cover all anticipated maintenance costs, unless funds are otherwise identified by the University through a division, college, school or other unit.**

G. Transfer of Naming Recognition:

If a named building has reached its useful life expectancy and is no longer used by the University and/or is demolished, gift agreements should contain language specifying that the naming rights on the building will not be transferred to another building or new facility. The original donor, successor or family will have first right of refusal to fund the new building.

**II. SPECIFIC REQUIREMENTS FOR NAMING DIVISIONS, COLLEGES, SCHOOLS, DEPARTMENTS, CENTERS, INSTITUTES AND PROGRAMS**

Gifts associated with the naming of any division, college, school, or other unit should transform the unit involved, enabling the unit to reach a level of excellence that would have been extremely difficult using State or University funds alone.

A. The appropriate minimum gift level will be calculated based on a variety of factors, including but not limited to market benchmarks, peer institutions, and profile of students. Naming opportunities are as follows:

College, Independent School, or Division  
School within a College  
Independent Center, Institute, Program, or Department  
Center, Institute, or Program within a College or School

B. Other guidelines:

1. FIU Foundation shall have the latitude to approve a multi-year payment plan for the establishment of an endowment at the major gift level, as determined by the Foundation and the University, provided full payment is received within a reasonable period of time (most generally five years) from the execution of the gift agreement.
2. If the stated minimum is not achieved by that time, the donation will be expended according to the designated use until the funds are depleted or it may be placed in another endowment with a similar purpose, consistent with the gift agreement terms. All gift agreements shall contain language specifying that permanent naming recognition is contingent on satisfaction of donor's payment obligations.
3. Each college, school or department may establish named fund opportunities to support the particular activities of its programs so long as the minimum standards stated above are observed.
4. Establishing such named endowments requires the approval of the area Dean, or Director, as well as the CEO of the FIU Foundation, Inc.

C. State Matching Funds:

The State of Florida does not guarantee matching funds. Therefore, the minimum gift level required for naming must be achieved through philanthropic contribution and state matching funds only when received. Any matching funds received as a result of a donor's gift will be applied to the program/purpose of the gift as described in the gift agreement.

D. Transfer of Naming Recognition:

If the purpose for or academic unit for a named Faculty or Student support endowment ceases to exist, the Dean or Director, and University Advancement will work with the original donor, successor or family, if available, to find an appropriate use for the endowment that is most closely aligned to the donor's expressed intent and the institution's goals. If a donor cannot be located, the CEO of the FIU Foundation, Inc., with the concurrence of the Foundation Board of Directors, shall take all appropriate steps to modify a gift's restrictions in accordance with applicable law.

E. Name Withdrawal or Removal:

Any legal impropriety on the part of the donor will make the gift and naming subject to reconsideration by the Foundation and University.

### III. SPECIFIC REQUIREMENTS FOR NAMED FACULTY AND STUDENT SUPPORT ENDOWMENTS

The following are classified as Named Endowments. These endowments are listed because of their broad appeal to most donors.

1. Distinguished Chair: The Distinguished Chair supports projects determined by the President and related to institutionally defined priorities.
2. Deanship: The Endowed Dean's Chair is to be occupied by an individual serving as Dean of a school or college.
3. Eminent Scholars Chair: The Eminent Scholars Chair is to be occupied preferably by an individual with the rank of full professor.
4. Chair: The Chair is to be occupied preferably by an individual with the rank of full professor.
5. Distinguished Professorship: This position is to be occupied preferably by an individual with the rank of full professor.
6. Distinguished Visiting Professorship: This position is to be occupied by a prominent scholar or other distinguished person on a rotating basis generally not to exceed one year in duration.
7. Professorship/Lectureship
8. Graduate Fellowship: A fellowship is awarded to a student who is working toward an advanced degree in any graduate program (and this may include an assistantship, for which the student may perform teaching or research duties).
9. Research Fund: The spendable income from the endowment may be used to support a research program, technology enhancements, publication or presentation expenses, or other research-related expenses.
10. Scholarship: An endowed scholarship may be awarded to an undergraduate, graduate, or professional school student on the basis of need, academic merit, or other guidelines set forth in the gift agreement.
11. Student Support Fund

### IV. APPROVAL PROCESS

- A. A naming of any kind requires approval, as required herein, prior to any commitment with the donor.
- B. The naming of any building (new or existing), college or independent school as the result of a private gift, must be approved by the Senior Vice President for University Advancement, the Executive Vice President and Provost, and the Senior Vice President and Chief Financial Officer. The recommendation must then be submitted for final approval to:
  1. The President.
  2. The FIU Foundation Board of Directors.
  3. The FIU Board of Trustees (approval for naming of buildings is required as a noticed, non-consent agenda item).
- C. The naming of a portion of a building, such as classroom or auditorium, as a result of a private gift, must be approved by the following:
  1. The appropriate area Vice President, Dean or Director.
  2. The Senior Vice President for University Advancement in concurrence with the Executive Vice President and Provost and the Senior Vice President and Chief Financial Officer.
  3. The President.
- D. The naming of a division, department, a school residing within a college, center, institute or program requires approval of:
  1. The area Vice President and Dean/Director.
  2. The Senior Vice President for University Advancement in concurrence with the Executive Vice President and Provost.
  3. The President.

- E. The FIU BOT, upon recommendation from the President, retains the right to approve or disapprove any naming, or to return a gift to a donor, in serving the best interests of the University.
- F. Requests for approval of naming opportunities shall be transmitted to the Senior Vice President for University Advancement via memorandum or proposal draft outlining the name, gift amount and possible terms, how the funds will be used and the rationale for extending recognition through a naming opportunity.

### **HISTORY (R\*)**

Adopted by Foundation Board of Directors on June 7, 2014.  
 Pending adoption by University Board of Trustees September 2014.

### **RESPONSIBLE UNIVERSITY DIVISION/DEPARTMENT (R\*)**

Division of University Advancement/  
 FIU Foundation, Inc.

### **RESPONSIBLE ADMINISTRATIVE OVERSIGHT (R\*)**

Senior Vice President for University Advancement and  
 CEO, FIU Foundation, Inc.  
 11200 S.W. 8th Street – MARC 531  
 Miami, Florida 33199  
 Telephone: (305) 348-3758

The University Policies and Procedures Library is updated regularly. In order to ensure a printed copy of this document is current, please access it online at [www.policies.fiu.edu](http://www.policies.fiu.edu).

For any questions or comments, the “Document Details” view for this policy online provides complete contact information.

### **FORMS/ONLINE PROCESSES (O\*)**

BOG Reg 9.005  
 Naming Opportunities Guidelines  
 Link to the above referenced Form(s) available in the "Document Details" Section of the online version of this policy document.

**\*R = Required   \*O = Optional**

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**THE FLORIDA INTERNATIONAL UNIVERSITY**  
**BOARD OF TRUSTEES**  
**Finance and Audit Committee**

September 10, 2014

**Subject: Proposed Amendment to FIU-1101 Tuition and Fees Schedule Regulation**

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**Proposed Committee Action:**

Recommend that the Florida International University Board of Trustees (BOT) approve the proposed amendments to regulation FIU-1101 Tuition and Fees Schedule and delegate authority to the University President to approve any subsequent amendments that are based on comments to the Regulation received from the State University System of Florida Board of Governors (BOG) as a result of the regulation-making process.

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**Background Information:**

In accordance with Florida Statutes Section 1009.24, and BOG Regulations 1.001, 7.001, and 7.003, the tuition for the new Masters of Law degree program was approved at the June 12, 2014 BOT Meeting. This amendment provides for charging the tuition and fees on a per credit hour basis from a per academic year basis and deletes the health fee charge. These changes are being made to reflect the per credit fee of this Program per the semester tuition fee approved at the June 12, 2014 BOT meeting.

In accordance with the BOG's Regulation Development Procedure, the University Administration is required to submit this regulation to the BOG for approval because it pertains to tuition fees.

The University President will report to the BOT at its next regularly scheduled meeting on any substantive change requested or made to the Regulation as a result of comments received from the BOG as part of the regulation-making process.

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**Supporting Documentation:** FIU-1101 Tuition and Fees Schedule Regulation for Academic Year 2014-15

**Facilitator/Presenter:** Kenneth A. Jessell

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**THE FLORIDA INTERNATIONAL UNIVERSITY BOARD OF TRUSTEES  
FLORIDA BOARD OF GOVERNORS  
NOTICE OF AMENDMENT OF REGULATION**

**REGULATION TITLE:** Tuition and Fees Schedule  
**REGULATION NO.:** FIU-1101

**SUMMARY OF THE REGULATION:** The regulation provides the tuition and associated fees charged to students attending FIU. The revision to the regulation is to indicate the Masters of Law degree tuition fee on a per credit basis.

**TEXT OF REGULATION:** The full text of the Amended Regulation can be viewed below and on the website of The Florida International University Board of Trustees, <http://regulations.fiu.edu>. If you would like a copy of the Amended Regulation, please contact Eli Deville, Chief of Staff, Office of the General Counsel, [devillee@fiu.edu](mailto:devillee@fiu.edu) (305) 348-2103.

**AUTHORITY:** Board of Governors Regulations 1.001, 7.001, and 7.003 and the 2014 General Appropriations Act.

**NAME OF PERSON INITIATING PROPOSED REGULATION:** Kenneth Jessell, CFO and Senior Vice President.

ANY PERSON SEEKING TO COMMENT ON THE PROPOSED REGULATION MUST SUBMIT COMMENTS IN WRITING TO THE CONTACT PERSON LISTED BELOW. ALL WRITTEN COMMENTS MUST BE RECEIVED BY THE CONTACT PERSON WITHIN 14 CALENDAR DAYS OF THE DATE OF PUBLICATION OF THIS NOTICE.

**THE CONTACT PERSON REGARDING THIS REGULATION IS:** Eli Deville, Chief of Staff, Office of the General Counsel, Florida International University, 11200 SW 8<sup>th</sup> Street, PC 511, Miami, FL 33199. Email: [devillee@fiu.edu](mailto:devillee@fiu.edu). Phone: 305-348-2103, Fax: 305-348-3272.

**DATE OF PUBLICATION:** August 8, 2014

THE FULL TEXT OF THE PROPOSED AMENDED REGULATION IS PROVIDED BELOW:

## **FIU 1101 Tuition and Fees Schedule**

(1) Tuition is defined as the basic fee charged to a student for enrollment in credit courses provided by the Florida International University and the out-of-state fee assessed to non-residents. Tuition and associated fees consist of the following:

1. Tuition (basic fee);
2. Student Financial Aid Fee;
3. Capital Improvement Trust Fund Fee;
4. Health Fee;
5. Athletic Fee;
6. Activity and Service Fee;
7. Tuition Differential Fee (Undergraduates); and
8. Technology Fee.

In addition to the fees set forth in (1)8. above, a non- resident student, as defined by the Florida Board of Governors, will pay the Out-of-State Fee and the Non-Resident Student Financial Aid Fee.

(2) Registration is defined as consisting of two components:

(a) Formal enrollment in one or more credit courses approved and scheduled by the University; and

(b) Payment of tuition and associated fees, or other appropriate arrangements for payment (installment payment, deferment, or third party billing), for the courses in which the student is enrolled.

(3) A student is liable for tuition associated with all courses for which the student is registered at the end of the drop/add period. The fee payment deadline shall be as determined by the University.

(4) The following tuition and associated fees shall be levied and collected on a per credit hour basis, effective the fall semester indicated for each student regularly enrolled, unless provided otherwise by law, or Board of Governors or University regulation.

### **(a) Undergraduate – Fall 2014**

<b><u>Fee – Per Credit Hour</u></b>	<b><u>Undergraduate</u></b>	
	<b><u>Resident</u></b>	<b><u>Non Resident</u></b>
Tuition	\$105.07	\$105.07
*Tuition Differential <sup>1</sup>	\$52.29	\$52.29
Out of State Fee	---	\$393.62
Financial Aid	\$5.25	\$5.25

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<sup>1</sup> *Tuition Differential fee shall not be charged to students who are beneficiaries of prepaid tuition contracts and exempt under the requirements as described in Florida Statutes section 1009.24 or to any student who was in attendance at FIU before July 1, 2007, and who maintains \*continuous enrollment.*

*\* For purposes of the Tuition Differential fee, the Graduate fees, and the Law fees, “continuous enrollment” means the student has not been absent from the University for two (2) or more consecutive terms (excluding summer terms and military withdrawals.)*

Out of State Financial Aid	---	\$19.68
Capital Improvement Trust Fund	\$6.76	\$6.76
Activity & Service	\$12.87	\$12.87
Athletic	\$16.10	\$16.10
Technology Fee	\$5.25	\$5.25

**(b) Graduate – Fall 2014<sup>2</sup>**

<b><u>Fee – Per Credit Hour</u></b>	<b>Graduate</b>	
	<b>Student enrolled prior to Fall 2006</b>	
	<b><u>Resident</u></b>	<b><u>Non Resident</u></b>
Tuition	\$362.71	\$362.71
Out of State fee	---	\$520.05
Financial Aid	\$18.13	\$18.13
Out of State Financial Aid	---	\$26.00
Capital Improvement Trust Fund	\$6.76	\$6.76
Activity & Service	\$12.87	\$12.87
Athletic	\$16.10	\$16.10
Technology Fee	\$18.13	\$18.13

<b><u>Fee – Per Credit Hour</u></b>	<b>Graduate</b>	
	<b>Students enrolled in Fall 2006 or thereafter</b>	
	<b><u>Resident</u></b>	<b><u>Non Resident</u></b>
Tuition	\$379.95	\$379.95
Out of State Fee	---	\$520.05
Financial Aid	\$18.99	\$18.99
Out of State Financial Aid	---	\$26.00
Capital Improvement Trust Fund	\$6.76	\$6.76
Activity & Service	\$12.87	\$12.87
Athletic	\$16.10	\$16.10
Technology Fee	\$18.99	\$18.99

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<sup>2</sup> The additional Graduate fees for students enrolled in Graduate programs in the Fall 2006 or thereafter shall not apply to a graduate student who was enrolled in a graduate program prior to Fall 2006, and such student's enrollment has not lapsed in four terms before re-enrolling in the same graduate program. Effective Spring term 2009, the additional fees for students enrolled in the fall 2006 or thereafter shall not apply to a graduate student who was enrolled in a graduate program prior to Fall 2006, provided such student maintains \*continuous enrollment.

(c) Law – Fall 2014<sup>3</sup>

Fee – Per Credit Hour	Law	
	Students enrolled prior to Fall 2006	
	<u>Resident</u>	<u>Non Resident</u>
Tuition	\$566.48	\$566.48
Out of State Fee	---	\$437.61
Financial Aid	\$28.32	\$28.32
Out of State Financial Aid	---	\$21.88
Capital Improvement Trust Fund	\$6.76	\$6.76
Activity & Service	\$12.87	\$12.87
Athletic	\$16.10	\$16.10
Technology Fee	\$28.32	\$28.32

Fee – Per Credit Hour	Law	
	Students enrolled in Fall 2006 or thereafter	
	<u>Resident</u>	<u>Non Resident</u>
Tuition	\$593.49	\$593.49
Out of State Fee	---	\$437.61
Financial Aid	\$29.67	\$29.67
Out of State Financial Aid	---	\$21.88
Capital Improvement Trust Fund	\$6.76	\$6.76
Activity & Service	\$12.87	\$12.87
Athletic	\$16.10	\$16.10
Technology Fee	\$29.67	\$29.67

(d) Master of Laws (LLM) Fall 2014

Fee – <del>Per Credit Hour</del> Per Academic year	<u>Resident</u>	<u>Non Resident</u>
Tuition	\$ <del>17,160.00</del> <u>715.00</u>	\$ <del>17,160.00</del> <u>715.00</u>
Out of State fee	---	----
Financial Aid	\$ <del>858.00</del> <u>35.75</u>	\$ <del>858.00</del> <u>35.75</u>
Out of State Financial Aid	---	----
Capital Improvement Trust Fund	\$ <del>162.24</del> <u>6.76</u>	\$ <del>162.24</del> <u>6.76</u>

<sup>3</sup> The additional Law fees for students enrolled in the law school in the Fall 2006, or thereafter, shall not apply to a law school student who was enrolled in a law program prior to Fall 2006, and such student's enrollment has not lapsed in four terms before re-enrolling in the same law program. Effective Spring term 2009, the additional fees for students enrolled in the fall 2006, or thereafter, shall not apply to a law school student who was enrolled in a law program prior to Fall 2006, provided such student maintains \*continuous enrollment.

Activity & Service	\$ <del>308.88</del> 12.87	\$ <del>308.88</del> 12.87
Athletic	\$ <del>406.40</del> 16.10	\$ <del>406.40</del> 16.10
Technology Fee	\$ <del>858.00</del> 35.75	\$ <del>858.00</del> 35.75
<u>Health Fee</u>	<u>\$ 187.38</u>	<u>\$ 187.38</u>
<b>Total</b>	<b>\$ 19,940.90</b>	<b>\$ 19,940.90</b>

**(e) Nursing Practicum Programs Fall 2014**

Master of Science in Nursing in Advanced Adult Gerontology Nurse Practitioner  
Master of Science in Nursing in Advanced Child Nurse Practitioner  
Master of Science in Nursing in Advanced Family Nurse Practitioner  
Master of Science in Nursing in Psychiatric and Mental Health Nurse Practitioner  
Master of Science in Nursing in Nurse Administration

<b><u>Fee – Per Credit Hour</u></b>	<b><u>Resident</u></b>	<b><u>Non Resident</u></b>
Tuition	\$537.08	\$537.08
Out of State fee	---	\$480.08
Financial Aid	\$26.85	\$26.85
Out of State Financial Aid	---	\$24.00
Capital Improvement Trust Fund	\$6.76	\$6.76
Activity & Service	\$12.87	\$12.87
Athletic	\$16.10	\$16.10
Technology Fee	\$26.85	\$26.85

**Master of Science in Nursing in Nurse Anesthetist**

<b><u>Fee – Per Credit Hour</u></b>	<b><u>Resident</u></b>	<b><u>Non Resident</u></b>
Tuition	\$665.19	\$665.19
Out of State fee	---	\$520.05
Financial Aid	\$33.25	\$33.25
Out of State Financial Aid	---	\$26.00
Capital Improvement Trust Fund	\$6.76	\$6.76
Activity & Service	\$12.87	\$12.87
Athletic	\$16.10	\$16.10
Technology Fee	\$33.25	\$33.25

**Master of Science in Athletic Training Education**

<b><u>Fee – Per Credit Hour</u></b>	<b><u>Resident</u></b>	<b><u>Non Resident</u></b>
Tuition	\$509.73	\$509.73
Out of State fee	---	\$480.08

Financial Aid	\$25.48	\$25.48
Out of State Financial Aid	---	\$24.00
Capital Improvement Trust Fund	\$6.76	\$6.76
Activity & Service	\$12.87	\$12.87
Athletic	\$16.10	\$16.10
Technology Fee	\$25.48	\$25.48

### **Master of Science in Speech Language Pathology**

	<b><u>Resident</u></b>	<b><u>Non Resident</u></b>
<b><u>Fee – Per Credit Hour</u></b>		
Tuition	\$616.85	\$616.85
Out of State fee	---	\$520.05
Financial Aid	\$30.84	\$30.84
Out of State Financial Aid	---	\$26.00
Capital Improvement Trust Fund	\$6.76	\$ 6.76
Activity & Service	\$12.87	\$12.87
Athletic	\$16.10	\$16.10
Technology Fee	\$30.84	\$30.84

### **Master of Science in Occupational Therapy**

	<b><u>Resident</u></b>	<b><u>Non Resident</u></b>
<b><u>Fee – Per Credit Hour</u></b>		
Tuition	\$561.23	\$561.23
Out of State fee	---	\$520.05
Financial Aid	\$28.06	\$28.06
Out of State Financial Aid	---	\$26.00
Capital Improvement Trust Fund	\$6.76	\$6.76
Activity & Service	\$12.87	\$12.87
Athletic	\$16.10	\$16.10
Technology Fee	\$28.06	\$28.06

### **Doctorate in Nursing Practice**

	<b><u>Resident</u></b>	<b><u>Non Resident</u></b>
<b><u>Fee – Per Credit Hour</u></b>		
Tuition	\$537.08	\$537.08
Out of State fee	---	\$480.08
Financial Aid	\$26.85	\$26.85
Out of State Financial Aid	---	\$24.00
Capital Improvement Trust Fund	\$6.76	\$6.76
Activity& Service	\$12.87	\$12.87
Athletic	\$16.10	\$16.10
Technology Fee	\$26.85	\$26.85

## Doctorate in Physical Therapy

<b><u>Fee – Per Credit Hour</u></b>	<b><u>Resident</u></b>	<b><u>Non Resident</u></b>
Tuition	\$579.77	\$579.77
Out of State fee	---	\$520.05
Financial Aid	\$28.98	\$28.98
Out of State Financial Aid	---	\$26.00
Capital Improvement Trust Fund	\$6.76	\$6.76
Activity & Service	\$12.87	\$12.87
Athletic	\$16.10	\$16.10
Technology Fee	\$28.98	\$28.98

(5) The following College of Medicine tuition and associated fees shall be levied and collected on an academic year basis, effective the fall semester indicated for each student regularly enrolled, unless provided otherwise by law, or Board of Governor or University regulation.

## College of Medicine- Fall 2014

<b>Fee - Per Academic Year</b>	<b><u>College of Medicine</u></b>	
	<b>Resident</b>	<b>Non Resident</b>
Tuition	\$32,736.83	\$32,736.83
Out of State Fee		\$30,000.00
Financial Aid	\$1,636.84	\$1,636.84
Out of State Financial Aid		\$1,500.00
Capital Improvement Trust Fund	\$270.40	\$270.40
A&S	\$514.80	\$514.80
Athletic	\$664.00	\$664.00
Technology Fee	\$1,636.84	\$1,636.84
Health		\$187.38
<b>Total</b>	<b>\$37,647.09</b>	<b>\$69,147.09</b>

(6) Effective the Fall 2005 term, during any semester in which a graduate nonresident student has been appointed as a Graduate Assistant for at least .25 FT, the Out-of-State fee for the student shall be \$0.00 per credit hour.

(7) Effective the Fall 2009 term, during any semester in which a graduate nonresident is receiving a full fellowship, the Out-of-State fee for the student shall be \$0.00 per credit hour.

(8) The following fees shall be levied and collected on a per semester basis, effective the fall semester indicated for each student regularly enrolled (excluding ~~Master of Laws (LLM)~~ and College of Medicine students, whose fees are charged on an annual basis), unless provided otherwise by law, or Board of Governors or University regulation.

**Fall 2014**

	<b>Resident</b>	<b>Non Resident</b>
<b>Fee – Per Semester</b>		
Health	\$93.69	\$93.69
Athletic	\$10.00	\$10.00

(9) Effective the Fall Semester 2009, each student enrolled in the same undergraduate course more than twice shall be assessed an additional sum to cover 100 percent of the full cost of instruction as established by the Board of Governors for each such course in addition to the tuition and associated fees set forth above.

(10) Students in their last year of Law School shall pay a test preparation fee, at cost, to cover test preparation programs offered as part of the law school program of instruction, including a Florida Bar examination preparation course.

(11) Optional fees.

Orientation fee	\$ 35.00
Tuition Installment Service Charge	\$ 15.00
Identification Card (annually)	\$ 10.00
Replacement	\$ 15.00
Fee for Transcript	\$ 10.00
Fee for Diploma replacement	\$ 10.00
Late Payment fee	\$100.00
Late Registration fee	\$100.00
Off-Campus fee	cost
Distance Learning Fee	cost
Fingerprinting	cost
Materials and Supplies fee	cost
Equipment Use Fee	cost
Convenience Fee	cost
Library Fines and Penalties	varies

(12) For students who enter a community college or university for the first time in the 2009-2010 academic year and thereafter, the University shall require the student to pay an excess hour surcharge equal to 50 percent of the tuition rate set forth in (4)(a) for each credit hour in excess of 120 percent of the number of credit hours required to complete the baccalaureate degree program in which the student is enrolled.

(13) For students who enter a community college or university for the first time in the 2011-2012 academic year and thereafter, the University shall require the student to pay an excess hour surcharge equal to 100 percent of the tuition rate set forth in (4)(a) for each credit hour in excess of 115 percent of the number of credit hours required to complete the baccalaureate degree program in which the student is enrolled.

(14) For students who enter a community college or university for the first time in the 2012-2013 academic year and thereafter, the University shall require the student to pay an excess hour



surcharge equal to 100 percent of the tuition rate set forth in (4)(a) for each credit hour in excess of 110 percent of the number of credit hours required to complete the baccalaureate degree program in which the student is enrolled.

(15) The University President is authorized to establish, and determine the cost of, continuing education credit and non-credit courses and programs as provided in Board of Governors' Regulation 8.002. The President may delegate authority for credit courses and programs to the Provost and for non-credit courses and programs to any designee with responsibility for such programs.

(16) In academic years 2009-2010, 2010-2011, 2011-2012, 2012-2013, the President or if delegated, Provost, is authorized to charge up to 15% more than the tuition amount set forth in subsection 4(b) for each respective fiscal year as additional tuition for graduate program(s) in the College of Nursing and Health Professions for which there is additional cost due to clinical curricular requirements; provided such additional tuition shall not exceed the actual additional costs.

(17) Throughout the FIU Regulations where the University is charging a fee or service based on cost, the University President / Designee has the authority to approve the amount of the charge.

*Authority: Florida Board of Governors Regulations 1.001, 7.001, and 7.003 and the 2013 General Appropriations Act , History- New 11-3-02, Amended 9-3-03, 8-22-04- 9-1-05, Formerly 6C8-6.010, Amended 6-20-06, 7-20-07,11-20-07, 6-25-08, 9-29-08, 7-14-09, 8-10-10, 7-5-11, 7-9-12, 7-17-13, 10-22-13, Amended 7-14-14, \_\_\_\_\_.*

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**Discussion Item:**

4.1 Office of Internal Audit Status Report

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# **Office of Internal Audit Status Report**

**BOARD OF TRUSTEES**

**September 10, 2014**

**Date:** September 10, 2014

**To:** Board of Trustees and Finance and Audit Committee

**From:** Allen Vann, Audit Director

**Subject:** **OFFICE OF INTERNAL AUDIT STATUS REPORT**

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I am pleased to provide you with the quarterly update on the status of our office's work activities. Since our last update to you on June 3, 2014, we completed the following audits:

**1. School of Computing and Information Sciences**

The School, which is part of the College of Engineering and Computing, maintains a separate IT infrastructure and has annual expenditures of over \$12 million. Our audit disclosed that IT security and financial controls were fair. Areas in need of improvement included: IT security controls related to identity access, information systems, business continuity, network, and facilities access. The financial controls related to equipment use fees, Foundation expenses, attractive property tracking, credit card use, and travel authorization likewise needed some improvements. We also identified opportunities for cost savings if the School utilizes preexisting resources from the College of Engineering and the Division of IT. Management agreed to implement our twenty-one recommendations.

**2. University's Office of Business Services - Vendor Contracts**

The Office manages and oversees contracts with merchants that provide a wide array of goods and services to the University community. These contracts also generate roughly \$4.3 in revenues for the University. Our audit disclosed that the University's controls and procedures over the recording of revenue from vendor contracts were satisfactory. However, there were areas where internal controls need strengthening. We found exceptions as it pertained to the support provided by vendors, commission calculation, and delays in receiving payments from vendors, depositing procedures, employee background checks, and account classification of revenue. Management agreed to implement our ten recommendations.

## **WORK IN PROGRESS**

Fieldwork has been completed and draft reports have been prepared for the following Audits:

1. Minor Construction Projects (Facilities Management Department)
2. Jewish Museum of Florida – FIU (College of Arts and Sciences)
3. Southeast Environmental Research Center (College of Arts and Sciences)

Fieldwork continues on the following audits:

1. Affiliation Agreements (Academic Health Centers)
2. College of Architecture + The Arts (College of Arts and Sciences)
3. University's Network Security Information Technology Controls (UTS)
4. Programs and Camps (University Compliance and Integrity)

## **SPECIAL AUDIT REQUEST (BOG University Data Integrity Audit Requirements)**

On June 27<sup>th</sup>, FIU Board of Trustees (BOT) Chairman Albert Maury and University President Mark B. Rosenberg received a letter from the Chairman of the State University System of Florida Board of Governors (BOG), Morteza Hosseini, establishing additional requirements for the BOG's performance based funding model program. The new procedure requires the BOT Chair and FIU's President to jointly execute a Data Integrity Certification affirmatively certifying that the University maintains reliable systems as they relate to BOG data and reporting requirements.

In addition, the BOG requested that the BOT direct the Audit Director to perform an audit of the University's processes completeness, accuracy and timeliness. Both the data certifications and results of the audit need to be approved by the BOT prior to the BOG submission deadline of March 1, 2015.

In anticipation of your approval, I have reassigned internal audit staff to this audit project and we are coordinating with all of the other State Universities' Audit Departments who are likewise tasked with these new requirements. We plan to provide you with our report in time for your scheduled January 14, 2015 Finance and Audit Committee meeting. Please note that other planned audit projects will be delayed as a result of this special request.

## **QUALITY ASSESSMENT REVIEW**

The standards for the Professional Practice of Internal Auditing requires an assessment as to whether the internal audit department is adhering with the standards at least every five years. On August 1, 2014, I provided you with the results of the Office of Internal Audit's Quality Self-Assessment Review. Based on this review, I concluded that our office "generally complies" with the standards. This means that the relevant structures, policies, and procedures of the Office of Internal Audit, as well as the processes by which they are applied, comply with the requirements of the individual Standards and the Code of Ethics in all material respects.

As discussed with the Finance and Audit Committee at its June 3, 2014 meeting, a validation of our self-assessment review will be conducted shortly. The independent outside assessor will focus on validating the self-assessment I performed, conducting written surveys and personal interviews with selected BOT members, University management and audit staff, and further reviewing the Internal Audit Department's processes and supporting documentation. The independent evaluators report will be presented to you at your next regularly scheduled meeting.

## **PROFESSIONAL DEVELOPMENT**

Audit staff continues to take advantage of professional development opportunities. One staff member attended in July the Fraud Conference of the National Association of Construction Auditors in Dallas, Texas. Two staff members will attend in September the 2014 Annual Conference of the Association of College and University Auditors in Los Angeles, California.



**Discussion Item:**

**4.2 Financial Performance Review – FY 2013-14**

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**Florida International University**  
**Financial Summary Overview <sup>1</sup>**  
**FY 2013-14**

	Year To Date June 2014			
	Budget	Current Year Actual	Variance	
			\$	%
(\$ in millions)				
<b>Revenue / Receipts</b>				
<b>University</b>				
Educational and General (net) <sup>2</sup>	421.7	436.9	15.2	4%
University	378.5	392.9	14.4	4%
College of Medicine	43.2	44.0	0.8	2%
FIU Self-Insurance Program	0.5	0.3	(0.2)	-40%
Auxiliary Enterprises	195.3	199.7	4.4	2%
Intercollegiate Athletics	25.4	25.8	0.4	2%
Activities and Service	15.5	16.5	1.0	6%
Technology Fee	9.0	9.1	0.1	1%
Board Approved Fees	0.5	0.4	(0.1)	-20%
Contracts and Grants	102.0	120.0	18.0	18%
Student Financial Aid	146.8	153.6	6.8	5%
Concessions	0.7	0.8	0.1	14%
<b>Direct Support Organizations</b>				
FIU Athletic Finance Corp	3.6	3.4	(0.2)	-6%
FIU Foundation Inc. <sup>5</sup>	45.6	21.6	(24.0)	-53%
FIU Health Care Network	3.8	5.8	2.0	53%
FIU Research Foundation	0.0	0.0	-	0%
Interfund Adjustments <sup>3</sup>	(15.5)	(16.7)	(1.2)	8%
<b>Total Operating Revenues</b>	<b>954.9</b>	<b>977.2</b>	<b>22.3</b>	<b>2%</b>
University Treasury (net)	10.8	22.1	11.3	105%
FIU Foundation Inc	12.7	36.2	23.5	185%
<b>Total Investment Revenues</b>	<b>23.5</b>	<b>58.3</b>	<b>34.8</b>	<b>148%</b>
<b>Total Revenues / Receipts</b>	<b>978.4</b>	<b>1,035.5</b>	<b>57.1</b>	<b>6%</b>
<b>Expenses</b>				
<b>University</b>				
Educational and General (net)	425.2	408.0	17.2	4%
University	382.5	371.7	10.8	3%
College of Medicine	42.7	36.3	6.4	15%
FIU Self-Insurance Program	0.2	0.2	-	0%
Auxiliary Enterprises	171.6	172.0	(0.4)	0%
Intercollegiate Athletics	23.6	23.6	-	0%
Activities and Service	16.1	16.5	(0.4)	-2%
Technology Fee	8.9	7.2	1.7	19%
Board Approved Fees	0.5	0.3	0.2	40%
Contracts and Grants	101.2	121.6	(20.4)	-20%
Student Financial Aid	147.0	157.5	(10.5)	-7%
Concessions	0.7	0.7	-	0%
<b>Direct Support Organizations</b>				
FIU Athletic Finance Corp	2.4	2.4	-	0%
FIU Foundation Inc. <sup>5</sup>	28.2	24.1	4.1	15%
FIU Health Care Network	5.0	7.2	(2.2)	-44%
FIU Research Foundation	0.0	0.0	0.0	55%
Interfund Adjustments <sup>3</sup>	(15.5)	(16.7)	1.2	-8%
<b>Total Expenses</b>	<b>915.1</b>	<b>924.6</b>	<b>(9.5)</b>	<b>-1%</b>
Principal Payment of Debt <sup>4</sup>	8.5	10.3	(1.8)	-21%
<b>Change in Net Assets (incl. Investments)</b>	<b>54.8</b>	<b>100.6</b>	<b>45.8</b>	<b>84%</b>
<b>Change in Net Assets (excl. Investments)</b>	<b>31.3</b>	<b>42.3</b>	<b>11.0</b>	<b>35%</b>

**Notes:**

<sup>1</sup> *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: At fiscal year-end, E&G expenses will include year end commitments (encumbrances) which have not yet been invoiced.*
- *Unrealized gains and losses: The investment results are recognized as revenues in the budget however GASB accounting principles require that it be recorded as a non-operating revenue / expense.*

<sup>2</sup> *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.*

<sup>3</sup> *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.*

<sup>4</sup> *Principal payment of debt reflected above per BOG requirement that debt service payments be shown on a cash basis.*

**Discussion Item:**

4.3 New Biscayne Bay Campus Student Housing Project  
Update

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# RatingsDirect®

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## Florida Board of Governors Florida International University; Auxiliary - System; Public Coll/Univ - Unlimited Student Fees

**Primary Credit Analyst:**

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Related Criteria And Research

# Florida Board of Governors

## Florida International University; Auxiliary - System; Public Coll/Univ - Unlimited Student Fees

### Credit Profile

#### Florida Board of Governors, Florida

Florida Intl Univ, Florida

#### Ser 2009A, Ser 2009B, Ser 2013A Pkg facility bonds

<i>Long Term Rating</i>	AA-/Stable	Affirmed
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#### Ser 2012 Student Apartments Bonds

<i>Long Term Rating</i>	A/Stable	Affirmed
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#### Florida St Brd of Ed, Florida

Florida Intl Univ, Florida

#### Ser 2011 Student Apartments Refunding Bonds

<i>Long Term Rating</i>	A/Stable	Affirmed
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### Rationale

Standard & Poor's Ratings Services affirmed its 'AA-' long-term rating on Florida Board of Governor's parking facility revenue bonds, issued for Florida International University (FIU). At the same time, Standard & Poor's affirmed its 'A' long-term rating on FIU's dormitory revenue bonds currently outstanding. The outlook on all ratings is stable.

The 'A' long-term rating on FIU's dormitory revenue bonds is differentiated from the 'AA-' long-term rating on the university's parking-facility bonds due to a pledge of housing system net revenues that we view as narrower than the pledge supporting the parking-facility bonds, which we view as equivalent to an unlimited student fee pledge.

The rating reflects our view of FIU's stable demand profile, the strong demand for the parking system, history of surplus operations, and the housing system's solid occupancy levels and adequate maximum annual debt service (MADS) coverage. The university, specifically, and higher education in Florida generally, has withstood multiple years of declining state operating and capital appropriations; substantial one-time cuts; and declines in federal funding and grant revenues. Despite these factors and based on current funding trends and restoration of the one-time cuts in fiscal 2014, it is our opinion that the university will continue to experience positive operations.

The 'AA-' rating on the parking-facility bonds, which we view as equivalent to an unlimited student-fee pledge, reflects our assessment of FIU's:

- Requirement of all on-campus students to pay a parking and transportation access fee as a part of registration for classes, and a pledge of parking system revenues, which is a broad pledge that we consider to be equivalent to an unlimited student fee pledge;



- The parking system's strong demand and history of surplus operations, which has resulted in adequate historical debt service coverage;
- Strong university demand and enrollment trends as demonstrated by a fall 2013 headcount of 52,980, a 31% increase in enrollment since fall 2009, and the university's highest enrollment in history; and
- History of university operating surpluses on a full-accrual basis, including an operating surplus of \$17.2 million in fiscal 2013 and management's expectation of another year of surplus operations in fiscal 2014.

The 'A' rating on the dormitory revenue bonds reflects the university's credit strength, as well as:

- A solid pledge of net housing system revenues and large housing system of 3,456 beds;
- The housing's system's adequate debt service coverage, with actual annual debt service coverage of 1.37x in fiscal 2013, although weaker, 1.22x coverage of MADS; and
- Continuing strong demand for on-campus housing as illustrated by an average occupancy rate of 95% over the past six years, as well as management's projections of strong occupancy in the future as the university aims to house more full-time students on campus.

Our view of the following offsetting credit factors constrain the ratings:

- Continued growth and capital pressures and
- The challenging future state-appropriation environment, which remains an important revenue stream, accounting for roughly 21% of fiscal 2013 operating revenues.

## Outlook

The stable outlook reflects Standard & Poor's expectation that, during the next two years, FIU's housing system will continue to experience high levels of demand and at minimum, maintain current debt service coverage levels. The stable outlook also reflects our expectation that the university will continue to experience stable demand and enrollment trends and maintain financial resource ratios; we anticipate that any potential debt issuance will be commensurate with growth in financial resources.

In our opinion, a positive rating action on the university's housing system debt during the outlook period is unlikely. However, factors that could lead to such an action beyond the two-year period could include consistently stronger debt service coverage, at or above 2.0x, as well as consistently strong occupancy levels as the university adds additional beds.

A positive rating action on the university's unlimited student fee equivalent debt during the outlook period would require continued positive operating performance at the university level, as well as a strengthening of the university's financial resources while meeting its future capital needs.

Credit factors that could lead toward a negative rating action on the university's housing system debt during the outlook period could include significant decreases in debt service coverage. Credit factors that could lead toward a negative rating action on the university's unlimited student fee-equivalent debt during the outlook period could include negative operating performance and a weakening of the university's financial resources relative to the rating category, as well as stagnant enrollment growth.

In accordance with the application of our government-related entities (GRE) criteria, a change in Florida's rating will not affect FIU's rating.

## Enterprise Profile

### Demand and enrollment

FIU demonstrates continued enrollment growth, solid demand, and good student quality, in our opinion. As of fall 2013, total enrollment was 52,980, or 37,714 full-time equivalents (FTEs), 84% of whom are undergraduates. Over the past several years, enrollment has consistently increased moderately on a year-over-year basis. Transfer students continue to matriculate at over 4,000 annually, supported by strong articulation agreements across Florida higher education institutions. Graduate program enrollment has softened in the past two years with 7,721 students enrolled (5,994 FTE) in fall 2013. Management anticipates that overall enrollment will increase 3.5% in fall 2014 to 54,830 students.

Demand has fluctuated over the past few years; however, freshman applications were up 4.3% to 16,549 for fall 2013. Selectivity has improved, and matriculation has remained relatively stable at 43% and 42%, respectively. Fall 2013 student quality, as measured by the average entering class SAT score, remained solid, in our view, at 1150 and the average ACT score was 26 -- both above the national averages. The 2013-2014 academic year tuition and fees, while growing at a double-digit rate, remain reasonable, in our opinion, at \$6,506 for in-state residents as is out-of-state tuition at \$18,905. We understand that undergraduate tuition will not increase in fall 2014, but graduate in-state tuition will increase by 3%, and graduate out-of-state tuition will increase by 8.33%. Increased in-state tuition, as allowed by the state legislature, has been common across the state in response to declining appropriations.

### Management

The Florida International University Board of Trustees is composed of 13 members: five appointed by the state board of governors, six appointed by Florida's governor, and student and faculty representation by the university's faculty senate chair and student government president. The board has experienced regular turnover. The university has had a few senior management changes since the time of our last review and reports normal board turnover. University officials report that there are no changes in senior management expected at this time. In our view, FIU's financial management practices remain adequate. Management was able to successfully absorb substantial state funding cuts in recent years through the use of internal reserves. We also regard the university's conservative debt issuance practices favorably given that almost all of its debt is self-supporting in nature. However, the university lacks robust formal budgeting practices -- a factor that we view unfavorably given the university's current and historical spending levels and potential to experience future large state funding cuts.

### GRE profile

In accordance with our criteria for government-related entities (GREs), we based our view of a "moderate" likelihood of extraordinary government support on our assessment of Florida International University's "limited" link with the state government given the state's limited legal capacity and ability to provide extraordinary support in a timely manner. However, the provision and availability of higher education and its "important" role is reflected in its history of regular, ongoing operating and capital support and the state's policies governing tuition, debt issuance, and ability to



appoint the governing board. Given the university's "moderate" likelihood of support, the university's stand-alone credit profile of 'aa-' remains unaffected by the state rating.

## **Financial Profile**

### **State appropriations**

In our view, Florida has traditionally provided strong support for higher education, but economic conditions have resulted in state appropriation declines through fiscal 2013. The university's state appropriations declined by approximately 12% in fiscal 2013 and totaled \$174 million, due to state budgetary constraints. FIU is dependent on state support and receives the fifth-largest appropriation of any Florida public university; management reports that these funding cuts were offset with a one-time nonrecurring use of fund balances in fiscal 2013. However, the university indicates that it received \$191 million in fiscal 2014 and anticipates receiving \$215 million in fiscal 2015, \$25 million of which is allocated based on Florida's performance funding model according to management. Despite state funding cuts, operating performance resulted in a \$17.2 million operating surplus in fiscal 2013, and the university expects operations to be positive in fiscal 2014.

State funding of capital projects currently appears to be under greater pressure than operating appropriations. The state made major cuts to public education capital outlay (PECO) funding, eliminating funding at most universities throughout the state. FIU has continued to receive limited capital funding during the past two years with no PECO funding in fiscal 2013 and a very low \$5.7 million in fiscal 2014. Management reports that it anticipates receiving an additional \$22 million in fiscal 2015. It is our opinion that PECO will continue to have very limited capacity to bond new projects in the near term. While the university has experienced moderate enrollment growth, we will continue to focus on how FIU and all higher education institutions in the state will manage through a long-term shortfall in PECO-supported debt.

### **Financial operations**

We consider FIU's financial operations solid despite limited state appropriations and a challenging economic climate. Fiscal 2013 resulted in an adjusted net operating surplus (including state appropriations, interest income, and federal financial aid) of approximately \$17.2 million. Management is projecting positive adjusted operating performance on a full-accrual basis in fiscal 2014, which we believe shows the strength and flexibility of the university's financial management. Overall, we consider university revenues to be diverse; in fiscal 2013 43% of total operating revenue came from student and auxiliary sources, 21% from state appropriations, 11% from grants and contracts, and the remainder from other support and investments. We believe that this diversity is a key credit strength of the university and that the composition of the university's revenue stream will remain stable.

### **FIU parking system**

The Office of Parking and Transportation, a subdivision of the Office of the Chief Financial Officer and Senior Vice President of Administration, operates the FIU parking system. The parking system is a self-supporting auxiliary operation that does not receive state funding. The FIU parking system currently has 14,763 vehicle spaces on the university's two main campuses. Management indicated that demand for the parking system is currently very strong, and it expects demand to strengthen as enrollment continues to grow.

The parking system's financial operations have been healthy with the consistent generation of pledged revenues. The parking system had pledged revenues of \$8.6 million for fiscal 2013, \$7.5 million for fiscal 2012, and \$7.7 million for fiscal 2011, and management estimates \$8.8 million in pledged revenue for fiscal 2014. A student transportation access fee and faculty and staff decal sales generate the majority (83%) of parking system revenues. All students are required to pay the parking and transportation access fee as a part of registration for classes, with the exception of distance learning students. Furthermore, faculty and staff are required to have a parking decal to park on campus. Parking citation fines and visitor parking generate the remaining 17% of revenues.

The parking system has provided adequate coverage of MADS, at 1.24x in fiscal 2013, 1.34x in fiscal 2012, and 1.39x in fiscal 2011. Management expects MADS coverage to total 1.28x in fiscal 2014 and remain above 1.20x for the foreseeable future. Management increased the fee by 10% with student support in fiscal 2012 and expects to hold the fee flat for the near term. The transportation fee for the 2013-2014 academic year is \$90.55, including tax per student per semester, and is included in tuition and fees.

### **The FIU housing system**

The university operated seven residence halls across its two main campuses in fiscal 2013, with six of the dormitories located on the Modesto Maidique Campus. The seven residence halls offer a combined capacity of 3,456 beds. Currently, 11% of full-time students reside on campus, and management indicates that its goal is to have 20% of its full-time undergraduate students housed on campus by 2020.

The housing system continues to perform well financially, with the consistent generation of pledged revenue. The housing system had pledged revenue of \$11.8 million for fiscal 2013, \$11.0 million for fiscal 2012, and \$12.1 million for fiscal 2011, and management estimates pledged revenue of \$14.4 million for fiscal 2014.

The housing system has provided adequate coverage of MADS, at 1.22x in fiscal 2013, 1.14x in fiscal 2012, and 1.70x in fiscal 2011. Management expects MADS coverage to total 1.48x in fiscal 2014 and remain above 1.20x for the foreseeable future. We view current MADS coverage as adequate but would view increased coverage to levels of 2.0x or higher favorably.

### **Financial resources**

We believe FIU has an adequate balance sheet for the rating category, with adjusted unrestricted net assets of approximately \$182 million (including debt service reserve funds) as of June 30, 2013 representing 23% of operations and 117% of total debt. Cash and investments totaled \$515 million in fiscal 2013, which equated to 64% of operations and 325% of total debt. When including an anticipated \$82 million in nonrecourse debt for housing on the Biscayne Bay campus, these ratios weaken slightly. Adjusted unrestricted net assets then equal 77% of total debt, and cash and investments equal 214% of total debt. It is our opinion that adjusted unrestricted net asset ratios are solid for the category when including the additional debt compared to the fiscal 2013 'AA' category median of 88.3%.

As of June 30, 2013, the university's endowment, held by the Florida International University Foundation Inc., is estimated at \$172 million, \$3.6 million of which is unrestricted.



## Debt and contingent liabilities

At June 30, 2013, total debt outstanding was \$159 million, including \$47 million of FIU parking facility revenue bonds, secured by parking revenues, which we view as an unlimited student fee, and roughly \$112 million of dormitory revenue debt, which we view as having a narrower pledge of revenues than the unlimited student-fee parking bonds. We understand that NCCD-Biscayne Properties, LLC (NCCD), through the Miami-Dade Industrial Development Authority, intends to issue approximately \$60 million in debt under a Public-Private Partnership with FIU to build approximately 410 replacement and new housing units on the FIU Biscayne Bay campus. At this time, the anticipated issuance of approximately \$60 million in housing debt by NCCD does not affect our view of the university's outstanding ratings due to the anticipated self-supporting nature of the housing project. The NCCD debt is nonrecourse debt to the university as there are no financial guarantees or support agreements by the university. While not a legal debt of the university, we will consider NCCD's approximately \$60 million bond issuance in our debt calculations for the university as we view this debt as indirect debt of the university due to its connectivity to FIU's operations and mission. A second series of bonds may be issued in the next two to three years to provide an additional 208 beds depending upon the market demand for additional housing on the Biscayne Bay campus. Management reports that it has no additional debt plans outside of this project at this time. While the university continues to have substantial capital needs, it anticipates funding key near-term needs from state funds (other than PECO funds), internal reserves, or private funds.

The university, through its subsidiaries, has two swaps in its portfolio. The first swap, with a total notional value of \$21 million, is with Regions Bank (BBB/Positive/A-2) and the second swap, with a total notional value of \$3.4 million, is with SunTrust Inc. (BBB/Positive/A-2). Both swaps are structured as floating-to-fixed rate.

## Florida International University

	--Fiscal year ended June 30,--					Medians
	2014	2013	2012	2011	2010	Public colleges and universities 'AA' 2012
<b>Enrollment and demand</b>						
Headcount	52,980	50,394	47,966	44,010	40,455	33,548
Full-time equivalent	37,714	35,604	34,089	31,464	29,012	29,024
Freshman acceptance rate (%)	43.0	40.5	39.4	39.5	35.0	67.8
Freshman matriculation rate (%)	42.0	41.1	39.8	39.3	36.0	38.8
Undergraduates as a % of total enrollment (%)	83.8	82.7	81.8	80.9	80.4	76.6
Freshman retention (%)	84.0	82.0	82.0	83.0	82.0	85.0
Graduation rates (five years) (%)	44.0	40.0	37.0	32.0	35.0	60.5
<b>Income statement</b>						
Adjusted operating revenue (\$000s)	N.A.	824,424	772,999	799,965	698,191	MNR
Adjusted operating expense (\$000s)	N.A.	807,193	767,875	718,345	648,469	MNR
Change in net income before capital (\$000s)	N.A.	27,731	-14,093	81,606	49,940	MNR
Estimated operating gain/loss before depreciation (\$000s)	N.A.	56,817	43,782	120,391	86,404	MNR
Change in unrestricted net assets (UNA; \$000s)	N.A.	(15,160)	(21,017)	27,282	33,290	MNR

Florida International University (cont.)						
State operating appropriations (\$000s)	N.A.	173,819	195,098	228,576	218,250	MNR
State appropriations to revenue (%)	N.A.	21.1	25.2	28.6	31.3	21.1
Student dependence (%)	N.A.	42.8	40.8	34.6	35.2	MNR
Health care operations dependence (%)	N.A.	N.A.	N.A.	N.A.	N.A.	MNR
Research dependence (%)	N.A.	N.A.	N.A.	N.A.	N.A.	MNR
Endowment and investment income dependence (%)	N.A.	4.2	0.9	6.3	5.1	MNR
<b>Debt</b>						
Outstanding debt (\$000s)	N.A.	158,683	166,127	125,067	132,110	669,329
Proposed debt (\$000s)	N.A.	N.A.	47,290	48,200	N.A.	MNR
Total pro forma debt (\$000s)	N.A.	158,683	197,512	170,600	132,110	MNR
Pro forma MADS	N.A.	N.A.	18,276	N.A.	N.A.	MNR
Current debt service burden (%)	N.A.	N.A.	N.A.	1.89	N.A.	4.00
Current MADS burden (%)	N.A.	N.A.	N.A.	N.A.	N.A.	MNR
Pro forma MADS burden (%)	N.A.	N.A.	2.38	N.A.	N.A.	MNR
<b>Financial resource ratios</b>						
Endowment market value (\$000s)	N.A.	N.A.	N.A.	126,500	119,502	495,400
Related foundation market value (\$000s)	N.A.	N.A.	N.A.	N.A.	N.A.	538,842
Cash and investments (\$000s)	N.A.	515,043	527,924	477,755	401,327	MNR
UNA (\$000s)	N.A.	182,317	197,477	218,494	191,212	MNR
Adjusted UNA (\$000s)	N.A.	182,317	197,477	218,494	191,212	MNR
Cash and investments to operations (%)	N.A.	63.8	68.8	66.5	61.9	68.8
Cash and investments to debt (%)	N.A.	324.6	317.8	382.0	303.8	172.2
Cash and investments to pro forma debt (%)	N.A.	324.6	267.3	280.0	303.8	MNR
Unrestricted net assets to operations (%)	N.A.	22.6	25.7	30.4	29.5	MNR
Adjusted UNA plus debt service reserve to debt (%)	N.A.	116.7	120.4	177.0	144.7	91.8
Adjusted UNA plus debt service reserve to pro forma debt (%)	N.A.	116.7	101.3	129.8	144.7	MNR
Average age of plant (years)	N.A.	10.3	9.8	10.9	10.6	12.0
OPEB liability to total liabilities (%)	N.A.	7.0	4.5	3.0	2.0	MNR

Total adjusted operating revenue = unrestricted revenue less realized and unrealized gains/losses and financial aid. Total adjusted operating expense = unrestricted expense plus financial aid expense. Net operating margin = 100\*(net adjusted operating income/adjusted operating expense). Tuition dependence = 100\*(gross tuition revenue/adjusted operating revenue). Current debt service burden = 100\*(current debt service expense/adjusted operating expenses). Current MADS burden = 100\*(maximum annual debt service expense/adjusted operating expenses). Cash and investments = cash + short-term & long-term investments. Expendable resources = unrestricted net assets + temp. restricted net assets - (net PPE- outstanding debt). Average age of plant = accumulated depreciation/depreciation & amortization expense. MADS—Maximum annual debt service. MNR -- Median not reported. N.A.—Not available. UNA--Unrestricted net assets.

## Related Criteria And Research

### Related Criteria

- USPF Criteria: Higher Education, June 19, 2007
- USPF Criteria: Contingent Liquidity Risks, March 5, 2012



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**Report:**

5.1 Treasury Report

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**THE FLORIDA INTERNATIONAL UNIVERSITY**  
**BOARD OF TRUSTEES**  
**Finance and Audit Committee**  
**September 10, 2014**

**TREASURY REPORT FOR THE QUARTER ENDING ON JUNE 30, 2014**

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

## OVERVIEW

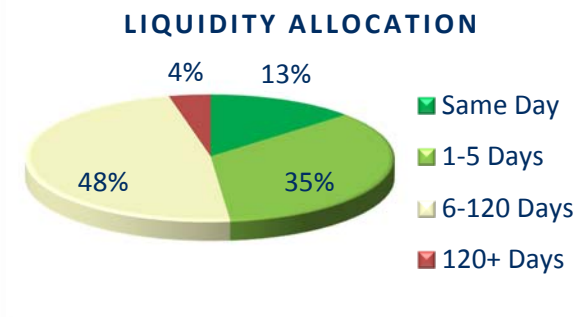
Treasury's activities will contribute approximately \$22.1 million to the Unrestricted Net Position of the University this fiscal year. This compares to the \$12.6 million contributed last fiscal year. The fiscal year's opening Unrestricted Net Position was \$182.3 million of which \$62.8 million was generated by treasury.

The university's total liquidity position of \$291.5 million was 1.6 times the university's debt position of \$188.0 million at the fiscal year end and 1.3 times overall debt of \$227.0 million, which includes direct support organization ("DSO") outstanding balances. Year over year, these results were flat for both the liquidity to university debt ratio (1.6 times) and the liquidity to total debt ratio (1.3 times) at the end of FY 2013.

## LIQUIDITY

### Real Days Payable

At the fiscal year end, \$140.9 million, or 48 percent, of the liquidity position was accessible within five business days (See *Liquidity Allocation* chart for detail). FY 2014, the University, had 35 real days payable<sup>1</sup> ("RDP") versus 31 RDP in FY 2013. The variance in RDP was due mainly to the higher liquidity position that was the result of higher inflows in FY 2014 (see details in Sources section) and investment gains in fixed income.



### Stress Tests

Treasury analyzes the effect of negative market performance on its liquidity position by generating 10,000 one-year investment performance simulations.

At the end of the fiscal year, the bottom decile fixed income scenario generates a 2.3 percent portfolio loss that will equate to \$6.8 million in unrealized losses. Liquidity, as measured by 5-days accessibility, would drop to \$137.9 million or 47 percent of the total current available cash and investment balances. RDP would fall to 34 days based on FY 2014 outflows.

The scenario with the bottom decile equity performance generates a projected 4.3 percent portfolio loss scenario that would equate to \$12.6 million in unrealized losses. Liquidity, as measured by 5-days

<sup>1</sup> Real Days Payable represents the available balance of liquid funds divided by the average cash outflows of the university. The calculation uses the available balance in the university's bank accounts plus the market value of investments that are accessible within 5 business days as its balance of liquid funds.

accessibility, would drop to \$134.8 million, or 46 percent of the total current available cash and investment balances. RDP would fall to 33 days based on FY 2014 outflows.

The scenario of the bottom decile of overall portfolio performance represents a 5.6 percent loss, or \$16.4 million. This would result in a projected drop in liquidity to \$117.1 million, or 40 percent of the total current available balances. This balance translates into 29 RDP based on FY 2014 outflows.

## Sources<sup>2</sup>

The University started the fiscal year with \$62.6 million in cash balances<sup>3</sup>. Total FY 2014 inflows (state and operational) were \$1,063.0 million as compared to \$1,010.0 million for the same period in the prior fiscal year. On average, \$4.1 million flowed into the university each business day FY 2014 versus \$3.9 million/day in FY 2013. The favorable variance was largely due to higher cash inflows from operations that were partially offset by lower cash inflows from the state.

## Uses

FY 2014, the university expended \$1,059.6 million and ended the period with \$66.0 million in cash balances. In FY 2013, uses totaled \$1,016.0 million and ended the period with \$63.1 million in cash balances. The FY 2014 velocity cash outflows increased to \$4.0 million/day from \$3.9 million/day in FY 2013. The unfavorable variance was largely due to higher cash outflows for payroll.

## Forecast and Budget

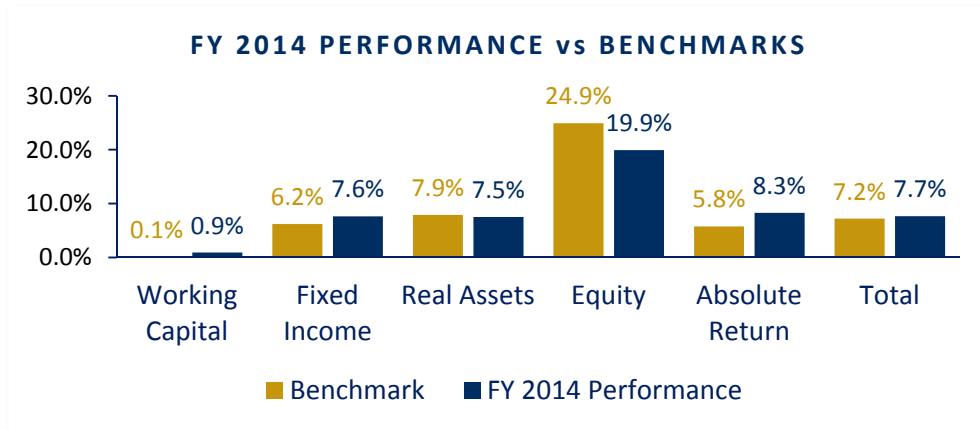
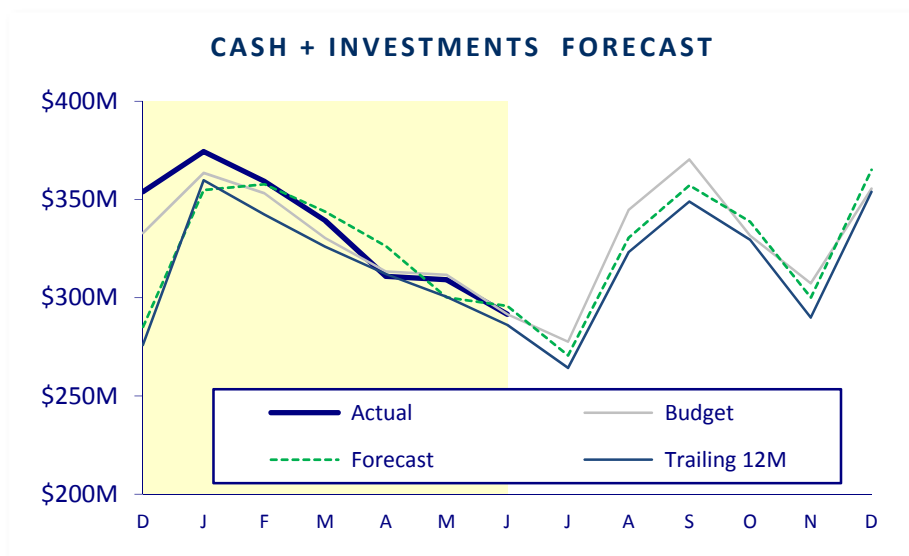
Combined Cash and Investment Balances continue to follow historical seasonality. Actual balances at the end of FY 2014 were 1.5 percent lower than the rolling forecast, flat to the budget and 1.9 percent higher than FY 2013. The university should experience a gradual increase in the cash and investment balances lasting through the first quarter of FY 2015 (See *Cash + Investment Forecast* chart for month-by-month projections).

## INVESTMENTS

### Performance

FIU's operating portfolio continues to outperform the State Treasury investment pool ("SPIA"), returning 4.9 percent since inception versus the SPIA's 2.9 percent for the same period. FY 2014, the portfolio returned 7.7 percent.

This compares favorably to 4.7 percent for FY 2013. The Strategic Capital and Reserve Pools gained 11.0

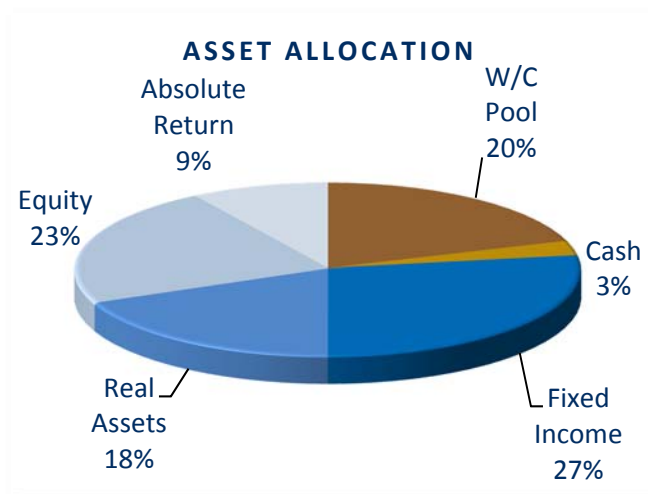


<sup>2</sup> Sources reported include transfers from the state, transfers from any bond proceeds on debt funded projects and cash from operations. The Treasury Summary details transfers from the state in the W/C (Working Capital Pool) Transfers.

<sup>3</sup> Cash includes Working Capital Pool assets and cash balances in the concentration bank account.

percent while the Working Capital Pool gained 0.9 percent. This compares favorably to 5.9 percent for the Strategic and Reserve Capital Pools and unfavorably to 1.5 percent for the Working Capital Pool in FY 2013. FY 2014 returns from SPIA totaled 1.1 percent (See *FY 2014 Performance vs. Benchmarks* chart for additional performance detail by asset class).

Two asset class underperformed the benchmark for the period Equity (19.9 percent versus 24.9 percent benchmark) and Real Assets (7.5 percent versus 7.9 percent benchmark). Equity's underperformance was largely due to the non-US manager's overweighting of emerging markets and our development of positions in Private Equity. The University's Private Equity investments are long term in nature, where, outperformance is typically realized in later years. Real Assets underperformance was largely due to REITs manager's overweighting in quality assets and an underweighting to Japan during the first half of the fiscal year.



### Composition

Asset allocations at the end of FY 2014 remained within policy guidelines (See *Asset Allocation* chart for detail of asset allocation at quarter end).

The FY 2014 market value of the University's operating funds portfolio and cash was \$291.5 million. This balance reflects a decrease of \$47.7 million or 14.1 percent, from \$325.9 million in FY 2014 Q3. The decrease was due to the seasonality of cash flows. The total FY 2014 portfolio market value was \$5.5 million more than the market value at the end of FY 2013, which was \$286.0 million.

## DEBT

### Total

The University and DSOs ended FY 2014 with \$227.0 million in outstanding debt versus \$204.4 million at the end of FY 2013. The weighted average interest rate for the University and DSO issuances was 4.3 percent. At the end of FY 2014, 93.6 percent (\$212.5 million) of the University and DSOs' outstanding debt was fixed rate debt and 6.4 percent (\$14.5 million) was variable rate debt. The variable rate debts are obligations of the university's DSOs (Athletics Finance Corporation and FIU Foundation).

Standard & Poor's Rating Services (S&P) reaffirmed the University Housing and Parking system's long term ratings in July. Housing was reaffirmed at A/Stable and Parking AA-/Stable.

The S&P report listed the following overall strengths of the University:

1. Strong University demand and enrollment trends
2. History of university operating surpluses
3. Management's expectation of surplus from operations in fiscal year 2014.

S&P noted the following weaknesses for the University:

1. Future growth and capital pressures
2. Future state appropriations environment

### Housing

The University's housing system debt consists of revenue bonds that are secured by and payable from pledged net revenues derived from the operations of FIU's student housing system (rental income). The outstanding housing debt was \$110.0 million at the end of FY 2014. This compares to \$114.0 million at the end of FY 2013. The year over year decrease was due to the scheduled principal payments. The

weighted average interest rate for the housing bonds, at the end of FY 2014, was 4.1 percent. The housing bonds are rated A+/A/Aa3 (Fitch/S&P/Moody's).

### **Parking**

The University's parking system debt consists of revenue bonds that are secured by pledged net revenues derived from the operation of FIU's parking system, including the mandatory transportation access fee assessed to all students. The outstanding parking debt was \$78.0 million at the end of FY 2014. This compares to \$50.1 million at the end of FY 2013. The year over year increase was due to the issuance of Parking Garage 6 bonds. This increase was partially offset by the redemption of the 1995 Parking Bonds and scheduled principal payments. The weighted average interest rate for the parking bonds, at the end of FY 2014, was 4.6 percent. The parking bonds are rated A+/AA-/Aa3 (Fitch/S&P/Moody's).

### **Direct Support Organizations**

Currently, DSOs' outstanding debt of \$39.0 million includes stadium bonds with \$32.1 million outstanding and a Foundation loan with \$6.9 million outstanding. In FY 2013, DSOs had outstanding debt of \$40.3 million including \$32.7 million of stadium bonds and \$7.5 million outstanding for the Foundation loan. The average interest rate for the stadium bonds was 4.4 percent and 4.2 percent for the Foundation loan. Neither of the DSOs' debt is rated.



**OVERVIEW**
**Liquidity Position**

Cash + W/C Pool	\$ 65,969
Strategic + Reserve Pools	225,573
<b>Total</b>	<b>\$ 291,542</b>

**Debt Position**

University Debt	\$ 187,985
DSO Debt	38,962
<b>Total</b>	<b>\$ 226,947</b>

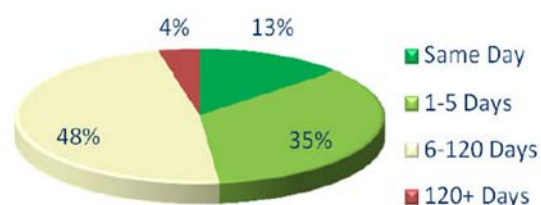
Liquidity/University Debt	1.55
Liquidity/Total Debt	1.28

**LIQUIDITY**
**Availability**

Same Day	\$ 38,851
1-5 Days	102,046
6-120 Days	139,857
120+ Days	10,789
<b>Total</b>	<b>\$ 291,542</b>

**Real Days Payable (<5 Days)**

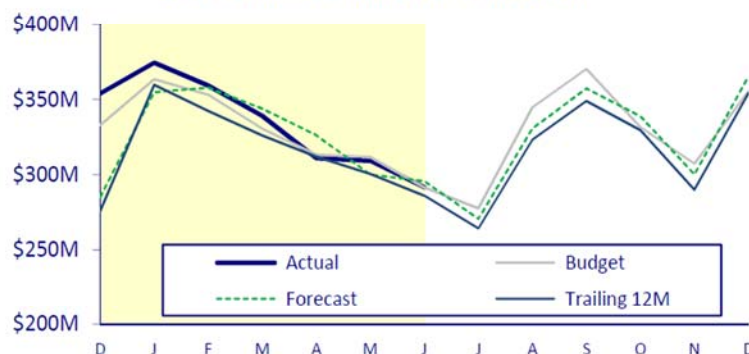
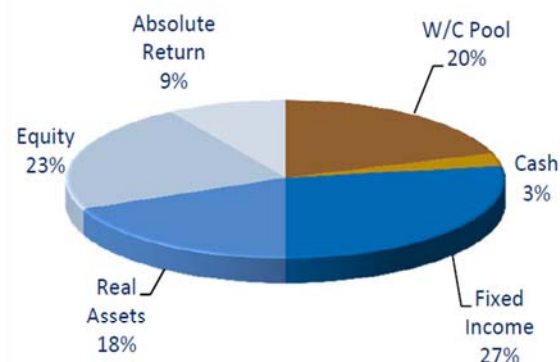
MTD Outflows	37
QTD Outflows	33
YTD Outflow	35

**LIQUIDITY ALLOCATION**

**CASH SOURCES AND USES**

Sources	MTD	QTD	YTD
Opening W/C Pool Balance	\$ 82,727	\$ 117,882	\$ 58,977
Opening Cash Balance	3,510	2,354	3,634
From State	27,814	75,729	263,485
From Operations	32,372	143,767	799,516
Uses	MTD	QTD	YTD
To Payroll	(38,624)	(137,327)	(498,819)
To Operations	(34,438)	(99,259)	(344,676)
To Students	(7,391)	(37,175)	(216,147)
<b>Cash + W/C Pool</b>	<b>\$ 65,969</b>	<b>\$ 65,969</b>	<b>\$ 65,969</b>

**INVESTMENTS**

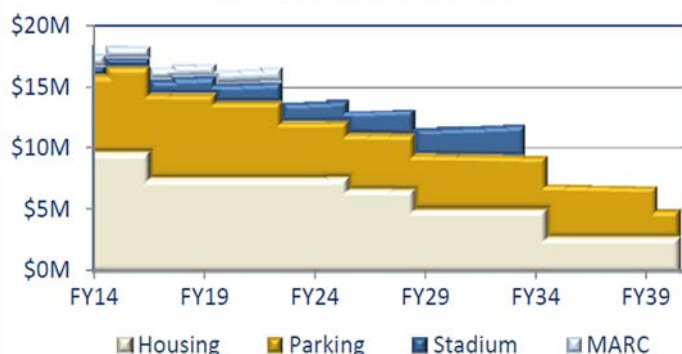
Cash + W/C Pool	Balance	FYTD	Last 1Y
W/C Pool	\$ 57,979	0.9%	0.9%
Cash	7,991	0.0%	0.0%
Strategic + Reserve Pools			
Fixed Income	79,832	7.6%	7.6%
Real Assets	53,976	7.5%	7.5%
Equity	65,708	19.9%	19.9%
Absolute Return	26,058	8.3%	8.3%
<b>Total</b>	<b>\$ 291,542</b>	<b>7.7%</b>	<b>7.7%</b>

**CASH + INVESTMENTS FORECAST**

**ASSET ALLOCATION**

**DEBT**

University	O/s Balance	Avg. Rate
Housing (Aa3/A/A+)*	\$ 110,000	4.1%
Parking (Aa3/AA-/A+)*	77,985	4.6%
Direct Support Organizations		
AFC (Stadium)	32,092	4.4%
Foundation (MARC)	6,870	4.2%
<b>Total Outstanding Debt</b>	<b>\$ 226,947</b>	<b>4.3%</b>

\* (Moody's/S&amp;P/Fitch)

Fixed Rate Debt	212,450	93.6%
Variable Rate Debt	14,497	6.4%

**ANNUAL DEBT SERVICE**


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**Report:**

5.2 Business Services Report

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**THE FLORIDA INTERNATIONAL UNIVERSITY**  
**BOARD OF TRUSTEES**  
**Finance and Audit Committee**  
**September 10, 2014**

**BUSINESS SERVICES REPORT AS OF AUGUST 4<sup>TH</sup>, 2014**

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

**Updates**

OBS will be opening 7 new venues for fall 2014 including the following:

- A new **Subway** at BBC, opened for the start of fall 2014, replacing the existing Bistro Subs and Bay café. The new Subway offers its traditional menu of subs and salads along with pizza, soups, coffee and breakfast items.
- A new **Starbucks kiosk** in the BBC library is currently under construction and will open fall 2014. The Starbucks will provide a full menu of drinks and food along with café seating.
- A newly renovated **BBC Bookstore** opened for the start of fall 2014, with a storefront system that folds away to allow for open access to the bookstore and the marketplace. Café seating outside and a new cash wrap will be added along with some additional counters in the 'Marketplace' to expand product offerings and to alleviate clutter that exists along the current storefront.
- **The MANGO building**, opening fall 2014, will feature Panda Express, Starbucks and Taco Bell with over 6,000 sq. ft. of indoor/outdoor seating designed to foster collaboration and community engagement.
- **Parking Garage 6**, opening in 2015, will include 2,000 new parking spaces, classrooms and over 30,000 sq. ft. of retail. Retailers identified to date include, EXN nutrition, College Optical Express and Reebok Cross Fit to name a few.
- A new café opened at the **Engineering Center**, The Café @ EC, for the start of fall 2014, replacing the existing La Focaccia. The new vendor will offer a wide range of menu items including sandwiches, wraps, salad, pizza, burger and fresh baked deserts at price points in line with the previous operation.

**Quick Facts**

**Services under Management – Fall 2014**

- 49 Food and Retail Venues, Beverage & Snack Vending, FIU *One Card* Program, Office Supplies, Printing and Copying, Multi-use Facilities, Property Management and University-Wide Advertising.

**Investments**

- In fiscal year 2013-14, Business Services invested \$8.9M to build out new facilities, expand services and increase indoor and outdoor seating to help foster affinity and retention at FIU. Business Services also contributed \$1.7M to fund university initiatives, provide scholarships, underwrite student services and support FIU facilities.

**Revenues**

- In fiscal year 2013-14, Business Services managed sales of nearly \$44M from operations. Total revenues in fiscal year 2013-14 grew from \$7.5M to \$8.1M; an 8% increase over budget.

### Barnes & Noble at FIU

- For the fiscal year 2013-2014, Barnes and Noble sales ended the year down 3% over the prior year primarily due to declines in both new and used textbook sales. The decrease in textbook sales was partially offset by an increase in the textbook rental program showing growth of 39% over prior year. The bookstore rented 36,786 textbook units, compared to 27,699 units in the prior year. School supplies and café sales also increased by 7% and 6%, respectively, as compared to the prior year.

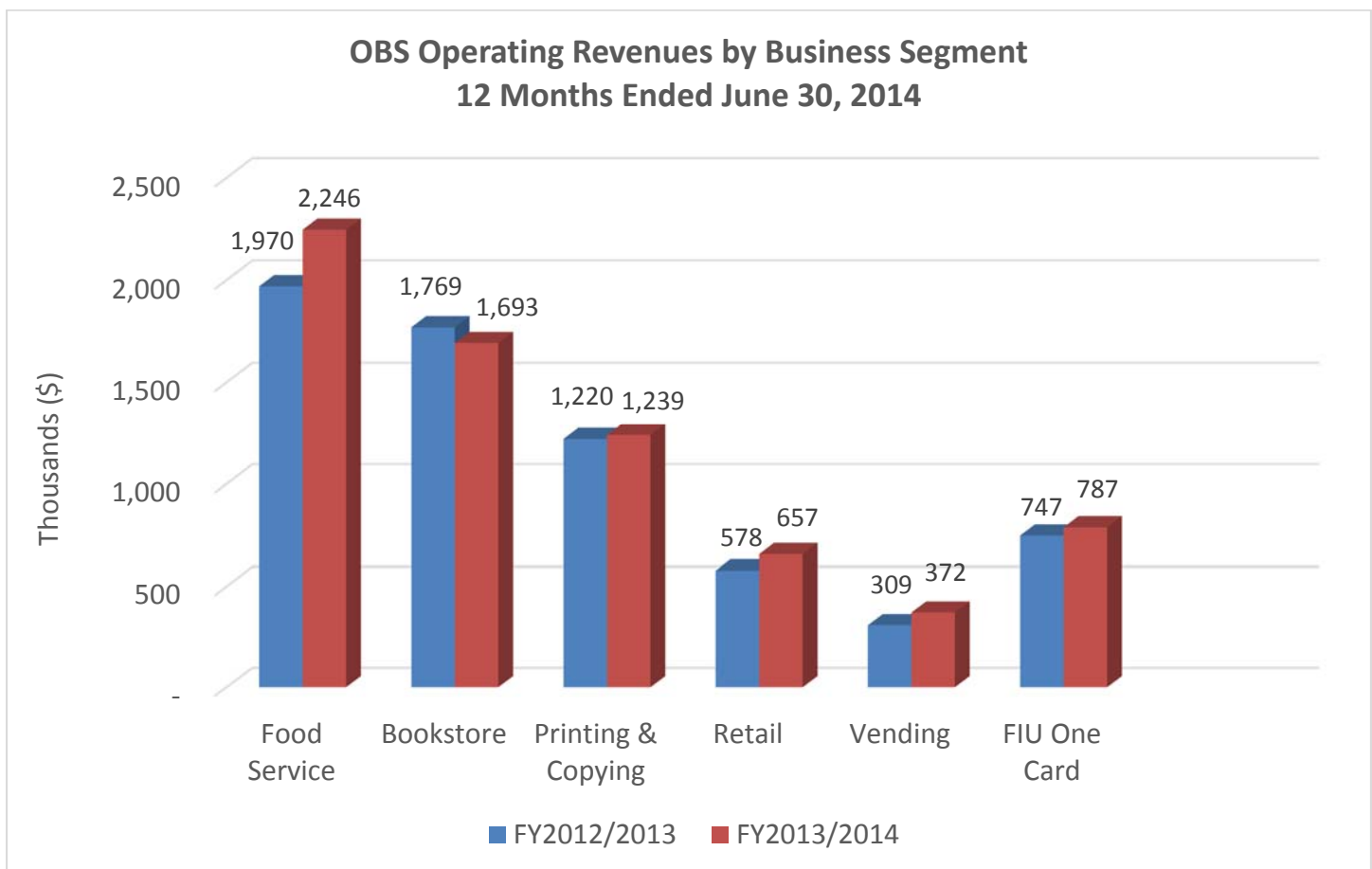
### FIU One Card/Wells Fargo

- The FIU One Card linked approximately 13,600 additional cards during the 2013-14 fiscal year, reaching a level of 25.7% penetration and qualifying the University for a Royalty Payment of \$100,000 this fiscal year from Wells Fargo. The Student Rewards program, designed to build awareness and drive use of the FIU One Card, launched in May and has received positive feedback including multiple articles in related trade magazines.

### Beverage and Snack Vending

- In fiscal year 2013-14, sales ended the year up 20% over prior year for beverage vending and 34% over prior year for snack vending. Credit card sales continue a positive trend with 56% of the sales generated through credit card transactions for beverage vending and 44% for snack vending.

#### Revenue Growth FY 2013-14



**Report:**

5.3 Athletics Update

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**THE FLORIDA INTERNATIONAL UNIVERSITY**  
**BOARD OF TRUSTEES**  
**Finance and Audit Committee**  
**September 10, 2014**

**ATHLETICS UPDATE AS OF AUGUST 5, 2014**

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

**Pete Garcia**, *Executive Director of Sports and Entertainment*

**Athletics Finance Corporation**

**FIU Athletics Finance Corporation**  
**Unaudited Preliminary Recap**  
**Through the Period Ended June 30, 2014 (in thousands)**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Revenues	\$3,612	\$3,603	(\$9)
Expenses	\$749	\$983	(\$234)

- Year-to-date Net Income excluding debt service was \$2.62 million, unfavorable to budgeted \$2.86 million
  - Primary drivers include:
    - Unfavorable Operating Revenues of \$9,000
    - Unfavorable Operating Expenses of \$234,000 mainly driven by scoreboard repairs of \$187,000; and additional expenses for external events, offset by favorable rental revenues
- The debt coverage covenant requirement was met for the period ending June 30, 2014.

**Other Financial Highlights**

- Ocean Bank Football Field Naming Gift Agreement signed for \$130,000 per year, for three years for a total of \$390,000
- 2014 Golf Tournament nets over \$60,000

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**Report:**

5.4 Emergency Management Status Report

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**THE FLORIDA INTERNATIONAL UNIVERSITY**  
**BOARD OF TRUSTEES**  
**Finance and Audit Committee**  
**September 10, 2014**

**EMERGENCY MANAGEMENT STATUS REPORT AS OF AUGUST 6, 2014**

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

**Training and Exercises**

On June 4, 2014, Department of Emergency Management (DEM) staff facilitated a table top exercise with the University President and his executive staff. The exercise simulated a potential food borne illness and involved different representatives from the Florida Department of Health in Miami-Dade.

In preparation for the most active months of hurricane season, the University's annual hurricane preparedness exercise is scheduled for August 28, 2014.

DEM facilitated hurricane preparedness table top exercises with the Patricia and Phillip Frost Art Museum and with the Wolfsonian-FIU.

DEM staff continues to train departments on the University's web-based continuity of operations planning tool known as FIU Ready. All units are expected to have completed their annual review and update of their respective plans.

**Preparedness**

DEM staff continues to conduct University-wide informational sessions and training on emergency preparedness, hurricane preparedness and FIU's new emergency notification system.

DEM staff is participating in monthly conference calls with the other State University System emergency managers to discuss common concerns, best practices and trends within emergency management.

**Emergency Notification System**

Attached are two reports summarizing the use of FIU's emergency notification system.

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**Emergency Management**  
FLORIDA INTERNATIONAL UNIVERSITY



**Emergency Notification System**  
**May 15, 2014 Incident**

**Compiled: May 30, 2014**

## Section I: Incident Summary

On May 15, 2014 at 2:26 p.m., Doppler radar indicated a severe thunderstorm capable of producing a tornado. This storm was located over Miami International Airport and moved northeast at 15 miles per hour. The National Weather Service in Miami issued a tornado warning at 2:27 p.m. At 2:57 p.m., the National Weather Service issued a second tornado warning. FIU Police initiated a FIU Alert emergency notification at 3:04 p.m., utilizing the VOIP phones, text messages to all cellphones, email and social media. That FIU Alert™ read as follows:

**FIU ALERT: TORNADO WARNING UNTIL 3:30 PM. TAKE SHELTER NOW.**

The same message was also sent to the executive group (18 individuals) at 3:11 p.m. via cell phone text message.

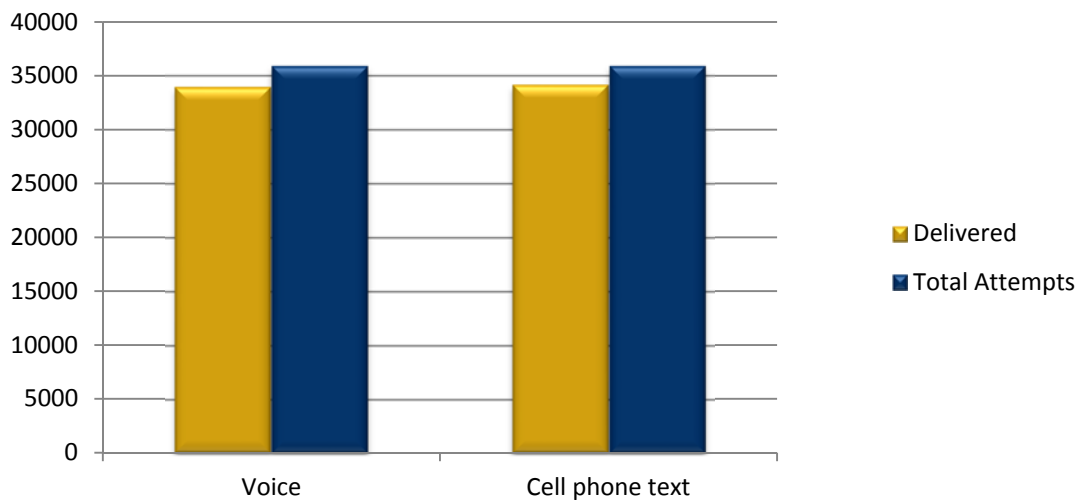
At 4:19 p.m., an all-clear text message was sent utilizing the VOIP phones, text messages to all cellphones, automated voice calls, email and social media that read:

**FIU ALERT: TORNADO WARNING EXPIRED. FLOOD ADVISORY REMAINS IN EFFECT UNTIL 5:45 PM FOR SOUTH BROWARD AND NORTH MIAMI DADE. PLEASE USE CAUTION.**

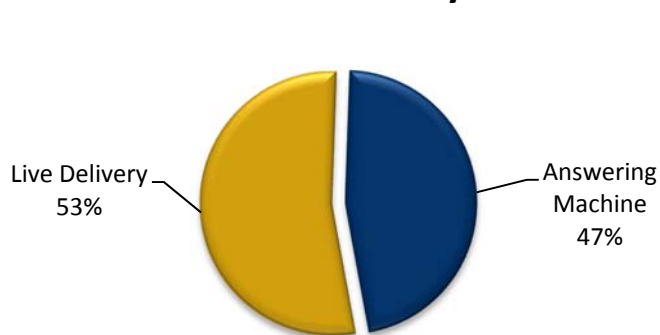


## Section II: FIU Alert™ Performance Evaluation Data

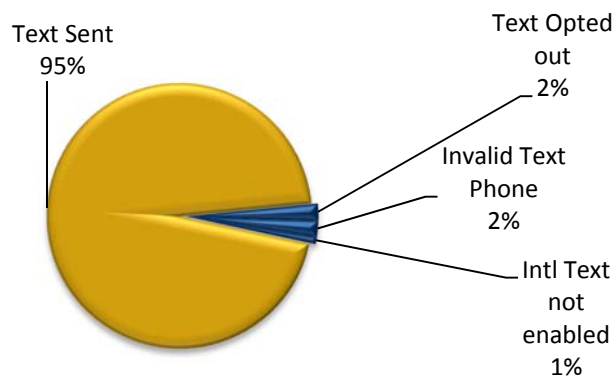
### Blackboard Connect™ Device Deliveries



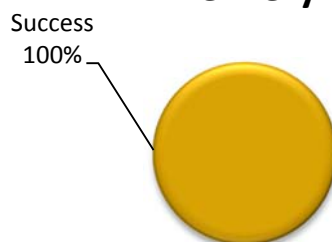
### Voice Delivery



### Text Deliveries



### FIU VOIP Phone/ Speaker/Callbox System Delivery



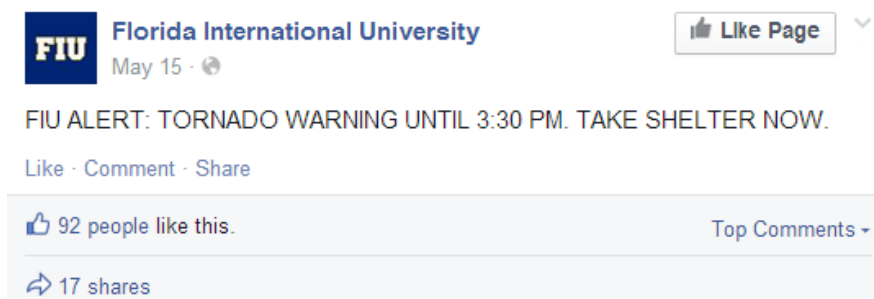
## Social Media: Facebook® and Twitter® Deliveries



- Blackboard Connect™ was successfully utilized to post to the FIU Twitter® account.



- Blackboard Connect™ was successfully utilized to post to the FIU Facebook® account.



## Section III: Issues and Solutions

- There was a 37 minute delay from when the National Weather Service issued its first tornado warning to when the first FIU Alert was initiated.
  - The University Police Department is developing procedures to increase monitoring of weather events to ensure quicker notifications.
- No audio was heard over the outdoor speakers, callboxes or VOIP telephones.
  - This was because an ad-hoc message was issued instead of the pre-prepared message which does contain an audio recording.
- No text was sent to the VOIP phones.
  - FIU Alert does have the capability of sending custom text messages to the VOIP phones even when the message is ad-hoc.

## Section IV: Summary

- All of the technology used for initiating FIU Alert™ is functioning correctly.





**Emergency Management**  
FLORIDA INTERNATIONAL UNIVERSITY



**Emergency Notification System**  
**June 3, 2014 Incident**

**Compiled: June 30, 2014**

## Section I: Incident Summary

On June 3, 2014 at 1:50 a.m., FIU Police received a call from the Miami-Dade Police Department (MDPD) notifying them of a possible armed individual heading towards the Florida International University Modesto A. Maidique Campus (MMC) from the Walgreens located across the street on 107<sup>th</sup> Avenue and 16<sup>th</sup> Street. The FIU Police Department then initiated an FIU Alert™ emergency notification at 2:09 a.m., utilizing the VOIP phones, text messages to all cellphones, voice calls, email and social media. That FIU Alert read as follows:

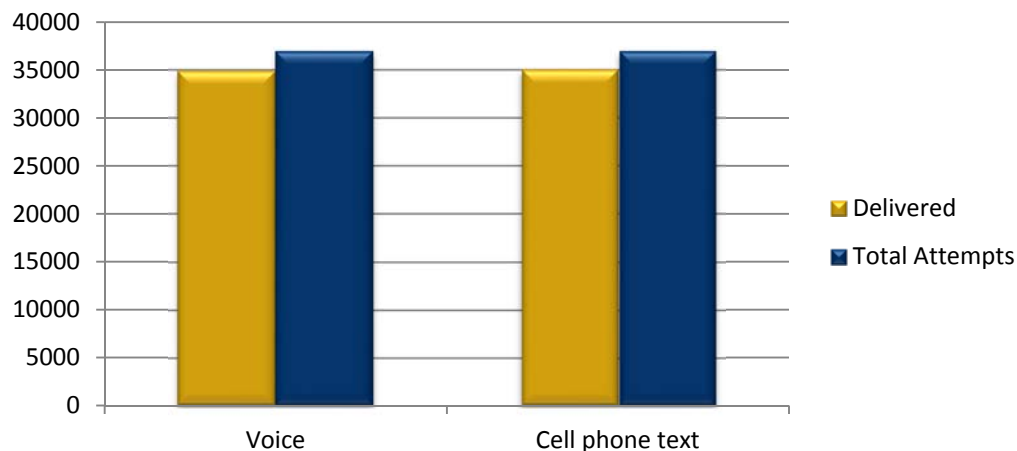
**FIU ALERT! MMC Campus: Armed assailant on or near campus! Seek shelter NOW. Info at [www.fiu.edu](http://www.fiu.edu) forthcoming.**

At 3:00 a.m., an all-clear text message was sent utilizing the VOIP phones, text messages to all cellphones, automated voice calls, email and social media that read:

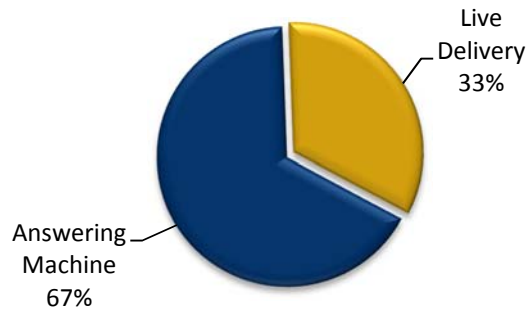
**FIU ALERT: MDPD ADVISED OF ROBBERY AT WALGREENS WHERE SUBJECT FLED TO MMC. INCIDENT WAS NOT A ROBBERY, NO ONE FLED ONTO CAMPUS. ALL CLEAR.**

## Section II: FIU Alert™ Performance Evaluation Data

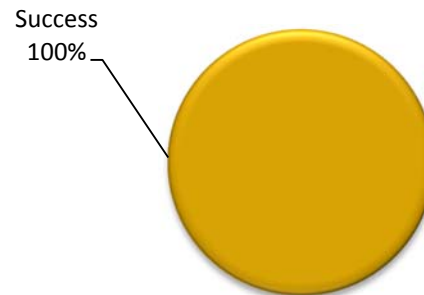
**Blackboard Connect™ Device Deliveries**



## Voice Call Delivery



## FIU VOIP Phone/Speaker/Callbox System Delivery



## Social Media: Facebook® and Twitter® Deliveries

- Blackboard Connect™ was successfully utilized to post to the FIU Twitter® account.



+ Follow

FIU ALERT! MMC Campus: Armed assailant on or near campus! Seek shelter NOW. Info at [fiu.edu](http://fiu.edu) forthcoming.

Reply Retweet Favorite More

RETWEETS  
232

FAVORITES  
45



- Blackboard Connect™ was successfully utilized to post to the FIU Facebook® account.



**Florida International University**

June 3 · 🌐

Like Page

FIU ALERT! MMC Campus: Armed assailant on or near campus! Seek shelter NOW. Info at [www.fiu.edu](http://www.fiu.edu) forthcoming.

Like · Comment · Share

150 people like this.

Top Comments ▾

111 shares

### Section III: Issues and Solutions

- No audio was heard over the outdoor speakers, callboxes or VOIP telephones for the all clear message. This was because an ad-hoc message was issued instead of the pre-prepared message which does contain an audio recording.
  - Messages should be recorded to ensure effective use of the loudspeakers and disseminating the alert.
- No text was sent to the VOIP phones for the second ad-hoc message.
  - FIU Alert™ does have the capability of sending custom text messages to the VOIP phones even when the message is ad-hoc.
- Prepared alerts contain the phrase: “Info at [www.fiu.edu](http://www.fiu.edu) forthcoming.” Despite this, no updates have been posted on the FIU main page since these alerts have been utilized.
  - A decision has to be made in advance as to whether this is acceptable or not for this scenario, or if the prepared messages require revision.
- The second message that was sent out to issue an all clear was an ad-hoc message. An acronym for Miami-Dade Police Department (MDPD) was used.
  - Staff will avoid using acronyms whenever possible; however, due to character limitations, there may be instances when acronyms may need to be used.

### Section IV: Summary

- All of the technology used for initiating FIU Alert™ is functioning correctly.
- Social media is proving itself to be a valuable tool in disseminating emergency information; however, it is recommended to monitor comments to ensure clarity in messaging.
- Timely notification of student faculty and staff continues to occur through all methods of notification used.

**Report:**

5.5 University Compliance Report

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*University Compliance  
Program:  
Major Accomplishments  
Fiscal Year 2013-2014*



September 10, 2014

## University Compliance Program Major Accomplishments Fiscal Year 2013- 2014

This document sets forth the major accomplishments of the University Compliance and Integrity Office in strengthening the University Compliance and Ethics Program during Fiscal Year 2013-2014.

### A. University Compliance Program Major Initiatives:

- University Compliance Program Advisory Committee: The Office of University Compliance and Integrity (“UCI”) worked with the Office of the General Counsel (“OGC”) to implement the University Compliance Program Advisory Committee. The Advisory Committee held its first quarterly meeting in November 2013. The 21 members of the Advisory Committee assisted in the formation of the committee’s draft mission statement and goals for the Committee. At the March 5, 2014 quarterly meeting, the Committee members requested monthly meetings until the Committee was fully up to speed. In April, the General Counsel gave a presentation to the Advisory Committee and their charge. During the May meeting, the Committee discussed various tools to measure compliance and ethics and plans to conduct a university-wide climate survey. The Committee will reconvene in the fall, 2014.
- National Compliance and Ethics Week: Consistent with our goal to increase communication regarding the importance of compliance, the UCI participated in National Corporate Compliance and Ethics Week in May. This week long event provided us another opportunity to communicate with the University community regarding important compliance considerations. Education and training on the following topics were conducted: Conflicts of Interest, Ethics, Policy Development, Records Management, Identity Theft Prevention, and IT Security.
- Mandatory Reporting of Known or Suspected Child Abuse, Abandonment, or Neglect for Universities: This law, which was amended in October 2012 and fully implemented by FIU in 2013, continues to have annual compliance-related requirements and the University accomplished the following in 2013-2014:
  1. Annual training conducted by Dr. Maureen Kenny, an FIU faculty member and subject matter expert, on the mandatory training requirements for University administrators, public safety officers, and other University personnel.
  2. Updated inventory of 99 summer camps or events sponsored by FIU involving minor children on campus.
  3. Spoke with all camp/event administrators to confirm that appropriate Level II background checks are being conducted and provide general guidance/tips on child abuse detection, prevention and reporting.
  4. Follow up with Athletics Compliance to confirm coaches participating in summer camps at FIU are conducting Level II background screenings on camp employees and volunteers. Worked with HR to provide Athletics with information on background screening process and distributed forms and checklist to coaches.
  5. UCI gave presentation to athletic coaches on state law and mandatory reporting requirements as well as best practices for operating summer camps.
  6. Presentation on mandatory reporting requirements is included in New Employee Experience (Orientation), and New Faculty Orientation.
  7. UCI created and posted a web page explaining the State reporting requirements and provides links to online training and additional resources.



## B. University Compliance Program Infrastructure:

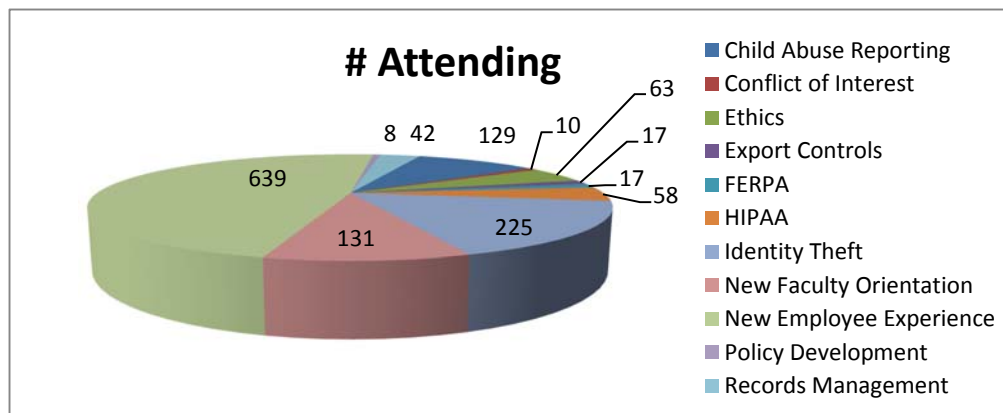
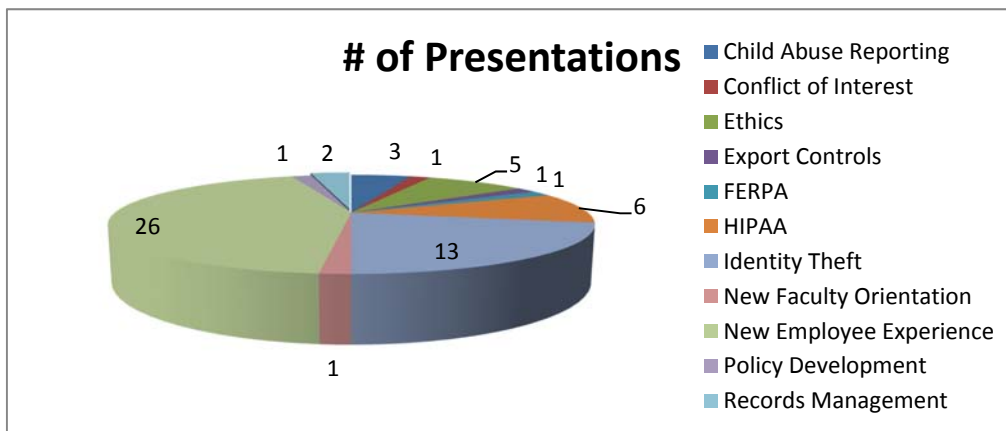
- SUS Florida Compliance & Ethics Consortium: The State University System of Florida Compliance and Ethics Consortium (SUS Compliance and Ethics Consortium) was established on June 27, 2013 to provide an avenue for SUS chief compliance and ethics officers and staff to discuss the development and improvement of comprehensive compliance and ethics programs, new federal and state regulations, and best practices. The consortium members are charged with promoting a culture of ethics, accountability, and compliance at their institutions. The SUS Compliance & Ethics Consortium currently has seven (7) active member institutions (FAMU, FIU, NCF, UCF, UNF, USF, and UWF), as well as participation by the Inspector General of the BOG, Joseph Maleszewski. Compliance representatives from Florida's State University System continue to meet on a quarterly basis and meetings were held in June, September and November, 2013 and March and June, 2014. Meeting discussions have focused on the following topics: Clery Act Negotiated Rulemaking, VAWA (Violence Against Women Act) federal requirements, Florida Code of Ethics, Conflicts of Interest and Conflicts of Commitment.
- SCCE Conference on Higher Education Compliance: The Interim UCI Officer attended the Society of Corporate Compliance and Ethics (SCCE) conference on Higher Education Compliance in Austin, Texas, in June, 2014. Conference sessions included: Clery Act Compliance, Records Management, Compliance Monitoring, Conflicts of Interest, Compliance Investigations, Measuring and Communicating Compliance Program Effectiveness.
- Consolidated Reporting: In a continuous effort to move toward more consolidated reporting, the UCI, in collaboration with representatives from Athletics Compliance, Academic Health Center/Health Care Network, Environmental Health and Safety, IT Security and Research developed metrics for consolidated reporting on compliance activities to the Finance and Audit Committee of The Florida International University Board of Trustees. The metrics that these subject-matter risk areas will focus on are described in the chart below and integrated as a part of this report.

Consolidated Reporting Metrics	
1.	Education and Training: Subject Matter, Audience, Date, Number of Attendees
2.	Inquiries: Internal/External
3.	Policies and Procedures
4.	Reports: To create a comprehensive Compliance calendar
5.	Monitoring Activities: Tracking/Reporting

## 1. Education and Training

- Office of Compliance and Integrity: Education and Training. Specific compliance-related education and training provided during FY2013-14 consisted of the following:

Training	# of Presentations	# Attending
Child Abuse Reporting <sup>1</sup>	3	129
Conflict of Interest	1	10
Ethics	5	63
Export Controls <sup>2</sup>	1	17
FERPA	1	17
HIPAA <sup>3</sup>	6	58
Identity Theft <sup>4</sup>	13	225
New Faculty Orientation	1	131
New Employee Experience	26	639
Policy Development	1	8
Records Management	2	42
<b>TOTAL</b>	<b>60</b>	<b>1339</b>



<sup>1</sup> Presentations by Dr. Maureen Kenny, FIU, College of Education

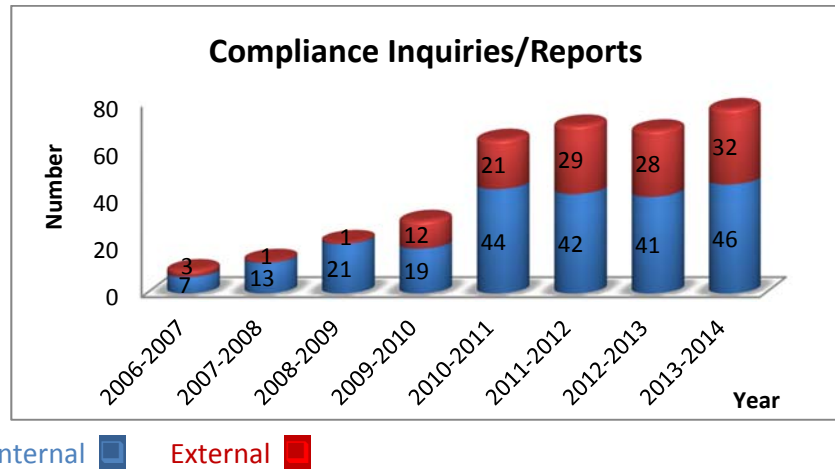
<sup>2</sup> Online training through Division of Research

<sup>3</sup> Presentations by Kathleen Ojala, FIU-AHC Compliance and Privacy Officer and David Assee, IT Security Office

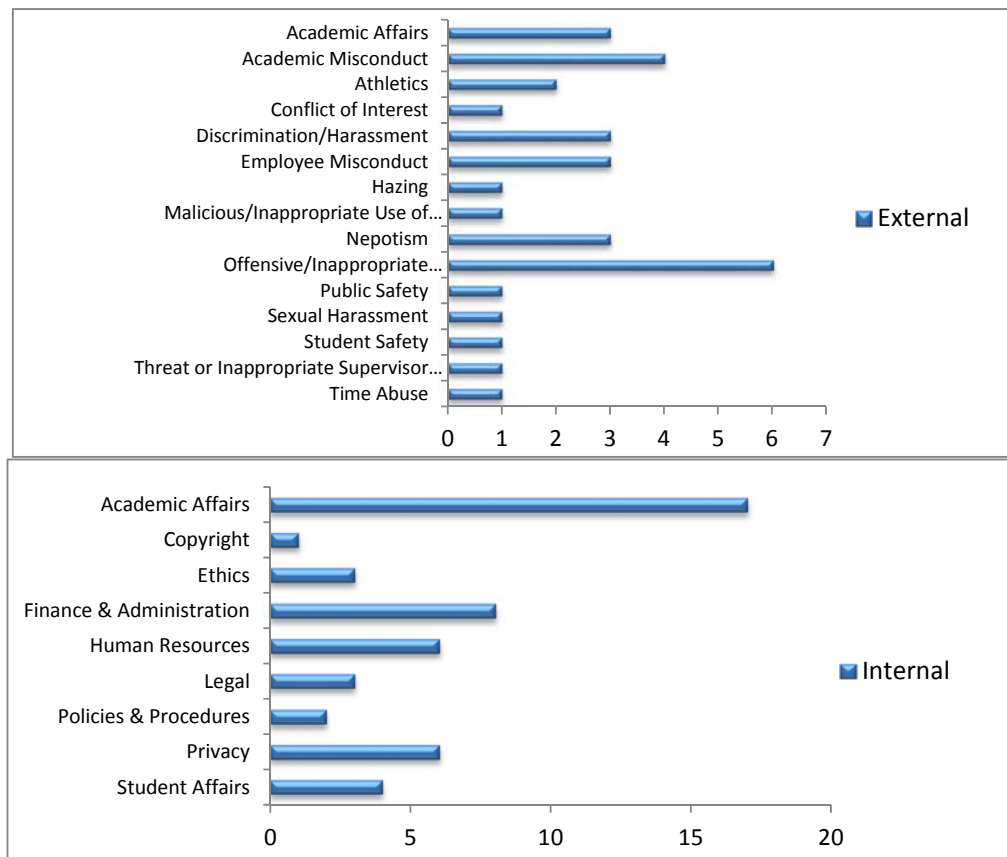
<sup>4</sup> Presentations by David Assee, IT Security Office and Claudia Zapata, Office of University Compliance & Integrity

## 2. Inquiries (Internal/External)

- Office of Compliance and Integrity: Ethics Hotline.
  1. In May 2014, during National Compliance and Ethics Week, the UCI office posted flyers on the UCI web site, on Univmail, and sent daily e-blasts to employees thanking them for their commitment to compliance and ethics in the workplace.
  2. This campaign helped to raise awareness and enhance the visibility and exposure of FIU's Compliance and Ethics Program, and remind employees of the existence of the hotline.
- The number of inquiries to the UCI and external inquiries to the hotline are shown below.



### FY2013-2014 Inquiries/Reports by Subject Matter (External) and University Area (Internal)



### 3. Policies and Procedures

- Office of Compliance and Integrity: Policies and Procedures.
  1. Policy Communication Process: The UCI, working closely with the Office of the General Counsel, has created a policy communication process that will expedite the policy review and approval process and allow for focus on high priority policy considerations.
  2. University Compliance & Integrity Office Web site: In December 2013, the redesigned UCI Office Web site was launched to enhance and provide more interactive capabilities for users.
  3. University Policies & Procedures Library: The University Policies and Procedures Library has been completely re-created by EWS (Enterprise Web Services), to provide enhanced search functionality and allow users to more easily locate policies and policy changes. The UCI may also run reports and pull data regarding policy usage such as date, use, size, and number of hits, allowing the UCI to gauge user preferences. The new policy library is near completion and will be launched by the end of 2014.
  4. University policies which have either been added, updated or revised since the last report to this Board include the following:
    - Automated External Defibrillator (AED)
    - Conflict of Interest in Research
    - New Degree Program Planning and Approval
    - Quota for Conditional Admission of Master's Applicants
    - Reservation and Use of University Space
  5. Policies and Procedures Review and Updating: Policies in the following program areas have been reviewed and updated.
    - Office of the General Counsel
    - International Student and Scholar Services

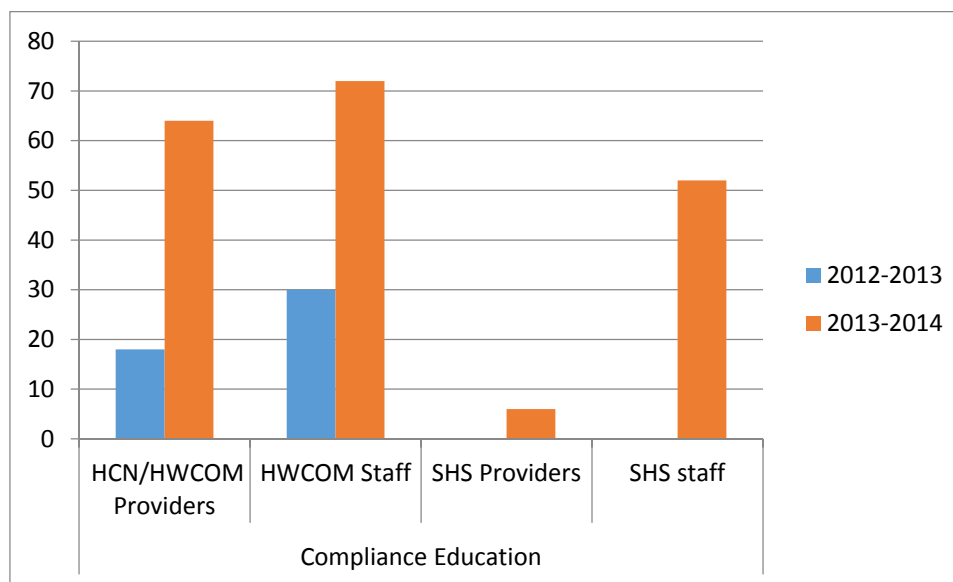
#### C. Consolidated Reporting on Compliance Activities

- The following reports are from University Specific Subject-Matter Risk Areas:
  - FIU Academic Health Center ("AHC") & FIU Health Care Network ("HCN") Compliance Office
  - Athletics Compliance Office
  - Environmental Health and Safety
  - IT Security Office

**FIU ACADEMIC HEALTH CENTER ("AHC") and FIU HEALTH CARE NETWORK  
("HCN") Compliance Report for Fiscal Year 2013-2014**  
**Prepared by: Kathleen Ojala, JD, BSN, CHC, CPC**  
**FIU AHC Compliance and Privacy Officer**  
**August 1, 2014**

**1. Education and Training**

- All providers (41) (physician and non-physician providers) for whom HCN is conducting billing have completed 1:1 compliance training (on boarding) and subsequent annual updates are being finalized (23).
- Practice support staff of the HCN and NeighborhoodHELP program completed compliance training (approximately 72).
- SHS providers and staff have either attended compliance training, or are scheduled to attend compliance training
- Periodic AHC Compliance and Quality Newsletters are published and distributed across HWCOM and AHC College Deans.
- Online Health Insurance Portability and Accountability Act of 1996 ("HIPAA") training for all Herbert Wertheim College of Medicine ("HWCOM") faculty, staff and students conducted with 95% completion rate. Online HIPAA training for University faculty, staff and students expected to be available mid-August 2014.



**2. Inquiries (Internal/External)**

No inquiries from internal or external sources to report.

**3. Policies and Procedures**

The AHC, FIU HCN Compliance Plan was amended to include billing oversight for Student Health Services (SHS) and the creation of the AHC HIPAA Oversight function. The SHS medical director serves on the AHC Compliance Committee. AHC, FIU HCN

compliance policies have been amended to include SHS billing oversight. The FIU Outside Activities/Conflicts of Interest reporting processes have been amended to include questions related to health care fraud and abuse concerns. The AHC Compliance office reviews all HWCOT submitted reports.

The AHC HIPAA Oversight Plan was adopted by the AHC Compliance Committee on November 13, 2014. The Plan includes the creation of the AHC HIPAA Committee, scope of oversight and reporting metrics. The AHC Compliance Committee receives quarterly HIPAA metrics, summaries of policies adopted by the AHC HIPAA Committee, and retains decision making regarding risks related to the implementation of HIPAA's Privacy, Security and Transactions/Code Sets.

The FIU HIPAA Notice of Privacy Practices (NPP) was amended in September, 2013. Updated notices are provided to individuals at time of clinical service. FIU NPPs are posted on University websites.

#### **4. Monitoring and Reporting**

AHC Compliance Reports are provided quarterly to the Health Care Network Board of Trustees. The reports include dashboards of select items, such as those depicting standardized processes (such as exclusion list checking completion, education sessions held). A centerpiece of any health care compliance program is the monitoring and auditing of the accuracy of claims which have been submitted to third party payers. The AHC annual claims auditing results for FY 2012-2013, and 2013-2014 are FIU Faculty Group practice providers are in substantial compliance with coding accuracy standards (exceeding 90% accuracy). Prompt follow up actions are undertaken to resolve any inaccuracies (e.g. refile of claims, supplementing documentation to more accurately reflect care provided to patients).

#### **Summary:**

The AHC Compliance Program is beginning its third year. As the AHC evolves, and ongoing rapid changes in the U.S. health care system regulations continue, the AHC Compliance Program is designed to grow and adapt.

**ATHLETICS COMPLIANCE**  
**Prepared by: Hank Harrawood, Associate AD/Compliance**  
**August 4, 2014**

## **Introduction**

The following report summarizes the work of the Athletics Compliance Office for the FY 2013-2014. The metrics shared in the report are:

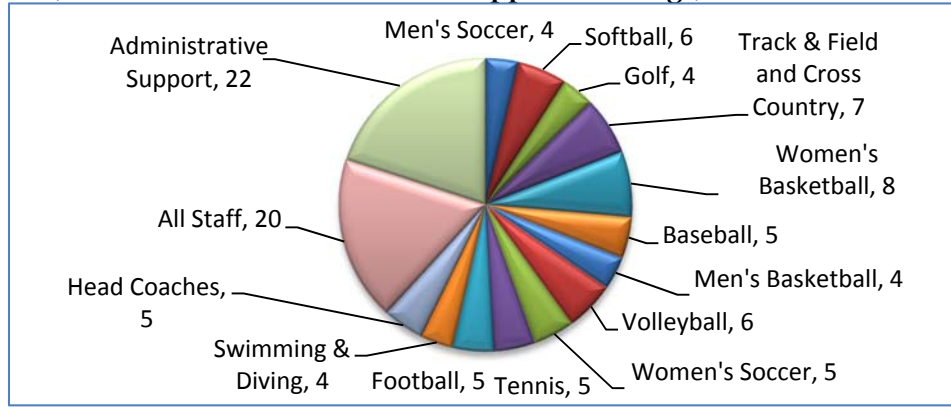
- The number of education and training sessions that took place during FY 2013-2014.
- The number of interpretive requests handled by the Athletics Compliance Office during FY 2013-2014.
- The number of NCAA violations reported by the Institution for FY 2013-2014.

## **1. Education and Training**

The athletics compliance office conducted 110 rules education sessions with coaches, athletics staff, and student athletes during FY 2013-2014. These education sessions include (but are not limited to) head coach meetings, all-staff meetings, and meetings with student athletes at the beginning and end of each academic year.

ATHLETICS COMPLIANCE – FY 2013-2014 Sports, Academic & Administrative Support Meetings Education & Training	
Men's Soccer	4
Softball	6
Golf	4
Track & Field and Cross Country	7
Women's Basketball	8
Baseball	5
Men's Basketball	4
Volleyball	6
Women's Soccer	5
Tennis	5
Football	5
Swimming & Diving	4
Head Coaches	5
All Staff	20
Administrative Support	22
<b>TOTAL</b>	<b>110</b>

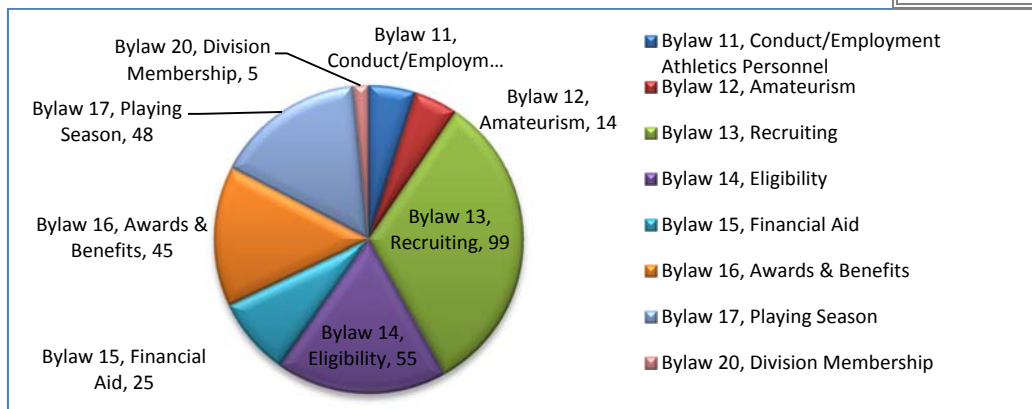
## Sports, Academic & Administrative Support Meetings, Education & Training



## 2. Monitoring and Reporting

- Interpretive Guidance:** The Athletics Compliance Office offered interpretive guidance for 306 situations for the FY 2013-2014. This is an increase of 64 interpretive situations over the previous year. This is attributed to an emphasis on open lines of communication and a focus around building open and positive relationships with coaches during the past year. This does not include procedural questions or questions and answers during educational sessions.

INQUIRIES	TOTAL
Bylaw 11	15
Bylaw 12	14
Bylaw 13	99
Bylaw 14	55
Bylaw 15	25
Bylaw 16	45
Bylaw 17	48
Bylaw 20	5
<b>TOTAL</b>	<b>306</b>





- Inquiries/Reports: During the FY 2013-2014 there were no Level I violations reported. Level I violations are violations that seriously threaten to undermine core values of the NCAA and provide substantial recruiting and competitive advantage. There were no Level II violations reported during the FY 2013-2014. Level II violations are severe breaches of conduct that provide or are intended to provide a serious recruiting or competitive advantage.

During the FY 2013-2014 the Athletics Compliance Office reported 22 Level III violations to the NCAA. Level III violations are violations that are isolated or limited in nature and provide no more than a minimal benefit or advantage in recruiting or competition.

### **3. Accomplishments of 2013-2014 and Looking Ahead**

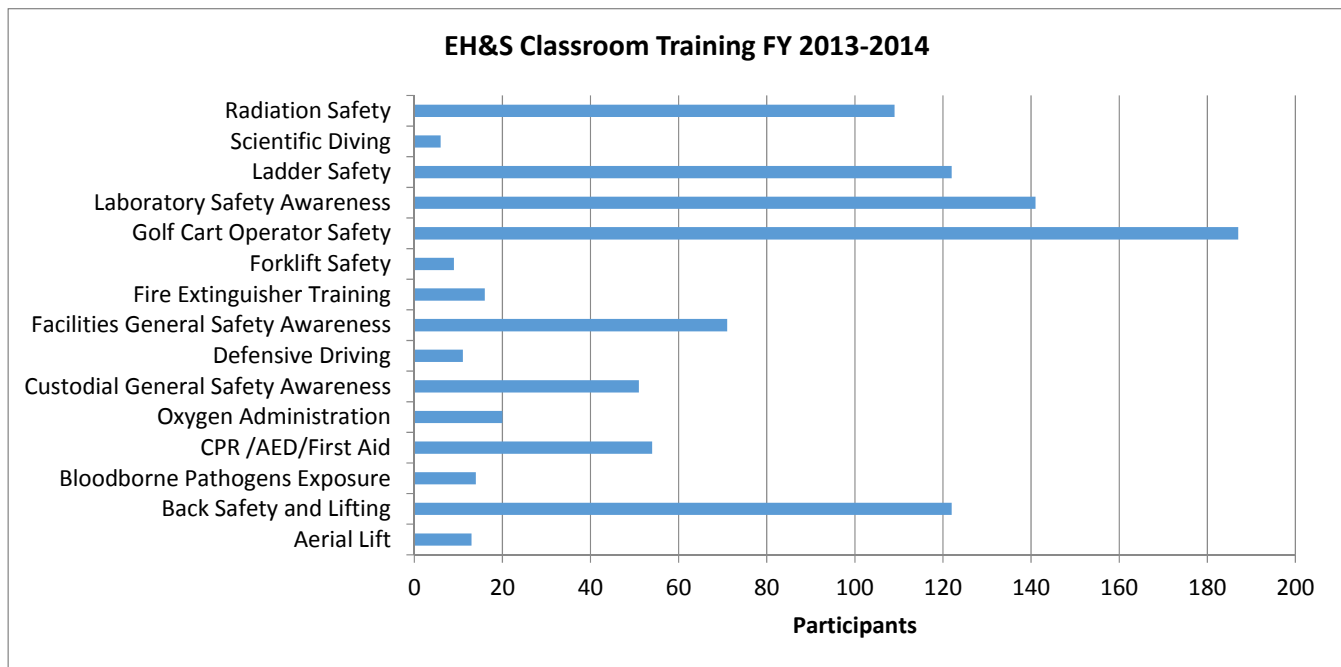
- More rules interpretations given than in the previous Fiscal Year (Up from 242 to 306). This is likely attributed to open lines of communication and the recent focus on building strong and open relationships with athletics department staff.
- In October the Athletics Compliance Office is set to move to a paperless filing system for all internal forms. Internal compliance forms will be stored on a shared drive and backed up via external hard drive. This will allow for better resource allocation, better organization with filing, and easier access to files when necessary.
- New employee orientation has taken place with every new employee in the athletics department including all volunteers. Beginning FY 2014-2015 a new tracking and filing system of these orientations will be implemented.
- A new, web-based certification process is set to be implemented in September 2014. This system was created by campus technical support and will allow for seamless workflow during the certification process. This will allow us to more definitively identify problems within the process. Further, it will allow for greater accountability amongst all constituents involved with the certification process.
- A new education plan is being implemented beginning in August 2014. The new plan will allow the Athletics Compliance Office to do more in-person education with groups who have previously not been a focal point of rules education efforts.

**SAFETY AND ENVIRONMENTAL COMPLIANCE STATUS REPORT**  
**Prepared by: Amy B. Aiken, Interim Director, Environmental Health & Safety**  
**August 2, 2014**

**1. Education and Training**

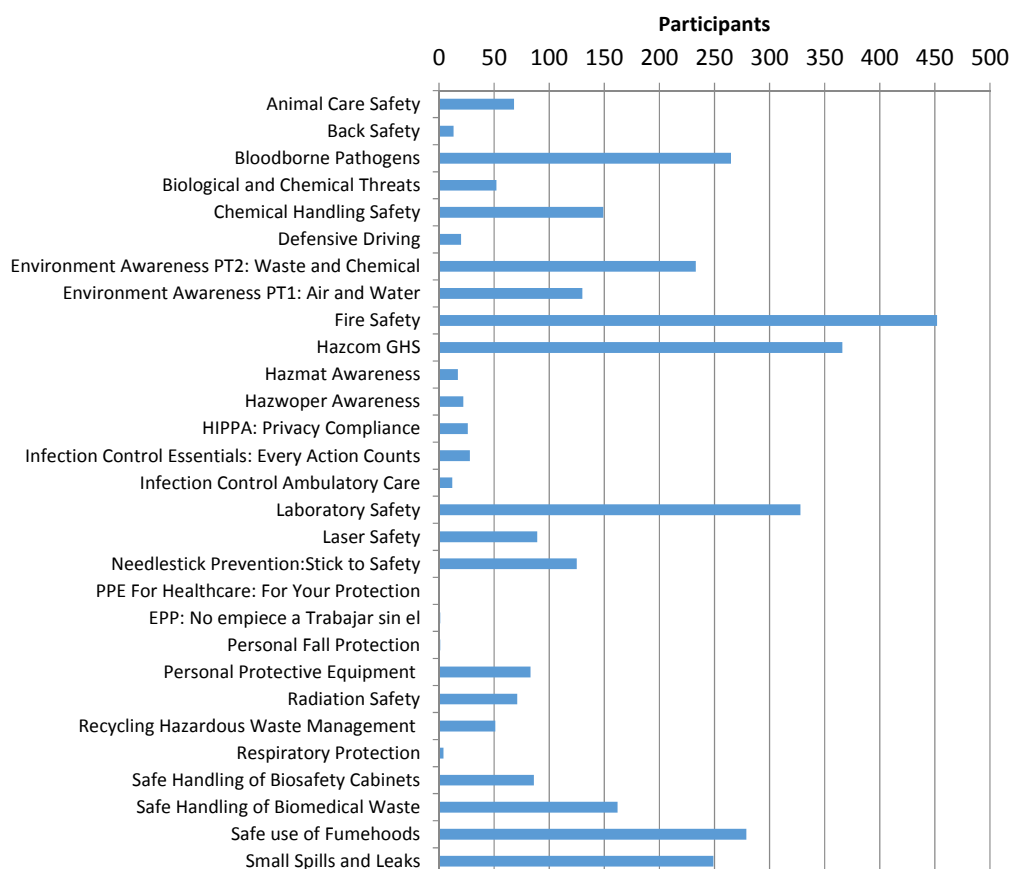
A significant component of safety and environmental compliance involves raising awareness and providing education and training on regulations University faculty, staff and students must follow in order to work, perform research and pursue academic endeavours in a safe environment.

The Department of Environmental Health & Safety (EH&S) offers classroom, field and online training. EH&S conducted 56 classroom training sessions during the 2013-14 fiscal year for a total of 946 participants. Twenty-nine (29) online courses were offered during this period with 3,382 individuals participating in online trainings. The charts below illustrate subject matter and the number of participants.



EH&S Classroom Education FY 2013-2014		
Classroom Training	#Participants	#Presentations
Aerial Lift	13	1
Back Safety and Lifting	122	4
Bloodborne Pathogens Exposure	14	2
CPR /AED/First Aid	54	8
Oxygen Administration	20	4
Custodial General Safety Awareness	51	3
Defensive Driving	11	1
Facilities General Safety Awareness	71	3
Fire Extinguisher Training	16	2
Forklift Safety	9	1
Golf Cart Operator Safety	187	6
Laboratory Safety Awareness	141	6
Ladder Safety	122	3
Scientific Diving	6	6
Radiation Safety	109	6
<b>TOTAL</b>	<b>946</b>	<b>56</b>

## Environmental Health & Safety Online Training - FY 2013-14



### Environmental Health & Safety Online Training FY 2013-2014

Name of Training	# Participants	Name of Training	# Participants
Animal Care Safety	68	Laboratory Safety	328
Back Safety	13	Laser Safety	89
Bloodborne Pathogens	265	Needlestick Prevention: Stick to Safety	125
Biological and Chemical Threats	52	PPE For Healthcare: For Your Protection	0
Chemical Handling Safety	149	EPP: No empiece a Trabajar sin el	1
Defensive Driving	20	Personal Fall Protection	1
Environment Awareness PT2: Waste and Chemical	233	Personal Protective Equipment	83
Environment Awareness PT1: Air and Water	130	Radiation Safety	71
Fire Safety	452	Recycling Hazardous Waste Management	51
Hazcom GHS	366	Respiratory Protection	4
Hazmat Awareness	17	Safe Handling of Biosafety Cabinets	86
Hazwoper Awareness	22	Safe Handling of Biomedical Waste	162
HIPPA: Privacy Compliance	26	Safe Use of Fumehoods	279
Infection Control Essentials: Every Action Counts	28	Small Spills and Leaks	249
Infection Control Ambulatory Care	12	<b>Subtotal</b>	1529
<b>Subtotal</b>	1853	<b>TOTAL</b>	<b>3382</b>

## **2. Inquiries (Internal/External)**

No inquiries from internal or external sources to report.

## **3. Policies and Procedures**

- EH&S Compliance: Policies and Procedures.
  1. The Automated External Defibrillator (AED) policy was reviewed by the Operations Committee in the Fall of 2013 and approved by the President on June 27, 2014. This policy has been posted in the official University Policies and Procedures Library.

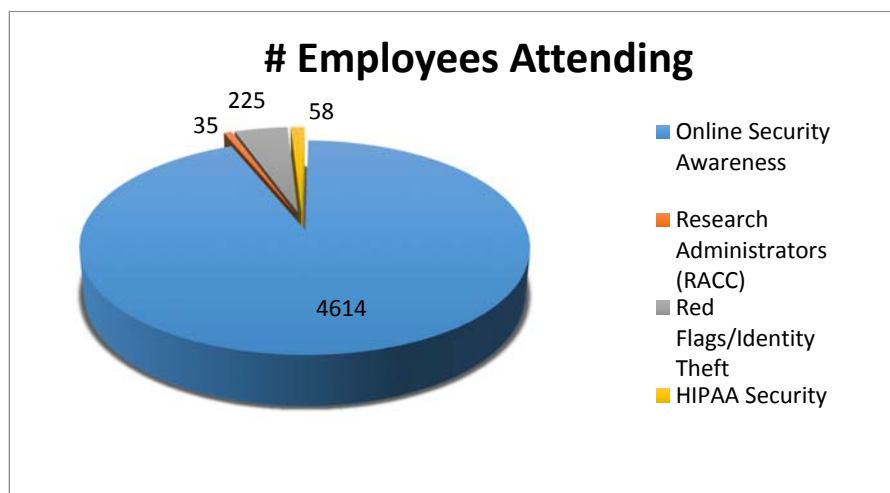
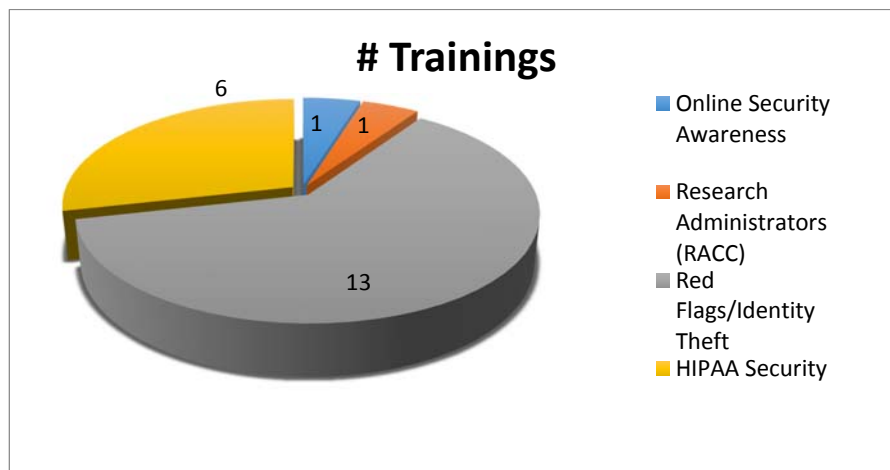
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**IT SECURITY OFFICE**  
**Prepared by: Charles Young, IT Security Officer**  
**August 4, 2014**

**1. Education and Training**

- IT Security Office: Education and Training. Specific compliance-related education and training provided during FY2013-14 consisted of:

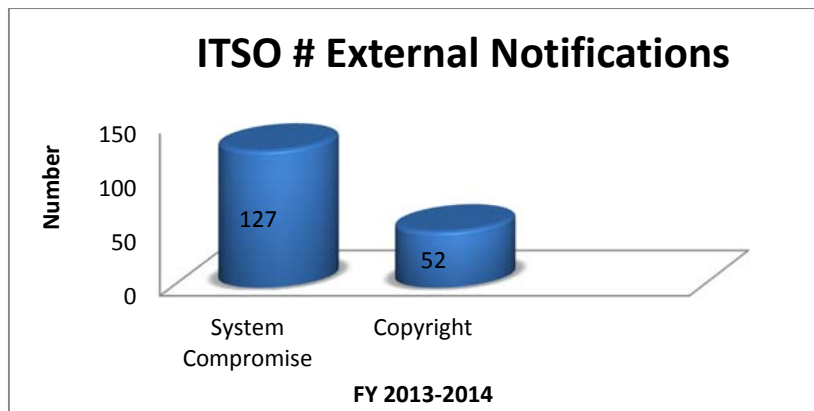
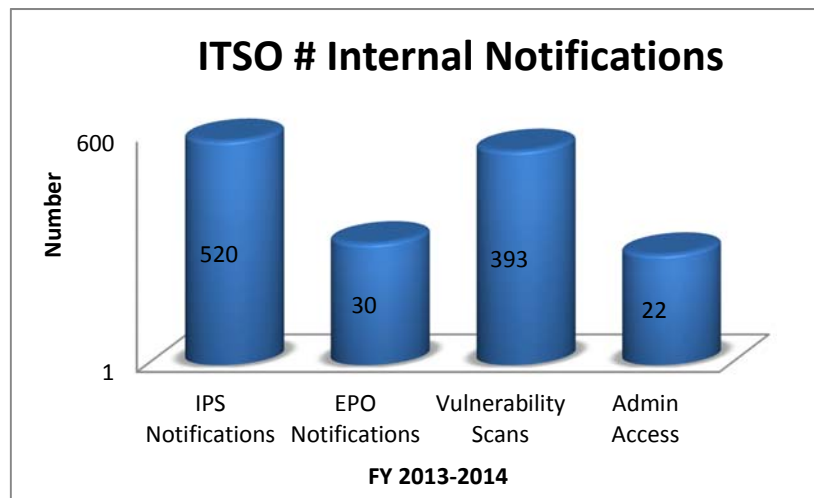
Training	# of Presentations	# Attending
Online Security Awareness	1	4614
Research Administrators (RACC)	1	35
Red Flags/Identity Theft	13	225
HIPAA Security	6	58
<b>TOTAL</b>	<b>21</b>	<b>4932</b>



## 2. Inquiries (Internal/External)

- IT Security Office: Internal and External Inquiries.

The numbers of internal and external inquiries to the ITSO are shown below.



## 3. Policies and Procedures

- IT Security Office: Policies and Procedures.
  1. Policy and Procedure Updating. The following policies/procedures have been updated during FY 2013-2014.
    - a) Digital Millennium Copyright Act Policy
    - b) Compromised System Account Procedure

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**Report:**

5.6 Safety and Environmental Compliance Report

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**THE FLORIDA INTERNATIONAL UNIVERSITY**  
**BOARD OF TRUSTEES**  
**Finance and Audit Committee**  
September 10, 2014

**SAFETY AND ENVIRONMENTAL COMPLIANCE REPORT AS OF AUGUST 6, 2014**

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

<b>Issue: Life Safety Building Code Compliance Inspections and Other Life Safety Code Activities (Annual)</b>
---

<b>Agency: State Fire Marshal</b>
-----------------------------------

<b>Status: <i>Update:</i></b> Efforts are being focused on improving the processing of life safety building code violations and reporting to the State. Technological solutions to improve tracking and resolution of violations are being sought.
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**Report:**

5.7 Facilities and Construction Update

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**THE FLORIDA INTERNATIONAL UNIVERSITY**  
**BOARD OF TRUSTEES**  
**Finance and Audit Committee**  
**September 10, 2014**

**FACILITIES AND CONSTRUCTION UPDATE AS OF AUGUST 6, 2014**

---

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

**Projects Completed**

- **Science Classroom Complex (SCC)/Academic Health Center 4 (AHC-4) (BT-876) -** \$57.5M Public Education Capital Outlay (PECO) project budget. A/E – Perkins + Will; CM – DPR. (136,076 gross square feet-gsf). FIU has occupied the facility since March 2013. DPR has customized 6,000 gsf of lab space as individual researchers have been assigned to specific locations.
  - Wet labs on the 2<sup>nd</sup> floor are now occupied by researchers.
  - Construction of the 5<sup>th</sup> floor Bio-Medical Engineering (BME) lab is complete; coordination is now in progress to occupy the lab in August 2014.
  - Construction Documents (CD's) for the build-out of the 3<sup>rd</sup> floor wet labs have been submitted for Department of Research (DoR) review and are being priced. Construction is contingent on DoR funding.
- **Stocker AstroScience Center (BT-814) -** \$4.4M (multiple sources) project budget. A/E – Siddiq Khan & Associates (SKA); CM – Stobs Brothers. (10,233 gsf). The final Certificate of Occupancy (CO) was issued July 24, 2014. A related component is a minor project to improve the adjacent site (civil and landscaping work) consistent with the Campus Master Plan. The revised 100% CD's for this component were issued to the CM for pricing, which is expected in early September. Construction will be coordinated with the conduct of the Fall semester activities.

**Projects under Construction**

- **Academic Health Center 5 (BT-877/895) -** \$46.2 M (multiple sources: \$38.3M PECO, \$7.9 auxiliary) project budget. A/E – Perkins + Will; CM – Skanska. (121,465 gsf). The Robert Stempel College of Public Health and Social Work (RSCPHSW) project (\$23.3M) and the International Hurricane Center (IHRC) project (\$15.0 M)

were combined into one project; the DoR contributed an additional \$7.9M for research facilities. The project achieved substantial completion on July 3, 2014, missing the April 25<sup>th</sup> delivery date. A/E and CM have been advised that Liquidated Damages (LD's) will be applied. RSCPHSW began occupancy on July 7<sup>th</sup>, followed by Earth and Environment on July 14<sup>th</sup>. The Extreme Environment Institute (EEI)/IHRC will relocate to AHC5 on August 7<sup>th</sup> and September 2<sup>nd</sup>, respectively. Audio-visual (AV) installation and programming is on-going and scheduled to be complete before the start of the Fall semester. The building's punch-list and site work are in progress and scheduled for completion by the end of September 2014. The RSCPHSW move triggered renovations for the Herbert Wertheim College of Medicine in AHC-1 and AHC-2, which have begun. Current Owner Direct Purchase (ODP) tax savings are \$382,938.11 -- slightly shy of the 1% objective of \$385,000.

- **Management and New Growth Opportunities (MANGO) Mixed-Use College of Business Building- (BT-886)** - \$35.7M (multiple sources) project budget. A/E - HOK; CM-Arellano. (107,912 gsf). Due to numerous complications with the installation and testing of the smoke evacuation system in the "Canyon," the delivery date has slipped from August to September 2014. Contingency plans are in place to mitigate the impact on Fall semester activities. Drywall installation, painting and vendor kitchen equipment installation are 90% complete on the ground floor. Painting, ceiling installation, door and hardware installation are substantially complete on the 2<sup>nd</sup> through 6<sup>th</sup> floors. In the "Canyon," ceiling and wall framing are complete; drywall, finishing, and painting are in progress. The AV package has been awarded and installation has begun. Furniture packages were received, evaluated and awarded. Furniture installation for floors 2-4 has begun; floors 5-6 will follow at the end of September. First floor furniture installation is scheduled for September 11<sup>th</sup> - 19<sup>th</sup>. Exterior landscaping and hardscape work has also started. Current ODP savings of \$378,894 exceed the 1% objective of \$370,524. Revised target delivery date: September 26, 2014.
- **Parking Garage 6 (BT-868)** - \$44.5M (multiple sources) project budget. A/E - PGAL; CM - Facchina. This facility reuses the PG5/Market Station design. Dimensions: 779,815 gsf total with 50,771 gsf shelled for retail and academic use; and approximately 2,000 parking spaces. The project incorporates site specific modifications such as improved traffic lanes at the SW 112<sup>th</sup> Avenue entry, a traffic circle at the intersection of Palm Avenue and Loop Road, and a pedestrian bridge across Loop Road. The garage pre-cast installation is complete. Pedestrian bridge pre-cast installation will start mid-August. Road work on Loop Road is being done to minimize the impact on University operations, including at night and on weekends. The initial configuration and surfacing of the traffic circle and Loop Road expansion should be complete before the start of Fall '14 semester. Final finishes will be made during the holiday break in December. Site work is 80%



complete. Dewatering and foundation work is 100% complete. Parking Garage 4 (PG-4) west entrance will be closed until Fall '14 semester. Classroom design is complete. Classes will be scheduled for Spring 2015 in the 8 new classrooms. CM delivered the Classroom GMP proposal, which is now under review. Classroom construction is projected to begin August 22<sup>nd</sup>. Planning with Miami-Dade Transit (MDT) and Florida Department of Transportation (FDOT) continues. Current ODP savings tally \$131,733.82 toward the 1% objective of \$342,727. Target delivery date for parking garage element: January 2015.

- **Ambulatory Care Center (BT-870)** - \$8.8M (County bond) project budget. A/E - AECOM; CM - Klewin. (32,023 gsf). Building foundations have been completed and the shell is 85% erected. Exterior building finishes have been approved and released for fabrication. Miami-Dade County Water and Sewer permits have been received and utilities coordination is in process. Mechanical, electrical and plumbing (MEP) rough-ins are complete. Metal framing is 95% complete. Roof is 90% complete and pre-cast is 85% complete. Current ODP savings tally \$99,382 and exceed the 1% target of \$78,975. Both the project budget and the schedule continue to be extremely tight. CM requested an extension of time which was not accepted; A/E and the University continue to analyze the request. Target delivery date: November 2014

### **Projects in Design**

- **Student Academic Support Center (SASC) (BT-882)** - \$30.9M (PECO) project budget. A/E - Gould Evans; CM - Balfour Beatty. (81,045 gsf with an additional 7,350 gsf for an elevated exterior amphitheater terrace and stair system). The University received \$6.8M in additional funding as part of the FY2014-15 appropriation. Final GMP negotiations with the CM are still in progress. The ground breaking and delivery date cannot be determined until the GMP negotiation is finalized. Target delivery date: TBD.

### **Projects in Planning Stage**

- **Recreation Center Expansion (BT-903)** - \$13.6M Capital Improvement Trust Fund (CITF) project budget. A/E - HKS; CM - TBD. (30,585 gsf). The project will expand the existing facility into Parking Lot #8 and will include a basketball/volleyball gym, a weight training room, and locker room addition. Moss Construction was selected as the CM for the project; final contract negotiations are taking place and are expected to be finalized by the end of August. Based on the addition of \$7,328,254, an additional CITF appropriation of \$5,028,254 has been allocated to increase the scope of the Rec Center project. The program is being revised to define the additional scope. Target delivery date: April 2016

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**Report:**

5.8 Foundation Report

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**FIU FOUNDATION, INC.**

**FINANCIAL STATEMENTS RECAP  
& INVESTMENT SUMMARIES**

**June 30, 2014**

**FIU FOUNDATION, INC.**  
**Recap of Statement of Activities**  
**For the Period Ended June 30, 2014**

*(In Thousands of Dollars)*

	2013-14 12-Month Budget	2013-14 12-Month Actuals	Budget to Actual 12-Month Variance		2013-14 Annual Budget	2012-13 12-Month Actuals	Current Year to Previous Year Variance
<b>REVENUES:</b>							
Cash Contributions	\$ 43,576	\$ 20,779	\$ (22,797)	[1]	\$ 43,576	\$ 24,965	\$ (4,186)
MARC Building	\$ 1,672	\$ 1,924	\$ 252	[2]	\$ 1,672	\$ 1,917	\$ 7
Foundation Subsidiaries	\$ 356	\$ 3,040	\$ 2,684	[3]	\$ 356	\$ 3,136	\$ (95)
Estimated Investment Returns	\$ 12,726	\$ 36,165	\$ 23,439	[4]	\$ 12,726	\$ 21,258	\$ 14,907
<b>TOTAL REVENUES</b>	<b>\$ 58,331</b>	<b>\$ 61,909</b>	<b>\$ 3,577</b>		<b>\$ 58,331</b>	<b>\$ 51,276</b>	<b>\$ 10,633</b>
<b>EXPENSES:</b>							
<u>University Programs:</u>							
Scholarships & Programs	\$ 14,106	\$ 13,853	\$ 253		\$ 14,106	\$ 11,739	\$ (2,114)
Building Funds	\$ 3,552	\$ 2,222	\$ 1,330	[5]	\$ 3,552	\$ 1,056	\$ (1,165)
Unrestricted Annual Expenses	\$ 926	\$ 924	\$ 2		\$ 926	\$ 811	\$ (113)
<b>TOTAL UNIVERSITY PROGRAMS EXPENSES</b>	<b>\$ 18,584</b>	<b>\$ 16,999</b>	<b>\$ 1,586</b>		<b>\$ 18,584</b>	<b>\$ 13,606</b>	<b>\$ (3,393)</b>
<u>Operational:</u>							
MARC Building	\$ 904	\$ 609	\$ 295	[6]	\$ 904	\$ 816	\$ 208
Foundation Subsidiaries	\$ 251	\$ 335	\$ (84)	[3]	\$ 251	\$ 142	\$ (193)
Administrative & Fund-Raising	\$ 8,429	\$ 6,117	\$ 2,312	[7]	\$ 8,429	\$ 2,447	\$ (3,670)
<b>TOTAL OPERATIONAL EXPENSES</b>	<b>\$ 9,583</b>	<b>\$ 7,060</b>	<b>\$ 2,523</b>		<b>\$ 9,583</b>	<b>\$ 3,405</b>	<b>\$ (3,655)</b>
<b>TOTAL EXPENSES</b>	<b>\$ 28,167</b>	<b>\$ 24,059</b>	<b>\$ 4,108</b>		<b>\$ 28,167</b>	<b>\$ 17,011</b>	<b>\$ (7,048)</b>
<b>EXCESS REVENUES OVER EXPENSES</b>	<b>\$ 30,164</b>	<b>\$ 37,850</b>	<b>\$ 7,686</b>		<b>\$ 30,164</b>	<b>\$ 34,265</b>	<b>\$ 3,585</b>

\*These financial statements recaps reflect expenses on an accrual basis and receipts on a cash basis, with the exception of investment returns.

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

Florida International University Foundation Preliminary Performance Summary As of June 30, 2014													
Asset Class/Manager	Market Value (\$000s)	% of Total Managed Assets	Interim Policy Target	Interim Policy Ranges	Long-Term Policy Target	Current Month	Trailing 3- Months	Calendar Year to Date	Fiscal Year to Date	Trailing 3- Years	Trailing 5- Years	Trailing 10- Years	Since Inception
GMO Global Equity Asset Allocation	12,175	5.2%				1.4	4.8	7.0	---	---	---	---	11.4
Indus Markor Master Fund	3,985	1.7%				2.1	2.7	-0.4	---	---	---	---	-0.4
Kiltearn Global Equity Fund	10,343	4.4%				0.9	2.2	---	---	---	---	---	3.5
Maverick Long Fund	10,307	4.4%				2.1	3.1	---	---	---	---	---	3.1
Vanguard Total World Stock Index	5,303	2.3%				2.1	---	---	---	---	---	---	4.4
<b>Global Public Equity</b>	<b>42,112</b>	<b>17.9%</b>	<b>16.5%</b>	<b>10.0%-25.0%</b>	<b>12.5%</b>	<b>1.6</b>	<b>3.4</b>	<b>4.4</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>8.6</b>
Advisory Research SMID Cap Value	7,901	3.4%				4.2	5.3	5.7	29.0	---	---	---	26.0
D.E. Shaw Core Alpha Extension	9,346	4.0%				2.0	5.2	6.6	---	---	---	---	6.6
First Eagle U.S. Equity Fund	10,562	4.5%				2.9	5.9	---	---	---	---	---	5.9
Sirios Focus Fund	7,556	3.2%				1.7	0.7	---	---	---	---	---	0.7
<b>U.S. Public Equity</b>	<b>35,365</b>	<b>15.0%</b>	<b>16.5%</b>	<b>10.0%-25.0%</b>	<b>15.0%</b>	<b>2.3</b>	<b>4.2</b>	<b>5.9</b>	<b>25.6</b>	<b>12.3</b>	<b>15.9</b>	<b>7.4</b>	<b>4.5</b>
AKO European Master Fund	8,231	3.5%				-1.0	1.9	2.9	---	---	---	---	2.9
Vanguard FTSE Dev. Markets	6,903	2.9%				1.0	4.4	4.4	---	---	---	---	7.7
Cevian Capital II	4,401	1.9%				-1.1	3.0	10.0	---	---	---	---	10.0
Buena Vista Asian Opp. Fund	5,325	2.3%				6.5	---	---	---	---	---	---	6.5
<b>Non-U.S. Developed Public Equity</b>	<b>24,860</b>	<b>10.6%</b>	<b>11.5%</b>	<b>5.0%-20.0%</b>	<b>10.0%</b>	<b>1.1</b>	<b>4.4</b>	<b>5.8</b>	<b>22.1</b>	<b>3.9</b>	<b>8.6</b>	<b>6.0</b>	<b>2.2</b>
DFA Emerging Markets Value	9,233	3.9%				2.6	7.5	6.7	---	---	---	---	8.6
Somerset Emerging Markets	3,714	1.6%				2.3	6.1	---	---	---	---	---	6.1
<b>Emerging Markets Public Equity</b>	<b>12,946</b>	<b>5.5%</b>	<b>5.0%</b>	<b>0.0%-10.0%</b>	<b>5.0%</b>	<b>2.5</b>	<b>7.4</b>	<b>7.2</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>11.7</b>
<b>Total Global Private Equity</b>	<b>15,379</b>	<b>6.5%</b>	<b>8.0%</b>	<b>0.0%-15.0%</b>	<b>15.0%</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>15.5</b>	<b>14.2</b>	<b>16.0</b>	<b>---</b>	<b>5.9</b>
<b>Total Long Public and Private Equity</b>	<b>130,663</b>	<b>55.5%</b>	<b>57.5%</b>	<b>45.0%-65.0%</b>	<b>57.5%</b>	<b>1.6</b>	<b>3.8</b>	<b>5.0</b>	<b>23.7</b>	<b>10.7</b>	<b>14.3</b>	<b>7.1</b>	<b>4.2</b>
Blue Harbour Strategic Value	3,993	1.7%				2.7	0.4	6.5	---	---	---	---	6.5
Valinor Capital Partners	4,095	1.7%				3.2	7.7	9.2	---	---	---	---	9.2
Roystone Master Fund	3,998	1.7%				2.5	4.8	---	---	---	---	---	6.6
Fir Tree International Value	3,829	1.6%				2.3	---	---	---	---	---	---	2.1
<b>Hedge Funds (Growth Objective)</b>	<b>15,914</b>	<b>6.8%</b>	<b>---</b>	<b>0.0%-15.0%</b>	<b>---</b>	<b>2.7</b>	<b>3.4</b>	<b>6.1</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>6.1</b>
Archstone Offshore Fund	2,979	1.3%				1.2	2.2	2.0	10.6	6.4	---	---	5.9
Indus Asia Pacific Fund	3,764	1.6%				1.6	0.6	---	---	---	---	---	0.4
Brahman Capital Partners	3,716	1.6%				-1.2	---	---	---	---	---	---	-0.9
Ironwood International Ltd - Holdback	2,697	1.1%				---	---	---	---	---	---	---	---
Ironwood International - Holdback	351	0.1%				---	---	---	2.4	4.8	7.4	4.1	4.2
<b>Hedge Funds (Blended Objective)</b>	<b>13,506</b>	<b>5.7%</b>	<b>---</b>	<b>0.0%-15.0%</b>	<b>---</b>	<b>0.6</b>	<b>0.4</b>	<b>1.1</b>	<b>8.4</b>	<b>6.3</b>	<b>7.4</b>	<b>4.5</b>	<b>5.1</b>
Davidson Kempner	4,248	1.8%				1.7	3.2	6.2	---	---	---	---	6.2
BlueCrest All Blue Fund	3,904	1.7%				0.7	2.3	4.1	---	---	---	---	4.1
Kynikos Opportunity Fund	3,684	1.6%				-1.0	0.1	---	---	---	---	---	-1.8
Luxor Capital Partners	3,688	1.6%				-1.7	---	---	---	---	---	---	-1.6
<b>Hedge Funds (Diversifying Objective)</b>	<b>15,525</b>	<b>6.6%</b>	<b>---</b>	<b>0.0%-15.0%</b>	<b>---</b>	<b>-0.0</b>	<b>1.1</b>	<b>2.6</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>2.6</b>
<b>Total Hedge Funds</b>	<b>44,945</b>	<b>19.1%</b>	<b>17.5%</b>	<b>10.0%-30.0%</b>	<b>17.5%</b>	<b>1.1</b>	<b>1.7</b>	<b>3.2</b>	<b>10.7</b>	<b>7.0</b>	<b>7.9</b>	<b>4.7</b>	<b>5.3</b>
Franklin Templeton Global Bond Fund	4,696	2.0%				0.5	2.7	3.5	---	---	---	---	4.4
Clifton Defensive Equity Strategy	5,198	2.2%				1.0	3.1	---	---	---	---	---	4.0
<b>Other Diversifying Investments</b>	<b>9,894</b>	<b>4.2%</b>	<b>---</b>	<b>0.0%-10.0%</b>	<b>---</b>	<b>0.7</b>	<b>2.9</b>	<b>5.1</b>	<b>11.3</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>9.8</b>
<b>Total Diversified Growth</b>	<b>54,839</b>	<b>23.3%</b>	<b>17.5%</b>	<b>10.0%-30.0%</b>	<b>17.5%</b>	<b>1.0</b>	<b>2.0</b>	<b>3.5</b>	<b>10.3</b>	<b>6.7</b>	<b>7.7</b>	<b>4.6</b>	<b>5.2</b>
Van Eck Global Hard Assets	8,771	3.7%				6.4	11.5	13.5	---	---	---	---	16.9
SPDR Gold ETF	5,023	2.1%				6.3	3.6	10.3	---	---	---	---	11.6
Harvest MLP Income Fund	5,392	2.3%				7.3	15.3	---	---	---	---	---	20.1
<b>Total Inflation Sensitive</b>	<b>19,185</b>	<b>8.2%</b>	<b>10.0%</b>	<b>0.0%-15.0%</b>	<b>10.0%</b>	<b>6.7</b>	<b>10.3</b>	<b>13.9</b>	<b>16.3</b>	<b>6.2</b>	<b>13.3</b>	<b>---</b>	<b>0.9</b>
Colchester Global Bonds (\$-Hdg)	8,848	3.8%				0.6	2.4	4.1	---	---	---	---	4.1
PIMCO Low Duration II	7,019	3.0%				-0.1	0.6	---	---	---	---	---	-0.0
Dodge and Cox Income Fund	10,220	4.3%				0.3	2.2	---	---	---	---	---	2.7
State of Florida Treasury Fund	296	0.1%				0.2	0.5	0.7	1.2	2.2	---	---	2.1
Cash Pending	4,200	1.8%				---	---	---	---	---	---	---	---
<b>Total Deflation Sensitive</b>	<b>30,583</b>	<b>13.0%</b>	<b>15.0%</b>	<b>9.0%-30.0%</b>	<b>15.0%</b>	<b>0.3</b>	<b>1.6</b>	<b>3.9</b>	<b>5.1</b>	<b>4.9</b>	<b>7.2</b>	<b>6.0</b>	<b>6.3</b>
<b>Total Managed Assets Net of CA Fees</b>	<b>235,271</b>	<b>100.0%</b>	<b>100.0%</b>	<b>---</b>	<b>100.0%</b>	<b>1.7</b>	<b>3.6</b>	<b>5.0</b>	<b>18.0</b>	<b>9.1</b>	<b>11.7</b>	<b>6.3</b>	<b>4.6</b>
Foundation Enterprise Holdings I	574	---				---	---	---	---	---	---	---	2.4
JMOF - Raymond James CEF	996	---				-0.1	1.3	1.6	1.3	---	---	---	0.7
PIMCO All Asset All Authority	107	---				1.1	4.0	6.3	7.2	---	---	---	5.4
Student Managed Investment Fund	291	---				2.3	4.1	8.7	20.8	10.9	7.6	---	7.3
SunTrust Balanced Annuity Account	313	---				-1.8	0.0	-1.9	3.4	4.0	8.6	5.2	5.4
Islamorada Investment	1,313	---				0.5	1.6	---	---	---	---	---	2.2
<b>Other Alternatives</b>	<b>3,594</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>0.2</b>	<b>1.4</b>	<b>2.0</b>	<b>4.6</b>	<b>3.4</b>	<b>7.3</b>	<b>4.3</b>	<b>4.6</b>
<b>Total Assets Net of CA Fees</b>	<b>238,864</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>1.7</b>	<b>3.5</b>	<b>5.0</b>	<b>17.8</b>	<b>9.0</b>	<b>11.7</b>	<b>6.3</b>	<b>4.6</b>
<b>Notes:</b>													
1. Funds available for investment in the Wells Fargo operating account have been deployed to the investment portfolio as of December 31, 2013.													
2. Private Investments' trailing performance represents time-weighted quarterly returns. Data represents NAVs and performance through December 31, 2013, updated with cashflows through the most recent period.													
3. Ironwood International Ltd - Holdback represents a full redemption processed on June 30, 2014. \$1,765,000 will be transferred to PIMCO Low Duration II on July 7, 2014, the remaining balance reflects holdback to be partially returned in August 2014 and the remainder in July 2015, after year-end audit.													
4. Cash Pending reflects proceeds from the WEDGE redemption to be used to establish the Operating Reserve.													

Florida International University Foundation Preliminary Performance Summary As of June 30, 2014													
Asset Class/Composite	Market Value (\$000s)	% of Total Managed Assets	Interim Policy Target	Interim Policy Ranges	Long-Term Policy Target	Current Month	Trailing 3- Months	Calendar Year to Date	Fiscal Year to Date	Trailing 3- Years	Trailing 5- Years	Trailing 10- Years	Since Inception
Global Public Equity	42,112	17.9%	16.5%	10.0%-25.0%	12.5%	1.6	3.4	4.4	---	---	---	---	8.6
U.S. Public Equity	35,365	15.0%	16.5%	10.0%-25.0%	15.0%	2.3	4.2	5.9	25.6	12.3	15.9	7.4	4.5
Non-U.S. Developed Public Equity	24,860	10.6%	11.5%	5.0%-20.0%	10.0%	1.1	4.4	5.8	22.1	3.9	8.6	6.0	2.2
Emerging Markets Public Equity	12,946	5.5%	5.0%	0.0%-10.0%	5.0%	2.5	7.4	7.2	---	---	---	---	11.7
Global Private Long Equity	15,379	6.5%	8.0%	0.0%-15.0%	15.0%	---	---	---	15.5	14.2	16.0	---	5.9
<b>Total Long Public Equity and Private Investments</b>	<b>130,663</b>	<b>55.5%</b>	<b>57.5%</b>	<b>45.0%-65.0%</b>	<b>57.5%</b>	<b>1.6</b>	<b>3.8</b>	<b>5.0</b>	<b>23.7</b>	<b>10.7</b>	<b>14.3</b>	<b>7.1</b>	<b>4.2</b>
Total Hedge Funds	44,945	19.1%	17.5%	10.0%-30.0%	17.5%	1.1	1.7	3.2	10.7	7.0	7.9	4.7	5.3
Other Diversifying Investments	9,894	4.2%	---	0.0%-10.0%	---	0.7	2.9	5.1	11.3	---	---	---	9.8
<b>Total Diversified Growth</b>	<b>54,839</b>	<b>23.3%</b>	<b>17.5%</b>	<b>10.0%-30.0%</b>	<b>17.5%</b>	<b>1.0</b>	<b>2.0</b>	<b>3.5</b>	<b>10.3</b>	<b>6.7</b>	<b>7.7</b>	<b>4.6</b>	<b>5.2</b>
<b>Total Inflation Sensitive</b>	<b>19,185</b>	<b>8.2%</b>	<b>10.0%</b>	<b>0.0%-15.0%</b>	<b>10.0%</b>	<b>6.7</b>	<b>10.3</b>	<b>13.9</b>	<b>16.3</b>	<b>6.2</b>	<b>13.3</b>	<b>---</b>	<b>0.9</b>
<b>Total Deflation Sensitive</b>	<b>30,583</b>	<b>13.0%</b>	<b>15.0%</b>	<b>9.0%-30.0%</b>	<b>15.0%</b>	<b>0.3</b>	<b>1.6</b>	<b>3.9</b>	<b>5.1</b>	<b>4.9</b>	<b>7.2</b>	<b>6.0</b>	<b>6.3</b>
<b>Total Managed Assets Net of CA Fees</b>	<b>235,271</b>	<b>100.0%</b>	<b>100.0%</b>	<b>---</b>	<b>100.0%</b>	<b>1.7</b>	<b>3.6</b>	<b>5.0</b>	<b>18.0</b>	<b>9.1</b>	<b>11.7</b>	<b>6.3</b>	<b>4.6</b>
<b>Total Assets Net of CA Fees</b>	<b>238,864</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>1.7</b>	<b>3.5</b>	<b>5.0</b>	<b>17.8</b>	<b>9.0</b>	<b>11.7</b>	<b>6.3</b>	<b>4.6</b>



**Variance Notes:**

[1] While the University exceeded its fundraising goal for the year, the mix of cash, gifts in kind, and real estate received to date has proven to be dramatically different than budgeted. As a result, the fiscal year ended with a negative variance of \$22.8 million in cash contributions.

[2] The positive variance for MARC Building revenues is a result of unrealized gains related to the derivative liability on the swap portion of the building loan. Adding to the positive variance is the fact that the budgeted 5% allowance for vacancies did not materialize since occupancy remained at 100% throughout the year.

[3] The line item titled "Foundation Subsidiaries" is comprised of four single member LLCs – Foundation Enterprise Holdings I through IV – with FIU Foundation as their sole member. Foundation Enterprise Holdings III & IV were new and therefore did not have a budget. In July 2013, FIU Foundation closed on the gift of real property located on 100 East Flagler Street (floors 2, 8 and 9) in Miami, Florida, and the property was subsequently transferred to Foundation Enterprise Holdings III. The fair market value of the building totaling \$1.35 million was recognized as contribution revenue. Revenue consisting of lease rental payments from Wolfsonian-FIU (using proceeds from the sale of The Miami Beach Women's Club) totaled \$91,575. Expenses related to FEH III property included condominium association fees, property taxes, insurance and banking fees, and there were no expenses related to FEH IV property. In February 2014, FIU Foundation purchased the Islamorada site that supports the Aquarius Reef Base project for \$1.3 million. The land and building were subsequently transferred to Foundation Enterprise Holdings IV. Revenue consisting of lease rental payments from the College of Arts & Sciences totaled \$17,746.

[4] Investment returns for fiscal year 2013-14 were projected at 6.0% or \$12.7 million, based on a beginning balance of \$200 million. The budgeted returns were forecasted based on our asset allocation and the historical performance of indexes for each asset class. Annual investment gains on the portfolio through June 30, 2014 totaled approximately 18.3%, or \$36.2 million.

[5] Various modifications to construction schedules throughout the year resulted in a \$1.3 million positive variance in building fund expenses.

[6] Budgeted repairs and maintenance expenses related to the MARC Building totaling \$245,000 were not incurred. A contingency of \$175,000 was built into the budget in anticipation of building renovations and furniture and equipment costs that may not have qualified for capitalization, however all fifth floor renovations were, in fact, capitalized. Additional savings were realized as a result of fewer than anticipated work orders in the building this year, and the low interest rate environment has resulted in lower than budgeted interest payments on the swap portion of MARC Building loan.

[7] The positive variance of \$2.3 million in Administrative & Fund-Raising expenses was mainly driven by savings from budgeted Capital Campaign expenses funded from the General Reserve. For example, new positions were not filled as quickly as planned; retention of Campaign Counsel was postponed to FY15 as were furniture purchases for MARC Building 5<sup>th</sup> floor.

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