



FLORIDA INTERNATIONAL UNIVERSITY

BOARD OF TRUSTEES

GOVERNANCE COMMITTEE

Thursday, December 1, 2016

11:45 a.m. **approximate start time*

Florida International University

Modesto A. Maidique Campus

Graham Center Ballrooms

Committee Membership:

Claudia Puig, *Board Chair*; Jorge L. Arrizurieta, *Board Vice Chair*; Cesar L. Alvarez; Jose J. Armas;
Gerald C. Grant, Jr.

AGENDA

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| 1. Call to Order and Chair's Remarks | Claudia Puig |
| 2. Approval of Minutes | Claudia Puig |
| 3. Action Items | |
| G1. FIU Direct Support Organizations Bylaw Amendments | Carlos B. Castillo |
| A. FIU Foundation, Inc. | |
| B. FIU Research Foundation, Inc. | |
| C. FIU Athletics Finance Corporation | |
| D. FIU Academic Health Center Health Care Network
Faculty Group Practice, Inc. | |
| G2. Amendments to the Bylaws of the Florida International
University Board of Trustees | Carlos B. Castillo |
| G3. Proposed Finance and Facilities Committee Charter | Carlos B. Castillo |
| G4. Proposed Audit and Compliance Committee Charter | Carlos B. Castillo |
| 4. New Business <i>(If Any)</i> | Claudia Puig |
| 5. Concluding Remarks and Adjournment | Claudia Puig |

The next Governance Committee Meeting is scheduled for Friday, March 3, 2017

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2. Approval of Minutes

Approval of Minutes

THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Governance Committee
December 1, 2016

Subject: Approval of Minutes of Meeting held September 1, 2016

Proposed Committee Action:

Approval of Minutes of the Governance Committee meeting held on Thursday, September 1, 2016 at the Modesto A. Maidique Campus, Graham Center Ballrooms.

Background Information:

Committee members will review and approve the Minutes of the Governance Committee meeting held on Thursday, September 1, 2016 at the Modesto A. Maidique Campus, Graham Center Ballrooms.

Supporting Documentation: Minutes: Governance Committee Meeting, September 1, 2016

Facilitator/Presenter: Claudia Puig, *Governance Committee Chair*

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**FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
GOVERNANCE COMMITTEE
MINUTES
SEPTEMBER 1, 2016**

1. Call to Order and Chair's Remarks

The Florida International University Board of Trustees' Governance Committee meeting was called to order by Board Chair Claudia Puig on Thursday, September 1, 2016 at 12:55 p.m. at the Modesto A. Maidique Campus, Graham Center Ballrooms.

The following attendance was recorded:

Present:

Claudia Puig, *Board Chair*

Jorge L. Arrizurieta, *Board Vice Chair*

Cesar L. Alvarez

Jose J. Armas

Gerald C. Grant, Jr.

Trustees Leonard Boord, Alian Collazo, Michael G. Joseph, Marc D. Sarnoff, and Kathleen L. Wilson and University President Mark B. Rosenberg were also in attendance.

2. Approval of Minutes

Board Chair Puig asked if there were any additions or corrections to the minutes of the Wednesday, May 4, 2016 and Thursday, June 2, 2016 Governance Committee meetings. A motion was made and passed to approve the minutes of the Governance Committee meetings held on May 4, 2016 and June 2, 2016.

3. Action Items

G1. 2016 Florida Educational Equity Act Report

Director of Equal Opportunity Programs and Diversity Shirleyon McWhorter presented the 2016 Florida Educational Equity Act Report for the Committee's review. Ms. McWhorter provided an overview of the University's 2015-16 Florida Equity Report, noting that the Report is comprised of three areas: enrollment; athletics; and employment. She reported on the University's performance in various areas, including the representation of under-represented groups among full-time First Time in College (FTIC) students, research doctorates awarded, and female students' participation in college athletics.

Ms. McWhorter noted that the guidelines and chart data for the Equity Report were provided by the Florida Board of Governors (BOG), adding that the BOG has been in communication with the State University System institutions due to issues with data reporting. She explained that FIU's internal data is not in agreement with the BOG-provided data, stating that the University is working with the BOG in order to reconcile these differences.

Ms. McWhorter reported on a number of initiatives aimed at increasing the participation rates of female student-athletes. She further stated that the diversity of tenured professors has also increased.

Trustee Kathleen L. Wilson discussed the faculty representation data and requested that departmental hires be benchmarked in terms of the University-wide aggregate. Ms. McWhorter noted that while the Equity Report must conform to a prescribed format, the benchmarking analysis would be made available to the Trustees in the Executive Summary section of future equity reports. Trustee Jose J. Armas requested to be provided with the percentage of FIU bachelor's graduates that apply for doctoral programs at the University in relation to the number of currently enrolled doctoral students who possess FIU undergraduate degrees.

A motion was made and passed that the FIU Board of Trustees' Governance Committee recommend for Board of Trustees' approval the 2016 Florida Educational Equity Act Report.

G2. Amendment to Direct Support Organizations Regulation, FIU-1502

University General Counsel Carlos B. Castillo presented the Proposed Amendment to Regulation FIU-1502 Direct Support Organizations (DSO) for Committee review, noting that the University has three DSOs: the FIU Foundation Inc.; the FIU Research Foundation, Inc.; and the FIU Athletics Finance Corp. He added that, if passed, the amendments to Regulation FIU-1502 would also be considered by the FIU Academic Health Center Health Care Network Faculty Group Practice, Inc. (FIU HCN), stating that while the FIU HCN is not a DSO it is a related entity of the University.

General Counsel Castillo explained that Regulation FIU-1502 is being amended to comport with the Florida Supreme Court decision, Enock Plancher v. UCF Athletic Association, Inc., et al. (Supreme Court of Florida, No. SC13-1872; May 28, 2015) in which the Court held that the doctrine of sovereign immunity and the statutory caps on liability applied to a DSO of the University of Central Florida. He delineated the recommended oversight mechanisms for University DSOs, including that (i) each DSO's annual budget be approved by the University Board of Trustees within sixty (60) days from the start of such DSO's fiscal year; (ii) the University have the right to audit each DSO's books, records and operations from time to time as it deems appropriate; and (iii) the University President have the right to appoint certain members of the University's administration, faculty, student body or the public to serve as members of a DSO's Board of Directors and Executive Committee.

A motion was made and passed that the FIU Board of Trustees Governance Committee recommend that the Florida International University Board of Trustees approve the proposed Amendment to Regulation FIU-1502 - Direct Support Organizations, in light of the Plancher decision.

4. Discussion Item

4.1 Creation of a Separate Audit and Compliance Committee

General Counsel Castillo noted that in July, Mr. Alan Levine, Chair of the Board of Governors Audit and Compliance Committee, issued a guidance letter to the State University System (SUS) institutions describing best practices for the placement of separate audit and compliance committees. Mr. Castillo stated that eight of the 12 SUS boards of trustees have already created audit committees separate from their respective finance committees.

Several Trustees expressed agreement with the approach of creating a separate audit and compliance committee of the Board of Trustees. Board Chair Puig requested that a task force be convened in order to review and benchmark best practices and that a recommendation for a separate Audit and Compliance Charter and corresponding amendments to the Bylaws be presented at the next regularly scheduled meeting of the Governance Committee.

5. New Business

No new business was raised.

6. Concluding Remarks and Adjournment

With no other business, Board Chair Claudia Puig adjourned the meeting of the Florida International University Board of Trustees' Governance Committee on Thursday, September 1, 2016 at 1:13 p.m.

<i>Trustee Requests</i>	<i>Follow-up</i>	<i>Completion Date</i>
1. <i>Trustee Kathleen L. Wilson requested that, in terms of faculty, departmental hires be benchmarked in terms of the University-wide aggregate.</i>	<i>Provost and Executive Vice President Kenneth G. Furton</i>	<i>March 2017 Meeting</i>
2. <i>Trustee Jose J. Armas requested the percentage of FIU Bachelors graduates that apply for doctoral programs at the University in relation to the number of currently enrolled doctoral students that possess FIU undergraduate degrees.</i>	<i>Provost and Executive Vice President Kenneth G. Furton</i>	<i>Next regularly scheduled Committee meeting</i>

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**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Governance Committee**

December 1, 2016

Subject: Proposed Amendment to the Bylaws of the FIU Foundation, Inc.

Proposed Committee Action:

Recommend that the Florida International University Board of Trustees approve amendments to the Florida International University Foundation Inc. Bylaws.

Background Information:

On October 22, 2016, the Florida International University Foundation Inc. Board of Directors (the “FIU Foundation, Inc.”) approved amendments to the Foundation’s Bylaws. These amendments were made following the Florida Supreme Court’s decision in Plancher v. UCF Athletics Association, Inc., 175 So. 3d 724 (Fla. 2015), and the FIU Board of Trustees’ (“BOT”) approval of amendments to the FIU Regulation on Direct Support Organizations (FIU-1502) at its meeting on September 1, 2016, as a result of the referenced case.

The FIU 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 or 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 FIU Foundation Inc. Bylaws provides that 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.

Supporting Documentation:	Proposed Amendment to the Bylaws of the Florida International University Foundation, Inc.
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Facilitator/Presenter:	Carlos B. Castillo
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FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION INC.
A Florida Not For Profit Corporation
(The "Foundation")

BYLAWS

As Amended and Restated the [22nd day of October, 2016]

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 ("Ex Officio Members"). The Chairperson of the University Board of Trustees may appoint a representative to the Board and the Executive Committee as an Ex Officio Member. The President of the University may also appoint other members of the University administration, faculty, student body or public to serve on the Board and the Executive Committee as Ex Officio Members, for such terms as may be designated by the President of the University. 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. Ex Officio Members shall serve (i) so long as s/he holds the office or the position which resulted in placement on the Board; (ii) for the term designated by the Chairman of the University Board of Trustees or the President of the University, as the case may be; or (iii) until removed by the office having made the appointment of such Ex Officio Member (i.e., the Chairman of the University Board of Trustees or the President of the University, as the case may be).

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 <https://give.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 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 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 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, and any Ex Officio Members appointed to the Executive Committee by the President in accordance with Section 2(iii) hereof. 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 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.

~~(iv)~~(iii) Foundation Fellows. The Directors may from time to time elect individual(s) who have demonstrated extraordinary merit and distinction to serve as Foundation Fellows, based upon certain criteria and subject to certain duties, obligations and term requirements as established by the Board from time to time. Candidates will be reviewed by the Membership and Board Management Chair, subject to the confirmation by the Membership and Board Management Committee, and election by a majority vote of Directors present. The total number of Foundation Fellows in office at any given time shall not exceed ten (10). F

ARTICLE 5. EXECUTIVE AND ADMINISTRATIVE SUPPORT

There shall be a CEO of the Foundation. The President of the University shall approve and recommend to the Board a person to serve as CEO of the Foundation. After duly considering the recommendation of the University President, the Board shall appoint, by majority vote, the 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 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 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 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; Compliance with Applicable Law
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. Notwithstanding anything contained herein to the contrary, the University shall have the right to audit the books, records and operations of the Foundation, as the University determines appropriate in the exercise of its oversight over the Foundation.

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 and be subject to Florida law and appropriate state and University rules, regulations and policies, including, without limitation, any University regulations relating to DSOs.

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).

Agenda Item 3

G1-B

**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Governance Committee**

December 1, 2016

Subject: Proposed Amendment to the Bylaws of the FIU Research Foundation, Inc.

Proposed Committee Action:

Recommend that the Florida International University Board of Trustees approve amendments to the Florida International University Research Foundation Inc. Bylaws.

Background Information:

On October 20, 2016, the Florida International University Research Foundation Inc. Board of Directors (the “FIU Research Foundation, Inc.”) approved amendments to the Research Foundation’s Bylaws. These amendments were made following the Florida Supreme Court’s decision in Plancher v. UCF Athletics Association, Inc., 175 So. 3d 724 (Fla. 2015), and the FIU Board of Trustees’ (“BOT”) approval of amendments to the FIU Regulation on Direct Support Organizations (FIU-1502) at its meeting on September 1, 2016, as a result of the referenced case.

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

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

Article VIII, Section 1 of the FIU Research Foundation Inc. Bylaws provides that any amendment to the Bylaws, must be approved by the Board of Trustees of FIU, upon recommendation by the President of FIU prior to their effective date.

Supporting Documentation:	Proposed Amendment to the Bylaws of the Florida International University Research Foundation, Inc.
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Facilitator/Presenter:	Carlos B. Castillo
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BYLAWS

FLORIDA INTERNATIONAL UNIVERSITY RESEARCH FOUNDATION, INC.

(A Not-For-Profit Corporation)

Adopted ~~May 11, 2015~~

Approved by FIU BOT ~~June 3, 2015~~

ARTICLE I

Board of Directors

Section 1. Purpose. The purpose of the Florida International University Research Foundation, Inc. ("Research Foundation" or "Corporation") shall be exclusively scientific and educational. This includes the promotion and encouragement of, and assistance to, the research, training activities of faculty, staff, and students of Florida International University (~~"University" or "FIU"~~) through income from contracts, grants, and other sources, including, but not limited to, income derived from or related to the development and commercialization of University work products. The ~~C~~orporation shall provide means by which discoveries, inventions, processes, and work products of faculty, staff, and students may be patented, developed, applied, and utilized in order that the results of such research shall be made available to the public and that funds be made available from such discoveries, inventions, processes, and work products for further research at Florida International University.

Section 2. Governance. The business affairs of the Research 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 Board. Members of the Board shall be the sole voting members of the Research Foundation and shall be called "Directors."

Section 3. Membership. The Board shall consist of no fewer than nine (9) and no more than fifteen (15) voting members. The following shall be members of the Board: the President of Florida International University (~~"FIU"~~), or his/her designee, the Executive Vice

President/Provost, or his/her designee, the Vice President for Research (who shall be the Chairperson of the Board), a member appointed by the Chair of the University Board of Trustees, if such member is appointed, a designee for the Dean of the College of Arts, ~~and~~ Sciences ~~&and~~ Education, a designee for the Dean of the College of Engineering and Computing, and a designee for the Dean of the College of Medicine, all of whom shall be known as Appointed Directors (the "Appointed Directors") of the Board for as long as they hold those offices at the University. In addition, there shall be two representatives of the faculty of FIU, based on their strategic and exceptional contributions to the University's research objectives, and one FIU alumni representative. The President of the University may also appoint other members of the University administration, faculty, student body or public to serve on the Board for terms designated by the President of the University.

The faculty and alumni Board members will be nominated by the Nominating Committee and chosen by the President of FIU. The designees for the Deans of the Colleges of Arts, ~~and~~ Sciences ~~&~~ Education, Engineering and Computing and Medicine shall be recommended by the Dean of each respective College and shall be chosen by the President of FIU. The designee of the Vice President/Provost shall be recommended by the Vice President/Provost and chosen by the President of FIU.

All other members of the Board shall be nominated and elected pursuant to the provisions set forth in Article I, Section 4 and shall be known as the "Elected Directors." The Elected Directors shall be members of the community and other members having qualifications specified from time to time by the Nominating ~~C~~eommittee and consistent with the strategic objectives of the Research Foundation.

Section 4. Election. Elected Directors shall be selected to fill expiring and vacant terms at the Annual Meeting of the Board. Elected Directors may also be elected at any other regular

or special meeting of the Board. Nominations for Elected Directors shall be made by the Nominating Committee as described in Article V, Section 2 (iii) of these Bylaws.

Section 5. Vacancies of Elected Directors. Vacancies occurring during a term of an Elected Director may be filled by the Board at any regular or special meeting of the Board. The Elected Directors so chosen shall hold such office until the next regular Annual Meeting of the Board at which time his or her successor shall be elected.

Section 6. Vacancies of Appointed Directors. In the case of a vacancy of an Appointed Director, the person who is acting as the University President or his/her designee, the Executive Vice President/Provost, or his designee, the Vice President for Research, and the persons holding the positions at the University equivalent to the positions of the designees for the Deans of the Colleges of Arts, ~~Sciences & Education and Sciences~~, Engineering and Computing and Medicine shall fill the vacancy until the permanent appointment is made at which time the person appointed to hold the position shall be named as the new Appointed Director for that position. Any vacancy among the Elected Directors may be filled by a majority vote of the remaining members of the Board. The term of office of a ~~D~~eirector chosen to fill a vacancy shall expire at the latter of the next annual meeting of the Board or at such time as a successor shall be duly elected and qualified.

Section 7. Resignation or Removal. A Director may resign at any time by giving written notice to the Chairperson or to the Secretary. 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 Elected Director who is not present for three (3) consecutive regular meetings of the Board, and whose absences are not excused by the Chairperson, shall be deemed to have submitted his/her resignation, subject to reinstatement by a majority vote of the other Directors. In addition, any

Director may be removed from office by a two thirds vote of all of the Directors, effective as of the date of such vote.

Section 8. Term of Office. The President of FIU or his/her designee, the Executive Vice President/Provost or his/her designee, the Vice President for Research and the designees for the Deans of the Colleges of Arts~~, and~~ Sciences & Education, Engineering and Computing, and Medicine shall serve as- Directors for such time as each respective individual continues to hold his/her position at the University. The Faculty and Alumni representatives shall serve for a term of two (2) years~~s~~ and be eligible to serve for an additional two~~--~~(2) year term. The Elected Directors shall serve a three-year term and shall be eligible for re-election for no more than two (2) additional three-year terms.

Section 9. Powers and Duties of the Board of Directors. The property, affairs, activities, and concerns of the Corporation shall be vested in the Board. All management functions shall be exercised by the Board, and by various Officers and Committees thereof as powers may be delegated to such Officers and Committees by these Bylaws or by action of the Board. The Chairperson shall preside over all meetings of the Board. The Corporation may open offices in foreign countries or outside the area where it is primarily domiciled in the event that this is required in connection with a University research project and is deemed necessary by the Board.

ARTICLE II

Meetings

Section 1. Meetings. Regular meetings of the Board shall be held at least two times a year. One such meeting shall be held in October of each year and such meeting shall be the Annual Meeting of the Board when new Directors and Officers shall be elected and take office, subject to other provisions of these Bylaws. Written notice of each meeting shall be faxed or

emailed by the Secretary, to each Director at the last recorded University address, fax number or email address of each Director not fewer than seven (7) calendar days prior to the meeting. The Secretary must provide written notice, by fax or email, to all Directors of any changes to the meeting schedule at least seven (7) calendar days prior to the date of the originally scheduled meeting day or of the new meeting date, whichever date occurs earlier. Special Meetings may be called by the Chairperson, the President of the University in his capacity as University President, or by any two (2) Directors with at least seven (7) calendar days' written notice provided to all of the Directors by fax or email. The agenda for Special Meetings shall be limited to matters listed in the written notice of the Special Meeting. Notice to the public of all meetings of the Board shall be given by posting on the Florida International University Research Foundation web page on the University website at <http://fiurf.fiu.edu> and faxing such notice and agenda to a newspaper of general circulation not less than seven (7) days prior to each meeting, and will include a statement of the general subject matters to be considered.

Emergency Meetings: An emergency meeting of the Board may be called by the Chairperson upon no less than forty-eight (48) hours' notice whenever, in the opinion of the 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.

Section 2. Quorum. A quorum of the Directors shall be a majority of the voting Directors in office at the time of the vote. A quorum must be present (in person or via telephone) to transact any business of the Research Foundation at a meeting.

Section 3. Voting. Each Director shall have one vote. When a quorum is present (in person or via telephone) at the meeting, all questions shall be decided by majority vote of the voting Directors present, except as otherwise provided in these Bylaws, by law or by the Articles of Incorporation.

Section 4. Proxies. Proxies, general or special, shall not be accepted for any purpose in Board or Committee meetings.

Section 5. Telephone Meetings. Board and Committee meetings may be conducted by telephone conference or similar communications facilities if the Chairperson of the Board or the Chairperson of the Committee determines it is appropriate and if all persons participating in such meetings are able to hear each other as if the meeting were held in person. All telephone meetings must be 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.

ARTICLE III Officers

Section 1. Number. The officers of this Corporation shall be a President, three Vice Presidents, a Secretary, and a Treasurer. The three Vice Presidents shall be the Dean of the College of Arts, ~~and~~ Sciences & Education, the Dean of the College of Engineering and Computing and the Dean of the College of Medicine. The President, Secretary, and Treasurer of the Research Foundation shall be elected as set forth in Article III, Section 2. All other Officers of the Research Foundation, except for those who are appointed by the University President or

the Chair of the Board of Trustees, shall be nominated by the Nominating Committee and elected by the Board.

Section 2. Method of Election of Elected Officers. Elected Officers shall be elected at the Annual Meeting of the Board, from nominations submitted to the Directors by the Nominating Committee or from nominations from the floor. No Officer may hold more than one Research Foundation office concurrently. Elected Officers shall serve for a term of one year and may be re-elected. A quorum must be present (in person or via telephone) to transact any business of the Research Foundation at a meeting.

Section 3. Vacancies. In case any vacancy occurs in an elected office, an election shall be held at the first Regular or Special Meeting of the Board 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 prior written notice for the regular or special meeting at which such election shall take place.

Section 4. Compensation. Neither the Officers nor the Directors shall receive compensation for being officers or members of the Board other than their usual salaries as employees of FIU, for those members who also are employed by FIU.

Section 5. Resignation and Removal. An Officer of the Research Foundation may resign at any time by giving written notice to the Board, the Chairperson or the Secretary of the Research 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, effective as of the date of such vote.

ARTICLE IV Duties of Officers

Section 1. President of the Research Foundation. The President of the Research Foundation shall be a member of the Executive Committee. He/She shall preside at all meetings of the Executive Committee. He/She shall communicate to the Board such matters and make such suggestions as may in his/her opinion tend to promote the business and affairs of the Research Foundation. The Chairperson and the Research Foundation President are each authorized to execute in the name of the Research Foundation, with the Secretary attesting, all certificates, contracts, deeds, notes and other documents or legal instruments authorized or issued by the Board. Among the Research Foundation President's powers and duties, without limitation, are-, from time to time, to perform such matters as may be assigned to the Research Foundation President by the Board; to represent the Research Foundation at official functions of the University and elsewhere as he/she may determine proper; and to present a report of the activities of the Research Foundation and the conduct of his/her office at each Annual Meeting. The Research Foundation President shall report to the Research Foundation Board and to the University President, ~~in his capacity as President of the University, or designee, who shall be a Vice President of the University or other senior officer reporting directly to the University President,~~ on all matters pertaining to the Research Foundation.

Section 2. Vice Presidents. The Vice Presidents shall be responsible for assisting the Chairperson or the Board in any way so designated by the Chairperson and a Vice-President shall serve as temporary President, as determined by the Board Chairperson, in the President's absence. The Vice Presidents shall perform such duties as may from time to time be assigned to them by the Chairperson of the Board, the Board or the Executive Committee.

Section 3. Secretary. The Secretary shall keep full and accurate minutes of all meetings of the Board, all meetings of the Executive Committee and all Committee meetings in a book provided for that purpose and shall transmit all notices required by the Bylaws of the Research Foundation. The Secretary shall have custody of the corporate seal of this Corporation. The Secretary may attest to documents with the Chairperson in the name of this Corporation and, when required, shall affix thereto the seal of the Corporation. Any contract not attested by the Secretary must be signed by two persons as witnesses. The Secretary shall have charge of all official records of this Corporation, which shall be at all reasonable times open for the inspection of any Director, and the Secretary shall in general perform all duties incident to the management of the office of Secretary for the Board. The Secretary shall perform such other duties as may be assigned to him/her by the Chairperson, the Board or the Executive Committee.

Section 4. Treasurer. Except as may be otherwise specified by resolution of the Board, the Treasurer and his or her designee(s) shall receive and keep the funds of the Corporation and pay out the same in accordance with the requirements of the Trust Indenture or related bond documents and/or applicable Corporation and/or University policies and procedures with respect to expense reimbursements. The Treasurer shall ensure that consistent and reliable financial practices are followed, and that any Corporation investments are made and managed in accordance with the terms of any applicable Trust Indenture or related bond documents and/or policies of the Corporation or University pursuant to any such strategic allocation ranges as may be established by this Board. The Research Foundation is prohibited from giving, directly or indirectly, any gift to a political committee or committee of continuous existence as defined in the Florida Statutes for any purpose other than those certified by a majority roll call vote of the Board at a regularly scheduled meeting as being directly related to

the educational mission of the University. The duties of the Treasurer shall include, but not be limited to, the following:

i. _____ The deposit of all cash monies, checks, and other credits to the account of this _____ Corporation in such bank or banks or other depositories as the Board may designate; to review all receipts and vouchers for payment made to and all vouchers and checks made by this _____ Corporation; to regularly maintain a full and accurate account of all funds received and paid out on accounts administered by this _____ Corporation; and to render to the Board an account and statement of all the Treasurer's transactions at each meeting of the Board and at such other times as the Board may determine;

ii. _____ To prepare with the Chairperson an annual budget for the coming year to be approved by the Board at the last meeting held before the end of the fiscal year. The budget shall separately delineate planned actions which result in a commitment of FIU resources or which represent significant commitment of the resources of the Research Foundation. Said budget shall be submitted to the President of FIU for approval and recommendation to the FIU Board of Trustees each year. ~~no later than thirty (30) days following the beginning of the Research Foundation's fiscal year.~~ Such proposed budget shall be approved by the FIU Board of Trustees no later than sixty (60) days after the first day of the fiscal year to which the proposed budget pertains. Each proposed budget shall include therein:

- a. Expenditures for the construction of physical facilities, and
- b. Salary supplements, compensation and benefits provided to the President, University faculty, University staff, and Research Foundation employees to be paid with assets of the Research Foundation, which shall be specifically identified.;

iii. To cause an annual audit to be made by an independent certified public accountant of the Corporation's books and records as soon as possible after the close of the fiscal year of the Research Foundation and to have the results reported to the Chairperson of the Research Foundation immediately and to the full Board at its next meeting thereafter. The annual audit report shall be submitted by the President of FIU to ~~the Board of Trustees~~ and to the Board of Governors for review no later than the end of the fourth month following the close of the Research Foundation's fiscal year. The annual audit report also shall be submitted by the University President to the Auditor General and to the Board of Governors no later than nine (9) months after the close of the Research Foundation's fiscal year. The audits shall be conducted pursuant to the requirements of the Florida Statutes and in accordance with rules ~~promulgated by the Board of Trustees of FIU and with policies~~ adopted by the Auditor General.;

~~iii.~~iv. The Research Foundation must also submit to the Board of Governors its Federal Internal Revenue Service Application for Recognition of Exemption form and its Federal Internal Revenue Service Return of Organization Exempt from Income Tax form.

~~iv.~~v. The Treasurer shall at all reasonable times exhibit his or her books and accounts to any Director of this Corporation and shall in general perform all duties incident to the management of the office of Treasurer for the Board.

Section 5. Checks. Unless otherwise delegated by the Board, checks or drafts on the funds of this Corporation shall be signed by any two of the Officers or Directors authorized to do so by the Board, or by any two University employees authorized to do so by the Chief Financial Officer of the University, and approved by the Board of Directors.

ARTICLE V 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. The Chairperson shall appoint the members of all Committees and designate their chairpersons, except as otherwise specified by these Bylaws. All members of the Committees shall have equal voting rights. Two voting members of any Committee, except the Executive Committee as provided for below in these ~~B~~ylaws, 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 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 Board or the Executive Committee. Each Committee shall keep approved minutes and submit them to the Board for review and to the Secretary for record-keeping.

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

- i. Executive Committee. The Board may elect at its Annual Meeting an Executive Committee consisting of three or more Directors, which ~~committee~~ Committee shall have such powers as may be delegated to it by the Board. The Chair of the University Board of Trustees may appoint a member of the Executive Committee. In addition, the President of the University or a designee shall also serve on the Executive Committee. The President of the University may also appoint other members of the University administration, faculty, student body or public to serve on the Executive Committee for terms designated by the President of the University. Three members of the Executive Committee shall constitute a quorum. A majority of the Executive Committee shall be

sufficient to exercise all of its powers. The Executive -Committee of the Board shall have and may exercise all powers and authority of the Board when the Board is not in session, subject only to such restrictions or limitations as the Board 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 Research Foundation, to remove Directors or Officers or to elect Directors or Officers. All actions of the Executive Committee shall be reported in writing to the Board at the next ensuing meeting of the Board. All actions of the Executive Committee shall be ratified and included in the minutes of the Board.

- ii. Finance and Audit Committee. The Finance Committee shall consist of up to five members appointed by the Chairperson subject to the -approval of the Board, of which three members also must be Directors. The Committee shall advise the Board and the Chairperson on all financial matters related to this Corporation, including annual budgeting, equity holding, fund/investment management, securities liquidation, license agreements, insurance needs, audits and financial statements, taxes, and other issues relating to the financial stability of the Corporation. The Finance Committee may also be called upon for advice in the consideration of major expenditures and capital outlays. The Finance Committee shall be responsible for the preparation and periodic review of the Research Foundation's annual budget in compliance with the provisions set forth in Article IV, Section 4 (ii), and it shall- review the yearly audit done by the outside auditors. It shall cause a financial audit of its accounts and records to be conducted by an independent certified public accountant after the close of each fiscal year. The audit report shall be submitted by the President of the University to the Board of Trustees and the Board of Governors no later than the end of the fourth month following the close of

the ~~Corporation~~organization's fiscal year. It shall monitor the work of the Research Foundation's Treasurer and shall review and report to the Board on the Research Foundation's financial statements. It shall ensure that all financial reports are filed in a timely manner. ~~To~~It shall prepare and submit to the University President, no later than the first day of each quarter of the Research Foundation's fiscal year, a quarterly expenditure plan ~~to be reviewed and approved quarterly by the President of FIU or his or her designee who shall be a Vice President or other senior officer of FIU reporting directly to the President. The plan shall~~ that separately delineates planned actions which ~~cause~~result in a commitment of FIU resources or which represent a significant commitment of the resources of the Research Foundation, ~~including:~~

- a. Major fund raising events and campaigns and their purpose;
- b. Compensation and benefits to University employees and employees of the Research Foundation;
- c. Capital projects, including land acquisition, construction, renovation or repair; and
- d. Other major commitments of the resources of the Research Foundation.

- iii. Nominating and -Development Committee. The Nominating and Development Committee shall consist of up to three members appointed by the Chairperson, subject to the approval of the Board, and shall receive recommendations for nominees to the Board and to act as Elected Officers. It shall evaluate such recommendations, and present nominations for open positions to the Board, as well as a slate of officers, at least fifteen (15) days prior to the Annual Meeting or at any other properly noticed meeting if a vacancy occurs.

Section 3. Other Standing Committees. At the first meeting of the Board, or as soon thereafter as is practical, the Chairperson shall, subject to the approval of the Board, appoint

such other Standing Committees as he/she may deem necessary and advisable to assist in the conduct of the Research Foundation's affairs.

Section 4. Special Committees. The Chairperson may, from time to time, establish Special Committees to assist the Board in carrying out the purposes of the Research Foundation. The Chairperson shall report the establishment of all Special Committees which he/she has authorized, and the names of their Chairpersons and members to the Executive Committee and the Board at the next ensuing regular meeting of the Executive Committee and the Board.

Section 5. Committee Quorum. A majority of any Committee of the Research Foundation shall constitute a quorum for the transaction of business, except as otherwise noted in these Bylaws. All other terms and conditions set forth in these Bylaws pertaining to Board meetings shall also apply to Standing and Special Committee meetings.

ARTICLE VI Indemnification

This Corporation shall, to the extent legally permissible, indemnify and defend each of its Directors, Officers, employees, or other agents against all liabilities and expense, including, where applicable, amounts paid in satisfaction of judgments in compromise of actions, suits, claims or other proceedings, as fines or penalties, or as counsel fees, actual and reasonable paid or incurred in connection with the defense or disposition of any action, suit or other proceeding, whether civil or criminal, in which such person may be involved by reason of employment by the Research Foundation or by Board or Committee service, except with respect to any matter as to which such person shall have been adjudicated in any proceeding not to have acted in good faith, or not to have acted in the reasonable belief that such action was in the best interest of the Corporation; provided that any payment by the way of settlement, compromise, or consent decree shall be indemnified there under only to the extent that it shall

be determined by the Board to have been made in the best interest of the Corporation; and further provided that no settlement hereunder shall be entered into without the prior consultation and approval of a duly authorized representative of the Board. Any person believing him/herself to be entitled to indemnification or defense under this article, in order to qualify for indemnification or defense hereunder, shall notify the Chairperson immediately upon the occurrence giving rise to said entitlement.

ARTICLE VII Seal

The seal of this Corporation shall bear the words "Florida International University Research Foundation, Inc.," as more particularly shown in the following impression:



ARTICLE VIII Amendments

Section 1. Amendment to Bylaws. The Bylaws of this Corporation may be altered, amended, rescinded or repealed by a two-thirds vote of the Board at any Regular or Special meeting of the Board. All amendments must be approved by the Board of Trustees of FIU, upon recommendation by the President of FIU prior to their effective date.

Section 2. Amendments to the Articles of Incorporation. The Articles of Incorporation of the Research Foundation may be altered or amended at any regular or special meeting of the

Board by resolution approved by the affirmative vote of a majority 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 of FIU. Written notice of any proposed amendment of the Articles of Incorporation shall be mailed to each Director not fewer 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 Research Foundation shall comply with Florida law and appropriate Sstate rules and policies.

ARTICLE IX Miscellaneous

Section 1. Employees. No employee of this Corporation shall be considered to be an employee of the State of Florida or The Florida International University Board of Trustees solely by virtue of his/her employment by the Research Foundation. Any employee of the State of Florida or The Florida International University Board of Trustees, who is assigned to work on Research Foundation matters, shall not be considered an employee of the Research Foundation.

The Research Foundation shall provide equal employment opportunities to all persons regardless of race, color, religion, gender, age, disability, marital status, sexual orientation, veteran's status or national origin.

Section 2. Checks and Depositories. Except as may otherwise be specified in these Bylaws, the Board shall provide, by rResolution, which Officers or Directors or other representatives are authorized to draw checks on the accounts of the Research Foundation and may impose any reasonable terms, conditions or limitation on such authority. Checks or drafts of the Research Foundation shall be signed by any two of the Officers or Directors, authorized

to do so by the Board or by these Bylaws and approved by the Research Foundation Board of Directors. Funds of the Research Foundation shall be deposited to the credit of the Research Foundation only in institutions approved by the Board by resolution and, whenever possible, only in financial institutions insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation.

Section 3. Fiscal Year. The fiscal year of the Research Foundation shall be consistent with the fiscal year of the University.

Section 4. Service of Process. Service of process shall be made on the office of the University's General Counsel.

Section 5. Sunshine Laws. ~~Public access to Board records will be governed by the provisions of Section 1004.28, Florida Statutes. All records of the Research Foundation other than the auditor's report, management letter, and any supplemental data requested by the Board of Governors, the University Board of Trustees, the Auditor General or the Office of Program Policy Analysis and Government Accountability shall be confidential and exempt from the provisions of Florida's Public Records Laws.~~ It is the policy of the Corporation to maintain and/or dispose of all records made or received in connection with Corporation business in accordance with a document retention schedule as the Board may adopt from time to time. Board meetings shall be governed by the provisions of the Open Meetings Law, Chapter 286, Florida Statutes.

Section 6. Audit by University. The University shall have the right to audit the books, records and operations of the Research Foundation as the University determines appropriate in the exercise of its oversight.

Section 7. Decertification. The President of the University may recommend to the Board of Trustees that the Research Foundation be decertified as a direct support organization if the

President determines that the Research Foundation is no longer serving the best interest of the University. The recommendation for decertification shall include a plan for disposition of the Research Foundation's assets and liabilities. The Research Foundation assets shall be distributed for the benefit of the University as directed by the Board of Trustees of the University if the Research Foundation is decertified as a direct support organization.

ARTICLE X

Code of Ethics – Conflict of Interest

Directors stand in a fiduciary relationship to the University and the Research Foundation. Therefore, Directors shall act in good faith, with due regard to the interests of the University and the Research 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 "AB." Each Director shall annually complete and sign a disclosure form as required by said policy. The Corporation shall maintain the highest ethical standards in all of its operations in order to protect and preserve the Corporation's good name, business interests, and the community at large, and accordingly, it is the policy of the Corporation to adhere to the requirements of the Florida Whistleblower's Act, as applicable.

ARTICLE XI

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).

ARTICLE XII

Powers of the President of the University

The President of the University shall have the following powers and duties: (1) Monitor and control the use of University resources by the Research Foundation; (2) Control the use of the University name by the Research Foundation; (3) Monitor compliance of the Research Foundation with state and federal laws; (4) Recommend to the Board of Trustees of FIU an annual budget; (5) Review and approve expenditure plans at least quarterly; (6) Approve salary supplements and other compensation or benefits paid to University faculty and staff from the Research Foundation assets; and salaries, benefits, and other compensation paid to employees of the Research Foundation, consistent with the policies of the FIU Board of Trustees.



Appendix ~~AB~~

FLORIDA INTERNATIONAL UNIVERSITY RESEARCH FOUNDATION, INC. CONFLICT-OF-INTEREST POLICY

1. Scope. The following statement of policy applies to each member of the Florida International University Research Foundation, Inc. Board of Directors ("Research Foundation Board") and all Research Foundations~~subsequent~~ Committees ("Committees").

2. Fiduciary Responsibilities. Section 8 of Article II of the Constitution of the State of Florida states: "A public office is a public trust." Board and Committee members of the Research Foundation Board serve the public trust and have a clear obligation to fulfill their responsibilities in a manner consistent with this fact. All decisions of the Research Foundation Board and Committees are to be made solely on the basis of a desire to advance the best interests of the Research Foundation ~~institution~~ and the public good.

Research Foundation Board and Committee members are generally involved in the affairs of other institutions and organizations. Effective boards and committees will include individuals who have relationships and affiliations that may raise questions about perceived conflicts of interest. Although many such potential conflicts are and will be deemed inconsequential, each Research Foundation Board and Committee member has the responsibility to comply with the Code of Ethics for Public Officers and Employees which is contained in Chapter 112, Part III (~~Sections 112.311 – 112.326~~) of the Florida Statutes (the "Code").

3. The Code of Ethics for Public Officers and Employees. The Code of Ethics provides definitions and sets forth the various contexts in which conflicts arise. As defined in the Code,

a "conflict of interest" arises in a situation in which regard for a private interest tends to lead to disregard of a public duty or interest.

Particular attention is required when public officers are in situations involving:

- solicitation and acceptance of gifts;
- favors or compensation;
- contracts and transactions with the Research Foundation;
- unauthorized compensation;
- misuse of public position or confidential information;
- conflicting employment or consulting contractual relationships; and
- employment of relatives.

Thus, each Research Foundation Board and Committee member has a continuing obligation to:

- (a) be familiar with the Code~~Florida Statutes~~ regarding ethics and conflicts of interest and the terms of this Policy;

- (b) disclose to the Research Foundation Board and/or Committee Chair any possible personal, familial, or business relationships that might reasonably give rise to a conflict involving the Research Foundation; and
- (c) acknowledge by his or her execution of the attached "Conflict of Interest Disclosure Form" that he or she is in compliance with the letter and spirit of this Policy and applicable laws.

4. Disclosure. All Research Foundation Board and Committee members shall list on the attached Conflict of Interest Disclosure Form, at least once a year, those relationships:

- (a) that they or members of their family maintain with organizations that do business with the Research Foundation, or
- (b) that could be construed to affect their independent, unbiased judgment in light of their decision-making authority and responsibility.

If a Research Foundation Board or Committee member is uncertain as to whether to list a particular relationship, the Research Foundation Board and/or Committee Chair and the General Counsel of the University should be consulted. Information shared or gathered as a result of such consultations (including information provided on the attached form) shall not be released except

- in accordance with applicable public records laws, or
- when the Research Foundation~~institution~~'s best interests would be served by disclosure, or
- as required by court order.

-Any such required disclosure will be made only after informing the affected Research Foundation Board or Committee member.

5. Definitions:

The following definitions apply to this policy:

Business Relationship – A business relationship is one in which a Research Foundation Board or Committee member or a Research Foundation Board or Committee member's spouse or child serves as an officer, director, or proprietor of, or has a material interest in, an organization that does business with the FIU Research Foundation, Inc., or Florida International University.

Material Interest - a direct or indirect ownership of more than 5 percent of the total assets or capital stock of any business entity constitutes a material interest.

Attached is ~~t~~The Florida International University Research Foundation, Inc. Conflict of Interest Disclosure Form, which each Research Foundation Board and Committee member must file with the FIU Research Foundation ~~Corporate~~ Secretary on or before July 1st of each year, unless a change necessitating an amendment occurs prior to July 1st of the following year.



FIU RESEARCH FOUNDATION, ~~INC~~INC.
CONFLICT OF INTEREST DISCLOSURE FORM

This Conflict of Interest Disclosure Form is intended to protect the FIU Research Foundation by affording the FIU Research Foundation ample opportunity to forestall any potential conflicts and assure that all Board, ~~committee~~Committee and ~~officer~~Officer decisions and actions are above reproach. This Form must be filled out by any ~~D~~irector or ~~O~~fficer of the FIU Research Foundation.

To allow the FIU Research Foundation to monitor and promptly address any potential conflicts, please (i) identify below any relationships, financial or personal, that may constitute conflicts or potential conflicts of interest, or (ii) confirm that no such conflicts or potential conflicts are known to exist:

The following represent interests or relationships that are or may be in conflict with my position as a ~~d~~Director or ~~officer~~Officer of the FIU Research Foundation:

1. Personal, familial, or business relationships that might reasonably give rise to a conflict involving the FIU Research Foundation or University. _____

2. A family or business relationship with any other ~~director~~Director or ~~officer~~Officer of the Research Foundation. _____

3. Outside employment or service (any outside employment or provision of outside services by you or any member of your family that may be in conflict with your position as a Board or Committee member of the FIU Research Foundation.) _____

4. Outside interests, financial and other (including any ownership or other interests or position held such as serving as an officer, director or trustee) which you or any member of your family hold in any outside concern or entity doing business with the FIU Research Foundation (like a vendor): _____

Conflict of Interest Disclosure Form

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5. Any other potential issues or conflicts: _____

OR

☐ As of today's date, I have none of the financial, professional, or personal relationships listed above.

I am familiar with the FIU Research Foundation, Inc. Conflict of Interest Policy pursuant to which this Disclosure Form is filed. I have disclosed all potential conflicts of interests of which I am aware, and I agree to file promptly a further Disclosure Form if any additional matters subject to disclosure arise before my next annual Disclosure Form is due.

Signature _____

Date _____

Print Name _____

Please fax or mail this form to

FIU Research Foundation, Inc. Corporate Secretary

Florida International University

MARC 430

11200 SW 8th Street

Miami, FL 33199

Tel. 305-348-2494, Fax: ~~305~~-348-6389

Agenda Item 3

G1-C

**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Governance Committee**

December 1, 2016

Subject: Proposed Amendment to the Bylaws of the FIU Athletics Finance Corporation

Proposed Committee Action:

Recommend that the Florida International University Board of Trustees approve amendments to the Florida International University Athletics Finance Corporation Bylaws.

Background Information:

On November 16, 2016, the Florida International University Athletics Finance Corporation Board of Directors (the “FIU Athletics Finance Corporation”) approved amendments to the Athletics Finance Corporation’s Bylaws. These amendments were made following the Florida Supreme Court’s decision in Plancher v. UCF Athletics Association, Inc., 175 So. 3d 724 (Fla. 2015), and the FIU Board of Trustees’ (“BOT”) approval of amendments to the FIU Regulation on Direct Support Organizations (FIU-1502) at its meeting on September 1, 2016, as a result of the referenced case.

The FIU BOT must approve any amendments to the FIU Athletics Finance Corporation Bylaws before their becoming effective.

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

Article IX, Section 1 of the FIU Athletics Finance Corporation Bylaws provides that any amendment to the Bylaws, must be approved by the Board of Trustees of FIU, upon recommendation by the President of FIU prior to their effective date.

Supporting Documentation:

Proposed Amendment to the Bylaws of the Florida International University Athletics Finance Corporation

Facilitator/Presenter:

Carlos B. Castillo

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**SECOND AMENDED BYLAWS OF
FIU ATHLETICS FINANCE CORPORATION**

**ARTICLE I
MEMBERSHIP**

The Board of Directors (the “Board”) of the FIU Athletics Finance Corporation (the “Corporation”) shall constitute the members of the Corporation.

**ARTICLE II
BOARD OF DIRECTORS**

Section 1. Governance. The business affairs of the Corporation shall be managed by and under the direction of 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 Board. Members of the Board shall be the sole voting members of the Corporation and shall be called “Directors”.

Section 2. Membership. The Board shall consist of no less than five (5) and no more than ~~nine (9)~~ten (10) voting members.

The following persons shall be directors of the Corporation:

- A. The Chairperson of the University Board of Trustees (“BOT”) Athletics Workgroup or his or her designee.
- B. The President of Florida International University (the “University”) or the President’s designee.
- C. The Treasurer of the University.
- D. The Athletics Director or designee.

~~The Associate Athletics Director, External Operations.~~

All Directors in Subsections A through D above shall be known as “Appointed Directors”.

E. At least one (1) and no more than five (5) Community Members with a demonstrated commitment to FIU Intercollegiate Athletics who shall not be employees of FIU and who are (i) nominated either by the Nominating Committee, ~~or~~ any member of the Board, or the President of the University, and (ii) elected by a majority vote of the Board (hereinafter “Elected Directors”). ~~All Directors in Subsections A through D above shall be known as “Appointed Directors”.~~ The President of the University may also appoint members of the University administration, faculty, student body or public to serve on the Board and/or the Executive Committee, for such terms as may be designated by the President of the University.

Section 3. Election. Elected Directors shall be selected to fill expiring and vacant terms at the Annual Meeting of the Board. Elected Directors may also be elected at any other regular or Special Meeting of the Board. Nominations for Elected Directors shall be made by the Nominating Committee as described in Article VI, Section 2 (iii) of these Bylaws or from nominations made from the floor at any regular or Special Meeting of the Board.

Section 4. Vacancies of Elected Directors. Vacancies occurring during a term of an Elected Director may be filled by the Board at any regular or Special Meeting of the Board. The Elected Directors so chosen shall hold such office until the next regular Annual Meeting of the Board at which time his or her successor shall be elected. Any vacancy among the Elected Directors may be filled by a majority vote of the remaining members of the Board, or, in the case of an Elected Director nominated and elected pursuant to Article II, Section 2(E)(ii), the President of the University. The term of office of an Elected Director chosen to fill a vacancy shall expire at the latter of the next Annual Meeting of the Board or at such time as a successor shall be duly elected

and qualified.

Section 5. Vacancies of Appointed Directors. In the case of a vacancy of an Appointed Director, the person who is acting as the Chairperson of the BOT Athletics Workgroup or his/her designee, the President or his/her designee, the University Treasurer, the Associate Athletics Director for External Operations, ~~and the Athletics Director or designee,~~ shall fill the vacancy until the permanent appointment is made at which time the person appointed to hold the position shall be named as the new Appointed Director for that position. ~~Any vacancy among the Elected Directors may be filled by a majority vote of the remaining members of the Board. The term of office of an Elected Director chosen to fill a vacancy shall expire at the latter of the next Annual Meeting of the Board or at such time as a successor shall be duly elected and qualified.~~

Section 6. Resignation or Removal. A Director may resign at any time by giving written notice to the Chairperson or to the Secretary of the Board. 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 Elected Director who is not present for three (3) consecutive regular meetings of the Board, and whose absences are not excused by the Chairperson, shall be deemed to have submitted his/her resignation, subject to reinstatement by a majority vote of the other Directors. In addition, any Elected Director may be removed from office by a two-thirds vote of all of the Directors, effective as of the date of such vote.

Section 7. Term of Office. The Chair of the BOT Athletics Workgroup or his/her designee, the President of FIU or his/her designee, the University Treasurer, the Associate Athletics Director for External Operations, and the Athletics Director or designee, shall serve as Directors for such time as each respective individual continues to serve as Trustee, President, University Treasurer, ~~Associate Athletics Director for External Operations,~~ or the Athletics Director, as the case may be. Elected Directors shall serve for a term of five (5) years and shall

be eligible for re-election for no more than two (2) additional five-year terms.

Section 8. Powers and Duties of the Board of Directors. The property, affairs, activities, and concerns of the Corporation shall be vested in the Board. All corporate functions shall be exercised by the Board, and by various Officers and Committees thereof as powers may be delegated to such Officers and Committees by these Bylaws or by action of the Board.

ARTICLE III MEETINGS

Section 1. Meetings. Regular meetings of the Board shall be held from time to time at least two (2) times a year, at such times as may be specified by the Chairperson. One such meeting shall be held in either April, May or June of each year and such meeting shall be the Annual Meeting of the Board when new Directors and Officers shall be elected and take office, subject to other provisions of these Bylaws. Written notice of each meeting shall be faxed or emailed by the Secretary, to each Director at the last recorded University address, fax number or email address of each Director not less than seven (7) calendar days prior to the meeting. The notice and agenda containing the general subject matters to be considered at the meeting shall also be posted on an appropriate FIU website and faxed to a newspaper of general circulation not less than seven (7) days before the meeting, in compliance with the requirements of the Sunshine Law. The Secretary must provide written notice, by fax or email, to all Directors of any changes to the meeting schedule at least seven (7) calendar days prior to the date of the originally scheduled meeting day or of the new meeting date, whichever date occurs earlier. Special Meetings may be called by the Chairperson, the President of the University in his capacity as University President, or by any two (2) Directors with at least seven (7) calendar days' written notice provided to all of the Directors by fax or email. The agenda for Special Meetings shall be limited to matters listed in the written notice of the Special Meeting.

Section 2. Quorum. A quorum of the Directors shall be a majority of the voting Directors at

the time of the vote. A quorum must be present to transact any business of the Corporation at a meeting.

Section 3. 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, by law or by the Articles of Incorporation.

Section 4. Proxies. Proxies, general or special, shall not be accepted for any purpose in Board or Committee meetings.

Section 5. Telephone Meetings. Board and Committee meetings may be conducted by telephone conference or similar communications facilities if the Chairperson of the Board 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 6. Emergency Meetings. An emergency meeting of the Board may be called by the Chairperson or the Vice Chairperson in the Chairperson's absence, upon no less than forty-eight (48) 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.

ARTICLE IV
OFFICERS OF THE CORPORATION

Section 1. Number. The Officers of this Corporation shall be a Chairperson, a Vice Chairperson, a Secretary, and a Treasurer. They also shall serve as Officers of the Board of Directors. The Officers shall be elected by the Board as described in Section 2 below.

Section 2. Method of Election of Officers. Officers shall be elected at the Annual Meeting of the Board, from nominations submitted to the Directors by the Nominating Committee or from nominations from the floor. No Officer may hold more than one Corporation office concurrently. Officers shall serve for a term of three years and shall be eligible to succeed himself/herself for no more than two (2) additional terms.

Section 3. Vacancies. In case any vacancy occurs in an elected office, an election shall be held at the first Regular or Special Meeting of the Board 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 prior written notice for the regular or Special Meeting at which such election shall take place.

Section 4. Compensation. Neither the Officers nor the Directors shall receive compensation for being Officers or members of the Board other than their usual salaries as employees of FIU, for those members who also are employed by FIU.

Section 5. Resignation and Removal. An Officer of the Corporation may resign at any time by giving written notice to the Chairperson or the Secretary of the Board. 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 in office, effective as of the date of such vote.

ARTICLE V DUTIES OF OFFICERS

Section 1. Chairperson of the Board. The Chairperson of the Board shall be a Director and a member of the Executive Committee. He/She shall preside at all meetings of the Board and of the Executive Committee. He/She shall communicate to the Board such matters and make such suggestions as may in his/her opinion tend to promote the business and affairs of the Corporation. The Chairperson shall act as the Chief Executive Officer of the Corporation and shall do and perform such other duties as may be assigned to him/her by the Board. He/She shall set the agenda for all meetings. The Chairperson is authorized to execute in the name of the Corporation, with the Secretary attesting, all certificates, contracts, deeds, notes and other documents or legal instruments authorized or issued by the Board. Among the Chairperson's powers and duties, without limitation, are the power to appoint the members and Chairpersons of all Standing Committees established by the Board, except when members or Chairpersons are designated by these Bylaws; to name Special Committees and appoint their members and Chairpersons; from time to time, to represent the Corporation at official functions of the University and elsewhere as he/she may determine proper; and to present a report of the activities of the Corporation and the conduct of his/her office at each Annual Meeting. The Chairperson shall report to the Board and the President of the University on all matters pertaining to the Corporation.

Section 2. Vice Chairperson. The Vice Chairperson 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. He/she shall perform such other duties as may from time to time be assigned to him/her by the Chairperson, the Board or the Executive Committee.

Section 3. Secretary. The Secretary shall keep full and accurate minutes of all meetings of the Board, all meetings of the Executive Committee and all Committee meetings in a book

provided for that purpose and shall transmit all notices required by the Bylaws of the Corporation. The Secretary shall have custody of the corporate seal of this Corporation. The Secretary may attest to documents with the Chairperson in the name of this Corporation and, when required, shall affix thereto the seal of the Corporation. The Secretary shall have charge of all official records of this Corporation, which shall be at all reasonable times open for the inspection of any Director, and the Secretary shall in general perform all duties incident to the management of the office of Secretary for the Board. The Secretary shall present an annual operations report at the Annual Meeting and shall perform such other duties as may be assigned to him/her by the Chairperson, the Board or the Executive Committee.

Section 4. Treasurer. Except as may be otherwise specified by resolution of the Board, the Treasurer and his or her designee(s) shall receive and keep the funds of the Corporation and pay out the same in accordance with the requirements of any Trust Indenture or related bond documents and/or applicable University policies and procedures with respect to expense reimbursements. The Treasurer shall ensure that consistent and reliable financial practices are followed, and that any Corporation investments are made and managed in accordance with the terms of any applicable Trust Indenture or related bond documents and/or the investment policy of the FIU Foundation, Inc, pursuant to any such strategic allocation ranges as may be established by this Board. The duties of the Treasurer shall include, but not be limited to, the following:

(a) The deposit of all monies, checks, and other credits to the account of this Corporation in such bank or banks or other depositories as the Board may designate; to review all receipts and vouchers for payment made to and all vouchers and checks made by this Corporation; to regularly maintain a full and accurate account of all monies received and paid out on accounts administered by this Corporation; and to render to the Board an account and statement of all the Treasurer's transactions at each meeting of the Board and at such other times as the Board may

determine;

(b) To prepare with the Chairperson an annual budget for the coming year to be approved by the Board at the last meeting held before the end of the fiscal year. Said budget shall be submitted to the President of FIU for approval, and ~~recommendation~~ submitted to the FIU Board of Trustees each year for review and approval no later than sixty (60) days following the beginning of the Corporation's fiscal year;

(c) To prepare a quarterly expenditure plan to be reviewed and approved quarterly by the President of FIU or his or her designee who shall be a Vice President or other senior officer of FIU reporting directly to the President. The plan shall separately delineate planned actions which result in a commitment of FIU resources or which represent significant commitment of the resources of the Corporation;

(d) To cause an annual audit to be made by an independent certified public accountant of the Corporation's books and records as soon as possible after the close of the fiscal year of the Corporation and to have the results reported to the Chairperson of the Corporation immediately and to the full Board at its next meeting thereafter. The annual audit report shall be submitted by the President of FIU to the Board of Trustees for review no later than the end of the fourth month following the close of the Corporation's fiscal year. The annual audit report also shall be submitted to the Auditor General and to the Florida Board of Governors no later than nine (9) months after the close of the Corporation's fiscal year. The audit shall be conducted in accordance with rules promulgated by the Board of Trustees of FIU and with policies adopted by the Auditor General; and

(e) The Treasurer shall at all reasonable times make available his or her books and accounts to any Director of this Corporation and shall in general perform all duties incident to the management of the office of Treasurer for the Board.

Section 5. Checks. Checks or drafts on the funds of this Corporation shall be signed by any two of the Officers or Directors authorized to do so by the Board.

ARTICLE VI COMMITTEES OF THE BOARD OF DIRECTORS

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. The Chairperson shall appoint the members of all Committees and designate their chairpersons, except as otherwise specified by these Bylaws. All members of the Committees shall have equal voting rights. The actions of any Committee shall be subject to review and approval 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 Board or the Executive Committee. Each Committee shall keep approved minutes and submit them to the Secretary for record-keeping.

Section 2. The Board shall have the following Committees:

(i) Executive Committee. The Executive Committee shall consist of the Officers of the Corporation, as well as any member appointed to the Executive Committee by the President of the University in accordance with Section 2(F). ~~Three members of the Executive Committee shall constitute a quorum.~~ The Executive Committee of the Board shall have and may exercise all powers and authority of the Board when the Board is not in session, subject only to such restrictions or limitations as the Board 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 Corporation, to remove Directors or Officers or to elect Directors or Officers. All actions of the Executive Committee shall be reported in writing to the Board at the next ensuing meeting of the Board. All actions of the Executive Committee shall be ratified and included in the minutes of the Board.

(ii) Finance and Audit Committee. The Finance and Audit Committee shall consist of up to five (5) members appointed by the Chairperson subject to the approval of the Board, of which three members also must be Directors. The Committee shall advise the Board and the Chairperson on all financial matters related to this Corporation, including annual budgeting, equity holding, fund management, securities liquidation, license agreements, insurance needs, audits and financial statements, taxes, and other issues relating to the financial stability of the Corporation. The Finance and Audit Committee may also be called upon for advice in the consideration of major expenditures and capital outlays. The Finance and Audit Committee shall be responsible for the preparation and periodic review of the Corporation's annual budget in compliance with the provisions set forth in Article IV, and it shall review the yearly audit done by the outside auditors. It shall monitor the work of the Corporation's Treasurer and shall review and report to the Board on the Corporation's financial statements. It shall ensure that all financial reports are filed in a timely manner.

The Finance and Audit Committee shall develop and review financial policies and procedures and make detailed reports to the Board of Directors.

The Finance and Audit Committee shall cause an audit of the books and records of this Corporation to be made at least once each fiscal year in accordance with Article V, Section 4(d) of these Bylaws, together with a management letter, including the response from management, conducted by a firm of independent Certified Public Accountants selected by the Board, whose engagement letter shall provide that it render an opinion on the financial statements in accordance with generally accepted accounting principles and to have the results of the audit reported to the Board of Directors.

(iii) Nominating Committee. The Nominating Committee shall receive recommendations for nominees to the Board and to act as Officers. It shall evaluate such

recommendations, and present nominations for open positions to the Board, as well as a slate of officers, at least fifteen (15) days prior to the Annual Meeting.

Section 3. Other Standing Committees. At the first meeting of the Board, or as soon thereafter as is practical, the Chairperson shall, subject to the approval of the Board, appoint such other Standing Committees as he/she may deem necessary and advisable to assist in the conduct of the Corporation's affairs.

Section 4. Special Committees. The Chairperson may, from time to time, establish Special Committees to assist the Board in carrying out the purposes of the Corporation. The Chairperson shall report the establishment of all Special Committees and members thereof to the Board at the next ensuing regular meeting of the Board.

Section 5. Committee Quorum. A majority of any Committee of the Corporation shall constitute a quorum, except as otherwise noted in these Bylaws, 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. All other terms and conditions set forth in these Bylaws pertaining to Board meetings shall also apply Committee meetings.

ARTICLE VII INDEMNIFICATION

This Corporation shall, to the extent legally permissible, indemnify and defend each of its directors, officers, employees, or other agents against all liabilities and expense, including, where applicable, amounts paid in satisfaction of judgments in compromise of actions, suits, claims or other proceedings, as fines or penalties, or as counsel fees, actual and reasonable paid or incurred in connection with the defense or disposition of any action, suit or other proceeding, whether civil or criminal, in which such person may be involved by reason of employment by the Corporation or by Board service, except with respect to any matter as to which such person shall have been adjudicated in any proceeding not to have acted in good faith, or not to have acted in the

reasonable belief that such action was in the best interest of the Corporation; provided that any payment by the way of settlement, compromise, or consent decree shall be indemnified there under only to the extent that it shall be determined by the Board to have been made in the best interest of the Corporation; and further provided that no settlement hereunder shall be entered into without the prior consultation and approval of a duly authorized representative of the Board. Any person believing himself to be entitled to indemnification or defense under this article, in order to qualify for indemnification or defense hereunder, shall notify the Chairperson immediately upon the occurrence giving rise to said entitlement.

ARTICLE VIII SEAL

The seal of this Corporation shall bear the words "FIU Athletics Finance Corporation", as more particularly shown in the following impression:

ARTICLE IX AMENDMENTS TO BYLAWS

Section 1. Amendment to Bylaws. The Bylaws of this Corporation may be altered, amended, rescinded or repealed by a two-thirds vote of the Board at any Regular or Special Meeting of the Board. All amendments must be approved by the Board of Trustees of FIU, upon recommendation by the President of FIU prior to their effective date.

Section 2. Amendments to the Articles of Incorporation. The Articles of Incorporation of the Corporation may be altered or amended at any regular or Special Meeting of the Board by resolution approved by the affirmative vote of a majority 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 of FIU. 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 Corporation shall comply with Florida law and appropriate state rules and policies.

ARTICLE X MISCELLANEOUS

Section 1. Use of University Resources and Name. Any use by the Corporation of FIU resources or FIU's name shall be approved by the President of FIU.

Section 2. Employees. No employee of this Corporation shall be considered to be an employee of the State of Florida solely by virtue of his/her employment by the Corporation. Any employee of the State of Florida who is assigned to work on Corporation matters shall not be considered an employee of the Corporation.

Section 3. Checks and Depositories. Except as may otherwise be specified in these Bylaws, the Board shall provide, by Resolution, which Officers or Directors are authorized to draw checks on the accounts of the Corporation and may impose any reasonable terms, conditions or limitation on such authority. Checks or drafts of the Corporation shall be signed by any two of the Officers or Directors, authorized to do so by the Board or by these Bylaws. Funds of the Corporation shall be deposited to the credit of the Corporation only in institutions approved by the Board by resolution and only in financial institutions insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation.

Section 4. Fiscal Year. The fiscal year of the Corporation shall be consistent with the fiscal year of the University.

Section 5. Prohibited Political Activity. The Corporation shall be prohibited from giving, directly or indirectly, any gift to a political action committee or committee of continuing existence as defined in the Florida Statutes for any purpose other than those certified by a majority roll call

vote of the Corporation's governing board at a regularly scheduled meeting as being directly related to the educational mission of the University.

Section 6. Audit of Books and Records by University. The University shall have the right to audit the books, records and operations of the Corporation, as the University determines appropriate in the exercise of its oversight over the Corporation.

Section 7. Decertification. The President of the University may recommend to the University Board of Trustees that the Corporation be decertified as a direct support organization if the President determines that the Corporation is no longer serving the best interests of the University. The recommendation for decertification shall include a plan for disposition of the Corporation's assets and liabilities. The Corporation's assets shall be distributed for the benefit of the University as directed by the University Board of Trustees if the Corporation is decertified as a direct support organization.

ARTICLE XI NONDISCRIMINATION

The Corporation is committed to non-discrimination with respect to race, color, religion, age, disability, gender, marital status, national origin, sexual orientation or veteran status.

ARTICLE XII CONFLICT OF INTEREST

Directors stand in a fiduciary relationship to the University and the Corporation. Therefore, Directors shall act in good faith, with due regard to the interests of the University and the Corporation, 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 "A". Each Director shall annually complete and sign a disclosure form as required by said policy. All actual or potential conflicts of interest involving

directors of the Corporation shall be disclosed and addressed in accordance with the Corporation's Conflict of Interest Policy. The Corporation shall maintain the highest ethical standards in all of its operations in order to protect and preserve the Corporation's good name and business interests, and accordingly, it is the policy of the Corporation to adhere to the requirements of the Florida Whistle-blower's Act, Sections 112.3187 – 112.31895, Florida Statutes.

ARTICLE XIII PUBLIC RECORDS

Public access to the Corporation's records shall be governed by Section 1004.28, Florida Statutes. It is the policy of the Corporation to maintain and/or dispose of all records made or received in connection with Corporation business in accordance with a document retention schedule as the Board may adopt from time to time.

ARTICLE XIV POWERS OF THE PRESIDENT OF THE UNIVERSITY

The President of the University shall have the following powers and duties: (1) Monitor and control the use of university resources by the Corporation; (2) Control the use of the university name by the Corporation; (3) Monitor compliance of the Corporation with state and federal laws; (4) Recommend to the Board of Trustees of FIU an annual budget; (5) Review and approve expenditure plans at least quarterly; (6) Approve salary supplements and other compensation or benefits paid to university faculty and staff from the Corporation assets; and salaries, benefits, and other compensation paid to employees of the Corporation, consistent with the policies of the FIU Board of Trustees; and (7) Approve contribution of funds or supplements to support intercollegiate athletics.

ARTICLE XV 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).

**FIU ATHLETICS FINANCE CORPORATION
CONFLICT-OF-INTEREST POLICY**

1. Scope. The following statement of policy applies to each member of the FIU Athletics Finance Corporation (“Corporation”) Board of Directors and all subsequent Committees.

2. Fiduciary Responsibilities. Section 8 of Article II of the Constitution of the State of Florida states: “A public office is a public trust.” Board and Committee members of the Corporation serve the public trust and have a clear obligation to fulfill their responsibilities in a manner consistent with this fact. All decisions of the Corporation Board and Committees are to be made solely on the basis of a desire to advance the best interests of the institution and the public good.

Corporation Board and Committee members are generally involved in the affairs of other institutions and organizations. Effective boards and committees will include individuals who have relationships and affiliations that may raise questions about perceived conflicts of interest. Although many such potential conflicts are and will be deemed inconsequential, each Corporation Board member has the responsibility to comply with the Code of Ethics for Public Officers and Employees which is contained in Chapter 112, Part III (Sections 112.311 – 112.326) of the Florida Statutes.

3. The Code of Ethics for Public Officers and Employees. The Code of Ethics provides definitions and sets forth the various contexts in which conflicts arise. As defined in the Code,

a “conflict of interest” arises in a situation in which regard for a private interest tends to lead to disregard of a public duty or interest.

Particular attention is required when public officers are in situations involving:

- solicitation and acceptance of gifts;
- favors or compensation;
- contracts and transactions with the Corporation;
- unauthorized compensation;
- misuse of public position or confidential information;
- conflicting employment or consulting contractual relationships; and
- employment of relatives.

Thus, each Corporation Board and Committee member has a continuing obligation to:

- (a) be familiar with the Florida Statutes regarding ethics and conflicts of interest and the terms of this Policy;
- (b) disclose to the Corporation Board and/or Committee Chair any possible personal, familial, or business relationships that might reasonably give rise to a conflict involving the Corporation; and

- (c) acknowledge by his or her execution of the attached “Conflict of Interest Disclosure Form” that he or she is in compliance with the letter and spirit of this Policy and applicable laws.

4. Disclosure. All Corporation Board and Committee members shall list on the attached Conflict of Interest Disclosure Form, at least once a year, those relationships

- (a) that they or members of their family maintain with organizations that do business with the Corporation; or
- (b) that could be construed to affect their independent, unbiased judgment in light of their decision-making authority and responsibility.

If a Corporation Board or Committee member is uncertain as to whether to list a particular relationship, the Corporation Board and/or Committee Chair and the General Counsel of the University should be consulted. Information shared or gathered as a result of such consultations (including information provided on the attached form) shall not be released except

- in accordance with applicable public records laws, or
- when the institution’s best interests would be served by disclosure, or
- as required by court order.

Any such required disclosure will be made only after informing the affected Corporation Board or Committee member.

5. Definitions:

The following definitions apply to this policy:

Business Relationship – A business relationship is one in which a Corporation Board or Committee or a Corporation Board or Committee’s spouse or child serves as an officer, director, or proprietor of, or has a material interest in, an organization that does business with the Corporation or Florida International University.

Material Interest - a direct or indirect ownership of more than 5 percent of the total assets or capital stock of any business entity constitutes a material interest.

Attached is The Corporation Conflict of Interest Disclosure Form which each Corporation Board and Committee member must file with the Corporation Secretary on or before July 1st of each year, unless a change necessitating an amendment occurs prior to July 1st of the following year.

**FIU ATHLETICS FINANCE CORPORATION
CONFLICT OF INTEREST DISCLOSURE FORM**

This Conflict of Interest Disclosure Form is intended to protect the Corporation Board and Committees, and the Corporation, by affording the Corporation ample opportunity to forestall any potential conflicts and assure that all Board decisions are above reproach.

To allow the Corporation Board and Committees, and the Corporation to monitor and promptly address any potential conflicts, please (i) identify below any relationships, financial or personal, that may constitute conflicts or potential conflicts of interest, or (ii) confirm that no such conflicts or potential conflicts are known to exist:

_____ The following represent interests or relationships that are or may be in conflict with my position as Board or Committee member of the Corporation:

1. Personal, familial or business relationships that might reasonably give rise to a conflict involving the Corporation or University.

2. Outside employment or service (any outside employment or provision of outside services by you or any member of your family that may be in conflict with your position as a Board or Committee member of the Corporation.

3. Outside interests, financial and other (any interests or position which you or any member of your family hold in any outside concern from which the Corporation or University obtains goods or services, or which provides services competing with the Corporation or University):

4. Any other potential issues or conflicts:

OR

_____ As of today's date, I have no financial, professional, or personal relationships that reasonably hold the potential for a conflict of interest involving my service as a Corporation Board or Committee member.

I am familiar with the Corporation's Conflict of Interest Policy pursuant to which this Disclosure Form is filed. I have disclosed all potential conflicts of interests of which I am aware, and I agree to promptly file a further Disclosure Form if any additional matters subject to disclosure arise before my next annual Disclosure Form is due.

Signature_____

Date _____

Print Name _____

Please FAX or mail this form to FIU Athletics Finance Corporation Secretary, at 11200 SW 8 Street, GPA 201, Miami, FL 33199 or to 305-348-0247.

Agenda Item 3

G1-D

THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Governance Committee

December 1, 2016

Subject: Florida International University Academic Health Center Health Care Network Faculty Group Practice, Inc. Bylaws as Amended and Restated on the 16th day of May 2016 and the 8th day of November 2016 and Florida International University Academic Health Center Health Care Network Faculty Group Practice, Inc. Articles of Incorporation as Amended and Restated on the 8th day of November 2016

Proposed Committee Action:

Recommend that the Florida International University Board of Trustees approve the Florida International University Academic Health Center Health Care Network Faculty Group Practice, Inc. Bylaws, as amended and restated on May 16, 2016 and November 8, 2016, and the Articles of Incorporation, as amended and restated on November 8, 2016.

Background Information:

At meetings held on May 16, 2016 and November 8, 2016, the Florida International University Academic Health Center Health Care Network Faculty Group Practice, Inc. (the “FIU-HCN”) Board of Directors approved amendments to the FIU-HCN Bylaws. On November 8th, the FIU-HCN Board of Directors also approved amendments to FIU-HCN Articles of Incorporation. The amendments approved on November 8, 2016, resulted from the Florida Supreme Court’s decision in Plancher v. UCF Athletics Association, Inc., 175 So. 3d 724 (Fla. 2015), and the FIU Board of Trustees’ (“BOT”) approval of amendments to the FIU Regulation on Direct Support Organizations (FIU-1502) at its meeting on September 1, 2016, as a result of the referenced case.

The amendments to the Bylaws include the following:

Article IV:

Section 1 – Powers and Duties of the Board of Directors - The number of Directors for the FIU-HCN Board of Directors was comprised of up to fifteen (15) directors. The proposed amendment increases the number of directors from up to fifteen (15) to up to seventeen (17). In addition, the Bylaws did not address the ability of the corporation to give gifts to political committees. The proposed amendment revises the Bylaws to add language regarding gifts, specifically the circumstances for the allowance of the giving of gifts by the FIU-HCN Board of Directors.

Section 3 – Term of Office - The proposed amendment amends the Bylaws to eliminate the language regarding staggering the initial terms, as this has happened and is no longer necessary. The three (3) year term of office for elected members remains unchanged.

Article VI:

Expansion of University President’s Powers - The Bylaws, as amended, expand the power of the FIU President to approve the salary and benefits paid to FIU-HCN employees and to direct an audit of the books and records of the FIU-HCN. [Responsive to Plancher.]

Article VII:

Section 6.3 – The Finance and Audit Committee (Previously Section 6.1) - The membership of the Finance and Audit Committee included two (2) additional Community Members. The Bylaws, as amended, revise the number of additional Community Members to at least one (1) and up to three (3). In addition, the membership of Community Board Members on the Finance and Audit Committee was governed by the membership terms of the Finance and Audit Committee. The proposed amendment revises Section 6.2 to allow Community Board Members to serve on the Finance and Audit Committee so long as they are members of the Board.

Furthermore, the Bylaws provided for an annual audit to be conducted by outside public accountants. The proposed Bylaws include a provision stating that the University has the right to audit the books, records and operations of the FIU-HCN as deemed appropriate in the University's exercise of its oversight over the FIU-HCN. [Right of audit in this paragraph responsive to Plancher.]

Article IX:

Section 3. Financial Audits and Reports - The Dean of the HWCOM/Senior Vice President for Health Affairs determined the availability to appropriate personnel of all financial records of the FIU-HCN. The Bylaws, as amended, revise the language to have the President of the University make the determination instead of the Dean. [Responsive to Plancher.]

The amendments to the Articles of Incorporation included the following:

Amendments to FIU-HCN Articles of Incorporation:

Article XI – Update title of FIU-HCN Chairperson to FIU-HCN President; and replace M. Kristina Raattama with Carlos B. Castillo as registered agent for the FIU-HCN.

Article XIII – University President's powers will add the phrase "direct the University to audit the books and records of FIU-HCN" to the powers of the President. [Right of audit in this article responsive to Plancher.]

The amendments to the FIU-HCN Bylaws and Articles of Incorporation have been reviewed and approved in writing by the President. The BOT must approve all amendments to the FIU-HCN Bylaws and Articles of Incorporation before their becoming effective.

Article XII of the FIU-HCN Bylaws provides that that no bylaw may be amended without the prior written approval of the President of FIU and that all amendments to the Bylaws of the FIU-HCN must be approved by the FIU BOT, upon recommendation of the President of FIU prior to their effective date. Article VII of the FIU-HCN Articles of Incorporation provides that no provision of the Articles of Incorporation may be amended without the prior written approval of the President of FIU. All amendments to the Articles of Incorporation of the FIU-HCN must be approved by the FIU BOT, upon recommendation of the President of FIU prior to their effective date.

Supporting Documentation:

Proposed Amendment to the Bylaws of the Florida International University Academic Health Center Health Care Network Faculty Group Practice, Inc.

Proposed Amendment to the Articles of Incorporation of the Florida International University Academic Health Center Health Care Network Faculty Group Practice, Inc.

Facilitator/Presenter:

Carlos B. Castillo

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~~THIRD~~

FOURTH AMENDED AND RESTATED BYLAWS of

The Florida International University Academic Health Center
Health Care Network Faculty Group Practice, Inc.
(A ~~Non-Florida~~ Not for Profit Corporation)

ARTICLE I PURPOSE

General Purpose. The Florida International University Academic Health Center Health Care Network Faculty Group Practice, Inc. (FIU-HCN) shall exist exclusively to support the mission of the Florida International University (FIU) and to improve and support health education at the Florida International University in the Herbert Wertheim College of Medicine (HWCOM), the Robert Stempel College of Public Health and Social Work (RSCPHSW), the Nicole Wertheim College of Nursing and Health Sciences (~~CNHS~~NWCNHS), and departments in the College of Arts~~and~~, Sciences (~~CAS~~and Education (CASE)) with clinical activities. It is organized as a not-for-profit corporation under Chapter 617, Florida Statutes.

ARTICLE II FISCAL YEAR

The fiscal year of the FIU-HCN shall begin on the first day of July and end on the last day of June in each year.

ARTICLE III MEMBERS

The membership of the FIU-HCN shall consist of all clinical faculty members

of the HWCOW who are actively involved in the clinical practice of medicine and faculty in RSCPHSW, ~~CNHSNWCNHS~~, and ~~CASCASE~~ who engage in clinical activities as a part of their teaching assignment at FIU. Voluntary or adjunct faculty members are not eligible to be Members of the FIU-HCN. When any member ceases to be employed by FIU, his/her membership in the FIU-HCN shall be deemed automatically terminated.

ARTICLE IV BOARD OF DIRECTORS

Section 1. Powers and Duties of the Board of Directors. Except as otherwise provided in the Articles of Incorporation and these Bylaws, the direction and management of the affairs of the FIU-HCN and the control and disposition of its assets shall be vested in the Board of Directors ("Board") which shall be comprised of up to ~~fifteen~~~~(15)~~seventeen (17) directors.

The Board shall have the power to hold and to invest and reinvest any monies it receives and to hold any property, to sell or exchange the same, and to invest and reinvest the proceeds of any sale or other conversion of any such property, for the purpose of earning income, which income less operating expenses of the FIU-HCN shall be used to improve and support the HWCOW and clinical activities of FIU clinical faculty in the RSCPHSW, ~~CNHSNWCNHS~~, and ~~CASCASE~~ in accordance with the FIU-HCN purpose, applicable State of Florida and federal laws, and the policies of the University and its Board of Trustees. In exercising these powers and performing their duties, the Board of Directors shall have the powers, duties, and responsibilities vested in the directors of Florida not for profit corporations and those set forth in Florida Board of Governors Regulation 9.017 as may be amended from time to time. No part of the net earnings of the Corporation shall inure to the benefit of any member, director, or officer of the FIU-HCN, or to any other private

individual.

Without limiting the foregoing, the FIU-HCN shall have the power and authority to:

- a) borrow money by issuing long or short-term notes, bonds, or debentures;
- b) pledge, mortgage, or otherwise encumber its assets within the discretion of the Board and the policies of the University and its Board of Trustees; and
- c) approve the budget of the FIU-HCN prior to the beginning of each fiscal year.

The FIU-HCN is prohibited from giving, directly or indirectly, any gift to a political committee or committee of continuous existence as defined in the Florida Statutes for any purpose other than those certified by a majority roll call vote of the Board at a regularly scheduled meeting as being directly related to the educational mission of the University.

Section 2. Membership. The members of the Board shall be:

- (a) a designee of the FIU Board of Trustees who shall also serve as a designee of the President of the University.
- (b) the Dean of the HWCOM / Senior Vice President for ~~Medical~~Health Affairs;
- (c) the Dean of the ~~CNHS~~NWCNHS;
- (d) the Dean of the RSCPHSW;
- (e) the Dean of the CASE or a clinical faculty member of the ~~College of Arts and Sciences~~CASE designated by the Dean of the ~~College of Arts and Sciences~~CASE;
- (f) the Executive Associate Dean of Clinical Affairs of the HWCOM.
- (g) the Provost of FIU or his/her Designee.
- (h) the Chief Financial Officer of FIU or his/her Designee.

- (i) one (1) HWCOM Non-Chair clinical faculty member selected by the HWCOM clinical faculty.
- (j) one (1) FIU-HWCOM Chair faculty member selected by the FIU-HWCOM clinical chairs.
- (k) no more than five (5) additional members as follows:
~~Four~~Up to four (4) members who shall not be employees of FIU and who are (i) nominated either by the Committee on Nominations or a nominations committee or by any member of the Board and elected by a majority vote of the Board; or (ii) appointed by the President of the University (hereinafter “Community Member”). One (1) of the Community Members elected to the Board of Directors must have the financial skills to be designated as ~~the~~a Financial Expert pursuant to the criteria of Sarbanes-Oxley (the “Financial Expert”). The Community Member designated as the Financial Expert shall serve as a member of the Finance and Audit Committee. One (1) additional at large member Board member may be elected by the Board of Directors who may be a Community Member. In addition, the President of the University may also appoint members of the University administration, faculty, student body or public to serve on the Board and the Executive Committee, for such terms as may be designated by the President of the University. In no event will the maximum number of Board members exceed the maximum number of members set forth in Article IV, Section 1.

Section 3. Term of Office. The Dean of the HWCOM / Senior Vice President for ~~Medical~~Health Affairs, the Dean of the ~~CNHS~~NWCNHS; the Dean of the RSCPHSW; the ~~CAS~~Dean of the CASE or clinical faculty member designated by

the Dean of the ~~CASCASE~~; the Executive Associate Dean of Clinical Affairs of HWCOT; the Provost of FIU or Designee; and the Chief Financial Officer of FIU or Designee shall each serve as a director of the FIU-HCN for such time as each continues to serve *ex-officio* in their respective positions. Should the Provost or the Chief Financial Officer choose Designees to serve as Board members, then those Designees shall serve as Board members for as long as the Provost or the Chief Financial Officer shall determine. For members elected by the Board the term of office will be three (3) years. ~~The initial terms will be staggered with the faculty representative serving one (1) year, the chair representative serving two (2) years and the three (3) Community Members serving staggered terms. One (1) member will serve a term of two (2) years and two (2) members will serve a term of three (3) years.~~

Section 4. Election. Any elected director whose term of office shall have expired may be elected to another term for a maximum of two (2) consecutive terms. Nothing in the Bylaws or the Articles of Incorporation shall prohibit any elected Board member from being re-elected after two (2) terms so long as such Board member does not serve on the Board for at least one (1) year between terms.

The Board member representing the HWCOT clinical chairs shall be selected by the HWCOT clinical chairs. The nominee representing the HWCOT clinical faculty shall be selected by the HWCOT clinical faculty.

Section 5. Resignation. A director not serving *ex-officio* may resign at any time upon written notice to the President or Secretary/Treasurer of the FIU-HCN. Unless otherwise specified in the notice, the resignation shall take effect upon receipt. Resignation from the Board will automatically result in resignation from any Board office. The acceptance of a resignation shall not be necessary to make it effective.

Section 6. Vacancy and Removal. A vacancy shall exist on the Board upon

the death, resignation, or removal of a director, upon the disability of a director that renders him or her permanently incapacitated or unable to serve, or when a director is no longer qualified to serve as a director. A Community Member director may be removed from the Board by the affirmative vote of a majority of the remaining directors at a properly called meeting of the Board. Whenever any vacancy occurs in the Board, it shall be filled without undue delay. A vacancy of a Community Member director shall, at the election of the President of the University, be filled by a majority vote of the remaining members of the Board at a special meeting, which shall be called for that purpose, or appointed by the President of the University. The person so chosen shall hold office for the duration of the previous director's term.

ARTICLE V OFFICERS OF THE BOARD

Section 1. Number and Method of Election. The Officers of the Board shall be FIU-HCN President, ("President"), Vice President, and Secretary/Treasurer. The President shall be the Senior Vice President ~~of Medical~~ for Health Affairs of FIU. The Vice President and Secretary/Treasurer will be elected by the Board. Election will require a majority vote of the Board. An elected officer shall serve a term of one year. Officers are eligible for election for consecutive terms.

Section 2. Duties of Officers. The duties and powers of the officers of the FIU-HCN shall be as follows:

Dean / Senior Vice President for MedicalHealth Affairs. The Dean / Senior Vice President for MedicalHealth Affairs of the HWCOT shall serve as President. The President shall preside at the meetings of the Board, and shall be an *ex officio* member of all committees, ~~with no voting power.~~ He/she shall also, at the annual meeting of the FIU-HCN and such other times as he/she deems proper,

communicate to the FIU-HCN or to the Board such matters and make such suggestions as may in his/her opinion ~~tend to~~ promote the prosperity and welfare and increase the usefulness of the FIU-HCN and shall perform such other duties as are necessarily incident to the office of the President. ~~The~~Unless delegated to FIU-HCN management by the Board, the President shall sign all certificates, bonds, deeds, mortgages, leases, and contracts of the FIU-HCN as approved by the Board. The President shall perform all duties, as the Board shall designate. The President of the FIU-HCN may delegate certain duties with the Board's approval.

Vice President. In case of the death or absence of the President, or of his/her inability from any cause to act, the Vice President shall perform the duties of the President.

Secretary/Treasurer. It shall be the duty of the Secretary/Treasurer to give notice of and attend all meetings of the FIU-HCN and all committees and keep a record of their doings; to conduct all correspondence and to carry into execution all orders, votes, and resolutions not otherwise committed; to keep a list of the members of the FIU-HCN; to notify the officers and members of the FIU-HCN of their election; to notify members of the FIU-HCN of their appointment on committees; to furnish the chairman of each committee with the results of the vote under which the committee is appointed, and at his/her request give notice of the meetings of the committee; and generally to devote his/her best efforts to forwarding the business and advancing the interests of the FIU-HCN. The Secretary/Treasurer shall have the care and custody of the money, funds, valuable paper and documents of the FIU-HCN. The Secretary/Treasurer shall keep accurate books of accounts of the FIU-HCN's transactions, which shall be the property of the FIU-HCN, and shall render financial reports and statements of condition of the FIU-HCN when so requested by the Board or President. In case of absence or disability of the Secretary/Treasurer, the Board shall appoint a Secretary/Treasurer pro tem. The

Secretary/Treasurer shall be the keeper of the corporate seal.

Section 3. Bond of Secretary/Treasurer. The Secretary/Treasurer shall give to the FIU-HCN such security for the faithful discharge of his/her duties as the Board may direct.

Section 4. Vacancies. All vacancies in any office shall be filled ~~by the Board~~ without undue delay, at any regular meeting, or at a meeting specially called for that purpose.

Section 5. Compensation of Officers. The officers ~~shall~~may receive such salary or compensation as the Board may determine, pursuant to the policies and regulations of the University and its Board of Trustees and applicable State of Florida and federal law.

ARTICLE VI POWERS OF THE UNIVERSITY'S PRESIDENT

The President of FIU or designee shall have the following powers and duties: (1) monitor and control the use of university resources by the FIU-HCN; (2) control the use of the university name by the FIU-HCN; (3) monitor compliance of the FIU-HCN with state and federal laws and regulations; (4) ~~Recommend~~recommend to the Board of Trustees an annual budget; (5) approve salary supplements and other compensation or benefits paid to FIU-HCN employees and to university faculty and staff from the FIU-HCN assets, consistent with Board of Trustees' policies; (6) ensure that the FIU-HCN enacts a policy on ethics and conflicts of interest; ~~(7) direct the University to audit the books~~ and ~~(7) records of FIU-HCN; and~~ (8) ratify all nominees to the Board and all appointments to Board Committees.

ARTICLE VII 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 President of the FIU-HCN Board. Standing Committees or Special Committees shall have the power to establish Sub-Committees. The President of the FIU-HCN Board 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. The actions of any committee shall be subject to review and approval by the Board at its next meeting, except when the power to act is specifically granted to a committee by these Bylaws or by action of the Directors. Each committee shall keep approved minutes and submit them to the Directors for review.

Section 2. Standing Committees. At the first meeting of the Board after its election, or as soon thereafter as practicable, the President of the FIU-HCN Board shall appoint such committees as he/she may deem necessary and advisable to assist in the conduct of the FIU-HCN's affairs.

There shall be two (2) standing committees of the Board: the Finance and Audit Committee and the Executive Committee ~~on Nominations~~.

Section 3. Special Committees. The President of the FIU-HCN Board may, at any time, appoint other committees to deal with specific issues, for which there is no Standing Committee. Special Committees shall be discharged by the President upon completion of the task for which they are established.

Section 4. Committee Quorum. A majority of any committee of the FIU-HCN shall constitute a quorum for the transaction of business, unless any such

committee shall, by a majority of its entire membership, decide otherwise.

Section 5. Committee Vacancies. The authority, which originally appointed a committee, shall have the power to fill any vacancy on the committee.

Section 6. Committees of the Board

~~6.1~~ 6.1 Executive Committee Membership. The members of the Executive Committee are as follows:

- a) Officers of the Board (President, Vice President and Secretary/Treasurer);
- b) Chair of the Finance and Audit Committee;
- c) Chief Financial Officer of the University;
- d) The Board Member serving as the President's designee; and
- e) Any other Board members appointed by the President of the University.

6.2 Authority of the Executive Committee

The Executive Committee of the Board of the FIU-HCN 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 FIU-HCN, to remove Directors or Officers or to elect Officers, or to take any action requiring a super-majority of the Board. The Executive Committee shall meet at the call of the President of the Board. 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

President of the Board or 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.

6.3 The Finance and Audit Committee. The Finance and Audit Committee shall have at least five (5) members. The President of the FIU-HCN Board shall appoint to the Finance and Audit Committee the following:

- a) one (1) member who is a Community Member serving on the Board as a Financial Expert;
- ~~b) two (2)~~ b) at least one (1) and up to three (3) additional Community Members; and
- c) no more than two (2) additional committee members.

In addition, the following Board members shall serve *ex-officio*:

- ~~a)~~ ad) the Chief Financial Officer of FIU or his or her designee; and
- ~~b)~~ be) the Secretary-Treasurer of the Board if not appointed as one of the members listed above.

Members who ~~do are~~ not ~~serve ex-officio~~ Board members may be appointed for two (2) successive three (3) year terms and reappointed after two (2) terms so long as such Committee member does not serve on the Committee for at least one (1) year between terms. Board members may serve on the Finance and Audit Committee so long as they are Board members.

An audit shall be conducted annually by outside public accountants and presented to the Finance and Audit Committee, which shall in turn present the report of audit, including the scope of the examination, to the members of the FIU-HCN at their next meeting with such

recommendations as the Finance and Audit Committee shall deem appropriate. 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. It shall address and oversee financial and administrative policy matters for the FIU-HCN. Notwithstanding anything contained herein to the contrary, the University shall have the right to audit the books, records and operations of the FIU-HCN, as the University determines appropriate in the exercise of its oversight over the FIU-HCN.

The Committee shall, subject to overall guidance by the Board, establish the fees and/or methodology to establish fees for clinical services provided by clinical faculty members supported by the FIU-HCN and for facility fees. It shall, subject to guidance from the Board, establish a billing and collection policy. The Finance and Audit Committee shall be responsible for the periodic review of the FIU-HCN's financial performance, and provide advice and recommendations to the Board on financial matters. The Finance and Audit Committee shall approve the FIU-HCN's annual budget and thereafter periodically review actual performance against the budget. The budget shall be reviewed and recommended to the Board before the beginning of the FIU-HCN's fiscal year. Each year the budget shall be approved by the Board and recommended by the University President to the Board of Trustees no later than sixty (60) days following the beginning of the FIU-HCN's fiscal year. The Board of Trustees must approve the FIU-HCN's budget before it can be enacted.

The Executive Associate Dean for Finance shall be an ex officio non-voting member of the Finance Committee. The Committee shall keep a record of its proceedings and may appoint the Secretary/Treasurer for that purpose.

~~6.2 Committee on Nominations. Prior to the Annual Meeting, the President of the FIU-HCN shall appoint a Committee of Nominations of at least three (3) and no more than five (5) members whose duty it shall be to nominate candidates to fill vacancies in the Community Board Member positions. The President of the FIU-HCN Board shall name the Chair of the Committee who shall be a Board member.~~

Section 7. Composition of Committees. Individuals other than Directors shall be eligible to serve on committees. However, the Chairperson of the Committees shall be a Director.

ARTICLE VIII MEETINGS OF THE FIU-HCN

Section 1. Annual Meeting of the FIU-HCN. ~~There~~One of the regular meetings of the FIU-HCN shall be an annual meeting for receiving the annual reports of officers, directors and committees, and the transaction of other business. Notice of the meeting, signed by the Secretary/Treasurer, shall be mailed by U.S. Mail or delivered electronically, except as herein or by statute otherwise provided, to the last recorded physical or electronic address of each member at least ten (10) days and not more than fifty (50) days before the time appointed for the meeting. All notices of meetings shall set forth the place, date, time and purpose of the meeting.

Section 2. Regular Meetings. Regular meetings of the Board shall be held no less often than ~~quarterly~~two times per year. Notice of the meeting, signed by the Secretary/Treasurer, shall be mailed by U.S. Mail or delivered electronically, except

as herein or by statute otherwise provided, to the last recorded physical or electronic address of each member at least ten (10) days and not more than fifty (50) days before the time appointed for the meeting. The purpose of regular meetings shall be for the transaction of such business as may lawfully come before each meeting. The Secretary/Treasurer of the FIU-HCN shall provide the directors with a schedule of the regular meetings.

Section 3. Special Meetings. The President of FIU-HCN, the President of FIU or any two (2) Board members may call special meetings of the Board. No business other than that specified in the notice of meeting shall be transacted at any special meeting of the Board.

Section 4. Telephone Meetings. The Board and Committee meetings may be conducted by telephone conference or similar communications facilities if the President or the Chairperson of the Committee determines it is appropriate and if all persons participating in such meetings are able to hear each other as if the meeting were held in person.

~~Section 5.~~ Section 5. 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 President 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 6. Waiver. A Member, Officer or Director may not waive any notice required to be given by law or under these Bylaws.

Section ~~6~~7. Quorum. The presence in person, or telephonically, if ~~Chairperson~~President has permitted participation by telephone, of ~~a majority~~eight of the Directors of the FIU-HCN entitled to vote shall be necessary to constitute a quorum for the transaction of business.

Section ~~7~~8. Voting. If the manner of deciding any question has not otherwise been prescribed, it shall be decided by a majority of the votes cast at a meeting at which a quorum is present.

Section ~~8~~9. Action by Written Consent. All actions required or permitted to be taken by the Board must be taken at a meeting of the Board or of any committee designated by the Board.

Section ~~9~~10. Order of Business. Roberts Rules or Order will be followed at all the meetings of the FIU-HCN and the Board.

The ~~Chair~~President without debate shall decide any question as to priority of business.

This order of business may be altered or suspended at any meeting by a majority vote of the members present.

Section ~~10~~11. Agenda and Minutes. A written agenda of the matters to be considered at a Board or committee meeting shall be delivered to members thereof prior to such meeting.

Written minutes of the proceedings of the Board and committees shall be maintained and all actions taken at Board and committee meetings shall be properly recorded in the minutes.

ARTICLE IX ADMINISTRATION POLICIES

Section 1. Chief Executive Officer. The Board shall appoint a Chief Executive Officer (“CEO”) of the FIU-HCN. The appointment is subject to the approval of the Dean of the HWCOM / Senior Vice President for ~~Medical~~Health Affairs. As CEO, he/she shall oversee all day-to-day affairs of the FIU-HCN.

Section 2. Affairs and Operations. Notwithstanding any other provision of these Bylaws to the contrary, the affairs and operations of the FIU-HCN shall be conducted in strict compliance with the policy and regulations of the Florida Board of Governors and the University concerning the faculty practice plan for the HWCOM, approved at the January 24, 2008, meeting, as it may hereafter be amended. Any employee of the State of Florida who is assigned to work on FIU-HCN matters shall provide services on behalf of the FIU clinical faculty practices and will not be considered an employee of the FIU-HCN.

Section 3. Financial Audits and Reports. All financial records of the FIU-HCN shall be available to the appropriate personnel of the University from time to time as determined by the ~~Dean of the HWCOM / Senior Vice~~ President ~~for Medical Affairs~~of the University. The Board shall engage an independent certified public accountant (CPA) to perform an annual audit of the organization’s financial statements, with the objective being to render an opinion on the financial statements. The cost of the audit shall be borne by the FIU-HCN as an operating expense. Copies of each annual audited financial report shall be promptly provided to the President of the University and the Dean of the HWCOM / Senior Vice President for ~~Medical~~Health Affairs for their review.

Section 4. Distribution of Net Receipts. The accumulation, expenditure and distribution of all funds of FIU-HCN shall be exclusively for the improvement and support of medical education at colleges and departments generating the income and

shall be made only after approval by the Dean of HWCOM / Senior Vice President for ~~Medical~~Health Affairs or his/her designee.

ARTICLE X SEAL

The seal of the FIU-HCN shall be as more particularly shown in the following impression.

ARTICLE XI COMMITMENT TO COMPLIANCE

The FIU-HCN is a tax-exempt organization dedicated to providing ~~high quality clinical services~~administrative services to support University clinical and educational services provided to students and to the South Florida community. The FIU-HCN is committed to meeting the highest ethical standards in all of its operations ~~and clinical services.~~ It is committed to compliance with the laws, rules and regulations that govern its operations and committed to establishing a compliance program that will provide the FIU-HCN employees with tools to understand and comply with such laws.

ARTICLE XII AMENDMENTS

The Bylaws of the FIU-HCN shall be made, altered or rescinded by a two-thirds vote of all members of the Board at any regular or at any special meeting called for that purpose; provided, however, that no bylaw may be adopted, amended or rescinded without the prior written approval of the President of FIU. All amendments to the Bylaws of the FIU-HCN must be approved by the Board of Trustees of FIU, upon recommendation of the President of FIU prior to their

effective date. All amendments to the Bylaws and Articles of Incorporation of the FIU-HCN shall comply with and be subject to Florida law and applicable state and University rules, regulations and policies.

ARTICLE XIII INDEMNIFICATION

The indemnification of any director, officer or employee of the FIU-HCN shall be as provided by law.

ARTICLE XIV DISSOLUTION

In the event that the FIU-HCN shall dissolve or otherwise terminate its corporate existence, subject to the provisions of Chapter 617, Florida Statutes, the FIU-HCN shall distribute all its existing assets as provided in the Articles of Incorporation in compliance with applicable State of Florida and federal law.

Fourth Amended Bylaws Amendments Proposed May 2016

University Presidential Approval ~~July 20, 2012~~ May 12, 2016

Board of Directors Approval ~~July 26, 2012~~ May 16, 2016

Fourth Amended Bylaws Amendments Proposed November 2016

University Presidential Approval October 31, 2016

Board of Directors Approval _____

FIU Board of Trustees Approval ~~September 11, 2012~~

of May 2016 and November 2016
Amendments

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**~~SECOND-THIRD~~ AMENDED AND RESTATED
ARTICLES OF INCORPORATION**

**THE FLORIDA INTERNATIONAL UNIVERSITY ACADEMIC HEALTH
CENTER
HEALTH CARE NETWORK FACULTY GROUP PRACTICE, INC.**

A Florida Not-For-Profit Corporation

The undersigned subscribers do hereby associate ourselves together to form a not-for-profit corporation pursuant to the laws of the State of Florida, and for these purposes do hereby adopt the following Amended and Restated Articles of Incorporation.

ARTICLE I. NAME

The name of this corporation shall be THE FLORIDA INTERNATIONAL UNIVERSITY ACADEMIC HEALTH CENTER HEALTH CARE NETWORK FACULTY GROUP PRACTICE, INC. For convenience, the corporation shall be referred to as the "FIU-HCN".

ARTICLE II. PURPOSES

The FIU-HCN is organized and shall be operated exclusively for scientific, educational and charitable purposes within the intent and meaning of Section 501(c)(3) of the Internal Revenue Code of the United States. Further, the FIU-HCN shall exist exclusively to support the mission of Florida International University (hereinafter referred to as "FIU") to improve and support health education at the Florida International University in the Herbert Wertheim College of Medicine (HWCOM), the Robert Stempel College of Public Health and Social Work (RSCPHSW), the Nicole Wertheim College of Nursing and Health Sciences (NWCNHS), and departments in the College of Arts, ~~and~~ Sciences and Education (CASE) with clinical activities.

ARTICLE III. POWERS

The FIU-HCN shall have all of the powers now provided or which may hereafter be provided for not-for-profit corporations by the laws of the State of Florida, and is empowered to do all acts and things as from time to time may be necessary or expedient

in order to accomplish its general purposes all in accordance with and subject to the Bylaws of the FIU-HCN and the limitations of applicable State of Florida and federal laws and regulations including the authority granted to the Board of Trustees of FIU. No part of the net earnings of the Corporation shall inure to the benefit of any member, director, or officer of the FIU-HCN, or to any other private individual. In exercising these powers and performing their duties, the Board of Directors shall have the powers, duties, and responsibilities vested in the directors of Florida not for profit corporations and those set forth in Florida Board of Governors Regulation 9.017 as may be amended from time to time. In particular, the FIU-HCN shall not engage in any activities prohibited by a corporation exempt from Federal income tax under section 501(C)(3) of the Internal Revenue Code, as revised from time to time. The FIU-HCN shall not be empowered to do any act or thing which would cause it to lose its status as a not-for-profit corporation under the laws of the United States or of the State of Florida. No substantial part of the FIU-HCN's funding or activities shall be for the carrying on of propaganda or otherwise attempting to influence legislation, and the FIU-HCN shall not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office.

ARTICLE IV. MEMBERS

The Members of the FIU-HCN all shall be clinical faculty of the HWCOW who are actively involved in the clinical practice of medicine and faculty in RSCPHSW, NWCNHS, and CASE who engage in clinical activities as a part of their teaching assignment at FIU. Voluntary or adjunct faculty members are not eligible to be Members of the FIU-HCN. When any member ceases to be employed by FIU, his/her membership in the FIU-HCN shall be deemed automatically terminated.

ARTICLE V. BOARD OF DIRECTORS

Section 1. All corporate powers of the FIU-HCN shall be exercised by, or under the authority of, the Board of Directors in accordance with these Articles of Incorporation and the Bylaws of the FIU-HCN. Only Directors shall have a vote in meetings of the FIU-HCN's members or of the Directors.

Section 2. The Board of Directors shall be elected, hold office and direct the activities of the FIU-HCN in accordance with the Bylaws. The Directors of the Board shall be specified in the Bylaws.

Section 3. The qualifications, election procedures, terms of service, powers and duties of the Directors and Officers of the FIU-HCN shall be specified in the Bylaws.

ARTICLE VI. BYLAWS

The Bylaws of the FIU-HCN shall be adopted by the Board of Directors, and may be altered, amended or rescinded by the Board of Directors in the manner provided for in the Bylaws.

ARTICLE VII. AMENDMENTS TO ARTICLES OF INCORPORATION

The Articles of Incorporation of the FIU-HCN shall be made, altered or rescinded by a two-thirds vote of all members of the Board at any regular or at any special meeting called for that purpose; provided, however, that no provision of the Articles of Incorporation may be adopted, amended or rescinded without the prior written approval of the President of FIU. All amendments to the Articles of Incorporation of the FIU-HCN must be approved by the Board of Trustees of FIU, upon recommendation of the President of FIU prior to their effective date.

ARTICLE VIII. EARNINGS

No part of the net earnings of the FIU-HCN, if any, shall inure to the benefit of, or be distributed to, its members, Directors, Officers, or other private persons, except that the FIU-HCN is authorized and empowered, upon approval by the Board of Directors, to pay reasonable compensation to any person or organization for services rendered, to reimburse Officers and other Directors of the FIU-HCN for expenses incurred by them in the performance of their duties, and to pay salary supplements and expense allowances to officers and employees of the University. All such payments shall be governed by provisions of the Bylaws.

ARTICLE IX. DISSOLUTION

In the event of dissolution of the FIU-HCN or termination of its affairs, the Directors shall, after paying or making provision for payment of all of the liabilities of the FIU-HCN, distribute all of the remaining assets of the FIU-HCN to FIU to be used exclusively for the general purposes for which the FIU-HCN was organized, subject to the conditions, restrictions, and limitations to which such assets were subject when

they were assets of the FIU-HCN. No individual shall be entitled to share in the distribution of any of the assets of the FIU-HCN upon dissolution or termination.

ARTICLE X. INDEMNIFICATION

Every Director, Officer and employee of the FIU-HCN shall be indemnified by the FIU-HCN against and reimbursed for all reasonable expenses and liabilities, including attorneys' fees, reasonably incurred or imposed upon them in connection with any proceeding to which they may be a party, or in which they may become involved, by reason of their being or having been a Director, Officer or employee of this FIU-HCN, or any settlement thereof, whether or not they are Directors, Officers or employees at the time such are incurred, except in such cases where the Director, Officer or employee is adjudged guilty of willful malfeasance or misfeasance in the performance of duties; provided that, in the event of a settlement, the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being in the best interests of the FIU-HCN. With prior approval of the Board of Directors, costs, charges and expenses (including attorneys' fees) incurred by a Director, Officer or employee may be paid by the FIU-HCN in advance of the final disposition of such action, suit, or proceeding upon receipt of an undertaking by or on behalf of such Director, Officer, or employee to repay all amounts so advanced in the event it shall ultimately be determined that such Director, Officer or employee is not entitled to be indemnified by the FIU-HCN as authorized in this Article or under state law, and upon satisfaction of such other conditions as are required by current or future legislation. The decision by the FIU-HCN to indemnify a Director, Officer or employee or to make advances to a Director, Officer or employee shall be final and shall not be subject to judicial review. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Directors, Officers or employees shall be entitled. Notwithstanding the foregoing, the Board of Directors shall have the power to consolidate the representation of individual Directors, Officers and employees so that the FIU-HCN shall not incur unreasonable attorneys' fees and other costs. Prompt written notice, by registered mail, of all claims for which indemnification is or may be sought shall be given to the FIU-HCN and no settlement of any such claim shall be entered into without reasonable prior written notice, by registered mail, having been given to the FIU-HCN.

ARTICLE XI. REGISTERED OFFICE AND REGISTERED AGENT

The FIU-HCN hereby designates its Registered Office to be located at Florida International University, Office of the General Counsel, University Park, PC 511, Miami, Florida, 33199, or such other place as it may from time to time designate. In accordance with the Bylaws, the University President hereby recommends and the ~~Chairperson~~ FIU-HCN President hereby appoints ~~M. Kristina Raattama~~ Carlos B. Castillo, General Counsel, Florida International University, as Registered Agent of the FIU-HCN, to accept service process within this State, to serve in such capacity until a successor is selected and duly designated.

ARTICLE XII. EQUAL OPPORTUNITY/ACCESS

In its operations and activities, the FIU-HCN shall be governed by the principles of equal opportunity and access to all persons regardless of race, color, religion, sex, age, national origin, handicap or disability.

ARTICLE XIII. POWERS OF THE PRESIDENT AND USE OF UNIVERSITY RESOURCES

The President of the University or designee shall have the following powers and duties: (1) monitor and control the use of university resources by the FIU-HCN; (2) control the use of the university name by the FIU-HCN; (3) monitor compliance of the FIU-HCN with state and federal laws and regulations; (4) recommend to the Board of Trustees an annual budget; (5) approve salary supplements and other compensation or benefits paid to university faculty and staff from the FIU-HCN assets, consistent with Board of Trustees' policies; (6) ensure that the FIU-HCN enacts a policy on ethics and conflicts of interest; (7) direct the University to audit the books and records of FIU-HCN and (87) ratify all nominees to the Board and all appointments to Board Committees.

ARTICLE XIV. TAX RETURN

The FIU-HCN shall submit to the President of FIU and the Board of Governors of the State of Florida its Internal Revenue Service Application for Recognition of Exemption form (Form 1023) and its Federal Internal Revenue Service Return of Organization Exempt from Income Tax form (form 990) in accordance with Section 1004.28 of the Florida Statutes, as may be amended from time to time.

IN WITNESS WHEREOF, the undersigned Directors and Officers of The Florida International University Academic Health Center Health Care Network Faculty Group Practice, Inc., a Florida not-for-profit corporation, have executed these Articles of Incorporation effective this 4th-____ day of ~~May~~____, 201~~64~~.

John A. Rock, M.D.

~~Chairperson /Director~~FIU-HCN
President

Address: 11200 SW 8th Street, AHC2
Suite 693
Miami, Florida 33199

(SEAL)

STATE OF FLORIDA)
COUNTY OF DADE)

The foregoing instrument was acknowledged before me this 4th-____ day of ~~May~~____, 201~~64~~, by John A. Rock, M.D., the ~~Chairperson~~President of The Florida International University Academic Health Center Health Care Network Faculty Group Practice, Inc., a Florida not-for-profit corporation. The aforementioned individual is personally known to me and did not take an oath.

Notary Public, State of Florida

CERTIFICATION

I, ~~M. Kristina Raattama~~ Carlos B. Castillo, Registered Agent of The Florida International University Academic Health Center Health Care Network Faculty Group Practice, Inc., a Florida not-for-profit corporation, hereby certify that I am familiar with and accept the duties and responsibilities of the Registered Agent of the FIU-HCN as stated in its Articles of Incorporation.

IN WITNESS WHEREOF, I have hereunto set my hand and have affixed the seal of the FIU-HCN, this 4th _____ day of ~~May~~ _____, 201~~6~~1.

THE FLORIDA INTERNATIONAL UNIVERSITY
ACADEMIC HEALTH CENTER HEALTH CARE
NETWORK FACULTY GROUP PRACTICE, INC.
a Florida not-for-profit Corporation

By: _____

Presidential Approval

~~April 20~~ October 31, 201~~6~~1

Board of Directors Approval

~~April 20~~ _____, 201~~6~~1

FIU Board of Trustees Approval

~~June 21~~ _____, 201~~6~~1

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THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Governance Committee
December 1, 2016

Subject: Proposed Amendments to the Bylaws of the Florida International University Board of Trustees

Proposed Committee Action:

Recommend that the Florida International University Board of Trustees (the BOT) approve the amendments to the Bylaws of the BOT.

Background Information:

The proposed amendments to the FIU BOT Bylaws result from the foregoing:

The Florida Legislature enacted House Bill No. 7029, which amended Section 1001.71 of the Florida Statutes to include added requirements of university board membership and the conduct of board meetings. The Board of Governors thereafter adopted a revised Board of Governors (BOG) Regulation 1.001 to make the regulation compliant with revised statute Section 1001.71, Florida Statutes. The proposed amendments to the FIU BOT Bylaws is to bring them current and in compliance with F.S. §1001.71, and BOG Regulation 1.001.

The proposed amendment to FIU BOT Bylaw Section 4.6, Duties of Corporate Secretary, requires the BOT to keep and within two weeks after a board meeting, to “post prominently on the university’s website detailed meeting minutes for all meetings, including the vote history and attendance of each trustee . . .”, in compliance with new BOG Regulation 1.001(2)(j).

The proposed amendments to FIU BOT Bylaws Section 3.2, Attendance, and 4.4, Duties of Chair, are meant to conform with new BOG Regulation 1.001(2)(c), regarding BOT attendance.

The proposed amendments also include minor revisions to FIU BOT Bylaw Section 6.3, Special Meetings, correcting scrivener’s errors.

In addition, the BOG, in a July 20, 2016 memorandum, discussed best practices for the composition and placement of the Audit and Compliance Committees of University Boards of Trustees. (A copy of the memorandum is included in the materials relating to this action item.) The BOG recommended that the governing boards of universities and colleges, consider the importance of independence and autonomy, key factors to providing accountability and oversight, when evaluating their respective audit and compliance committee’s practices, compositions, and placement. The BOG highlighted that the independence of the audit committee, and its function, is important for a variety of reasons, including that audit committee functions do not take a back seat to other pressing university operations issues. During the BOT Governance Committee and Full Board meetings of

September 1, 2016, FIU staff advised the FIU BOT of the referenced memorandum, and BOT Chair Claudia Puig requested that FIU staff work with Trustee Gerald C. Grant, Jr. to address the memorandum and propose recommended changes. The proposed amendments create two new and separate committees, namely: (1) the Finance and Facilities Committee; and (2) the Audit and Compliance Committee. The new charters for each of these committees are covered by separate agenda items.

The Bylaws of the BOT establish a governance structure for the conduct of Board business and are intended to encourage efficiencies and to facilitate Board business.

BOG Regulation 1.001(3)(b) states that each board of trustees may establish committees of the board to address matters including, but not limited to, academic and student affairs, strategic planning, finance, audit, property acquisition and construction, personnel, and budgets.

Section 8.1 of the BOT Bylaws states, “[t]hese Bylaws may be altered, amended or repealed at any regular meeting of the Board by a two-thirds (2/3) vote of all members of the Board, when notice of the proposed amendment or repeal is provided in the meeting notice.

Supporting Documentation:

Proposed Amendments to the Bylaws of the Florida
International University Board of Trustees

Florida Board of Governors Memorandum dated July 20,
2016

Facilitator/Presenter:

Carlos B. Castillo

BYLAWS OF THE FLORIDA INTERNATIONAL UNIVERSITY BOARD OF TRUSTEES

ARTICLE I

ORGANIZATION

The Florida International University Board of Trustees (the “Board”) is established as a public body corporate, with all powers of a public body corporate as provided by Florida law, acting as an instrumentality of the state, pursuant to s. 768.28, Florida Statutes, for purposes of sovereign immunity. It shall serve as the governing body of the Florida International University (the "University") and perform all duties prescribed by law and by the Board of Governors.

The Board is the final institutional authority and delegates the conduct of administration and management of the University to the President. The Board entrusts the functions of teaching and research through the President to the Faculty. The Board encourages student, faculty and staff participation in decision-making within the limits of attainable effectiveness.

To establish a governance structure for the conduct of Board business, the Board establishes these Bylaws. These Bylaws are intended to encourage efficiencies and to facilitate Board business. These Bylaws, University Regulations and Board approved-policies take precedence over all other policies of the University.

ARTICLE II

THE BOARD

Section 2.1 Corporate Name. The Board of Trustees is a public body corporate called "The Florida International University Board of Trustees," with all the powers of a public body corporate under the laws of the State of Florida.

Section 2.2 Composition. The Board shall be composed of thirteen Trustees, six of whom shall be appointed by the Governor of the State of Florida and five of whom shall be appointed by the Board of Governors of the State University System of Florida, and all of whom are subject to confirmation by the Senate of the State of Florida. The other two members shall be the Chair of the Faculty Senate and the President of the University’s Student Government Association for the Modesto A. Maidique Campus and they shall also serve as voting Trustees during their terms of office.

Section 2.3 Powers and Duties. The Board shall serve as the governing body of the University. The Board shall have the authority to carry out all lawful functions permitted by these Bylaws, by regulations and policies of the Board of Governors and by law. The Board’s responsibilities include:

- Determining the mission of the University and ensuring that the mission is kept current and aligned with public purposes.
- Charging the President with the task of periodically leading a strategic planning process consistent with the Board’s strategic direction for the University; approving the strategic plan, and monitoring its effectiveness.

- Selecting, supporting, and evaluating the President and reviewing the President's compensation.
- Monitoring and overseeing the University's fiscal integrity; overseeing the University's financial resources and other assets; and preserving and protecting the University's assets for posterity,
- Protecting, through monitoring and oversight, within the context of faculty shared governance, the educational quality of the University and its academic programs; and preserving and protecting the University's autonomy, academic freedom, and the public purposes of higher education.
- Engaging regularly, in concert with senior administration, with the University's major constituencies.
- Approving University regulations and Board policies.
- Conducting the Board's business in a business-like fashion and with appropriate transparency, adhering to the highest ethical standards and complying with applicable open-meeting and public-record laws.
- Keeping Board governance policies and practices current.
- Periodically assessing the performance of the Board, its committees, and its members.

In fulfilling their Board duties, Trustees may rely on information, opinions, and reports provided by University administrators to the Board, so long as the Trustees reasonably and in good faith believe them to be reliable and competent.

The Board may delegate and provide for the further delegation of any and all powers and duties, subject to the limitations set forth in law.

Section 2.4 Corporate Seal. The University shall have a seal on which shall be inscribed "Florida International University". The seal shall be used only in connection with the transaction of business of the Board and of the University. The Corporate Secretary may affix the seal on any document signed on behalf of the University. The seal of the University shall be consistent with the following form and design:



ARTICLE III

THE TRUSTEES

Section 3.1 Term of Office. Trustees shall serve for staggered 5-year terms, as provided by law and may be reappointed for subsequent terms, except for the faculty and student representatives who shall serve for the duration of the term of their respective elected offices.

Section 3.2 Attendance. All ~~T~~trustees are expected to attend board and committee meetings. If a ~~T~~trustee has three consecutive unexcused absences in any fiscal year, the Chair shall, pursuant to and in accordance with Section 1001.71, Florida Statutes, notify the Governor or the Board of Governors, as applicable, in writing, of such unexcused absences, which may be grounds for removal of such Trustee by the Governor or the Board of Governors, as applicable. ~~will ensure that the trustee is still willing and able to serve, and will notify the appointing authority of the specific Trustee's attendance record.~~

Section 3.3 Vacancies. Vacancies shall be filled by the appointing authority, subject to confirmation by the Senate of the State of Florida.

Section 3.4 Compensation. Trustees shall serve without compensation but may be reimbursed for travel and per diem expenses in accordance with state law.

Section 3.5 Emeritus Status. The Board shall have the special member categories of Chairperson Emeritus and Trustee Emeritus for honorary purposes to recognize past Chairpersons and Trustees who have provided distinguished and extraordinary service and contributions to the University and are no longer serving in that capacity. Trustees shall be elected by a two-thirds vote of the Board for either of the above defined designations. Trustees receiving the Chairperson or Trustee Emeritus title may attend meetings of the Board but shall not have the right to vote and shall not be considered in constituting a quorum. This provision shall only be applicable to Trustees whose Board service commenced prior to June 30, 2014; thereafter, this provision shall no longer be effective.

ARTICLE IV

OFFICERS OF THE BOARD

Section 4.1 Officers. The officers of the Board are the Board Chair, Board Vice Chair, and the Executive Officer and Corporate Secretary.

Section 4.2 Selection / Term of Officers. The Board Chair and Vice Chair shall each serve for a two year term. The Board shall select, by majority vote, the Board Chair and Board Vice Chair from the appointed members at the last regularly scheduled meeting of the fiscal year and the Board Chair and Vice Chair will serve for the two fiscal years following thereafter. The Chair and Vice Chair shall be eligible for reselection for one additional consecutive two-year term. Normally, to be eligible for election as Chair or Vice Chair, a member of the Board shall have at least two years remaining on his or her term of appointment. Any additional term of office must be approved by a two-thirds vote of the Board. The University President shall serve as Executive Officer and Corporate Secretary of the Board.

Section 4.3 Vacancies in Office of Chair or Vice Chair. In the event of a vacancy in the Chair and/or Vice Chair positions, an election will be held as soon as practical after the vacancy occurs to select a member of the Board, by a majority vote, to the applicable vacant position(s). The newly selected officer(s) will serve terms as specified in Section 4.2 above. This may result in the Board Chair and Vice Chair terms of office not running concurrently. While the Vice Chair shall be the

presumptive successor to the Chair when a vacancy occurs, the Chair shall be selected as specified in Section 4.2 above.

Section 4.4 Duties of Chair. The duties of the Board Chair include presiding at all meetings of the Board, calling special or emergency meetings of the Board when necessary, appointing and removing Committee Chairs and Committee members, establishing and disbanding ad hoc committees, task forces or working groups of the Board, attesting to the actions of the Board, serving as the spokesperson for the Board and fulfilling other duties as assigned by the Board. The Board Chair shall also notify the Governor or Board of Governors, as applicable, of a Trustee's record of unexcused absences as required by Section 1001.71, Florida Statutes and Section 3.2 of these Bylaws.

Section 4.5 Duties of Vice Chair. The Board Vice Chair shall act as Board Chair during the absence or disability of the Board Chair and during any temporary period of vacancy before election of a new Board Chair pursuant to Section 4.3 above.

Section 4.6 Duties of Corporate Secretary. The University President, as Executive Officer and Corporate Secretary of the Board, is responsible for giving notice of all meetings of the Board, setting the agenda and compiling the supporting documents for the meetings of the Board in consultation with the Board Chair, recording and maintaining detailed the minutes of any Board meeting, including the vote history and attendance of each Trustee, executing or attesting to all documents that have been executed by the Board, and shall be custodian of the University's seal. Minutes of each Board meeting shall be prominently posted on the University's website within two weeks after such Board meeting.

ARTICLE V

DUTIES OF THE PRESIDENT

The University President shall serve as the principal liaison officer and official contact between the Board and the faculty, staff and students of the University. The University President shall be responsible for the operation and administration of the University, including efficient and effective budget and program administration, leading the University to accomplish its education missions and goals, monitoring educational and financial performance, consulting with the Board in a timely manner on matters appropriate to its policy-making and fiduciary functions, and serving as the University's key spokesperson. The President shall have the authority to execute all documents and take all actions on behalf of the University and the Board consistent with law, Board regulations, policies and delegations, these Bylaws and the best interests of the University.

ARTICLE VI

MEETINGS

Section 6.1 Applicability of Sunshine Law. All meetings of the Board and its Committees shall be open to the public at all times unless the matter being discussed or acted upon falls within the provisions of law allowing closed meetings. No formal action shall be considered binding except as taken or made in accordance with Section 286.011, Florida Statutes.

Section 6.2 Regular Meetings. Meetings of the Board shall be held as needed, with a minimum of four (4) regular meetings per year. Meetings may be held at the Florida International University or other locations as deemed necessary and appropriate by the Board, consistent with Section 286.011, Florida Statutes. The schedule of meetings is to be available on the Board's website.

Section 6.3 Special Meetings. The Board may hold special meetings, including hearings and workshops, at times and places designated by the Board Chair. The Corporate Secretary shall send written notice of such special meetings to all Trustees, along with a statement of the purpose of the meeting, at least 48 hours in advance. Only matters included in the Chair's call of the meeting may be considered at a special meeting except a new matter may be added by an affirmative vote of a majority of the Trustees at the meeting.

Section 6.4 Emergency Meetings. Meetings of the Board may be held for the purpose of acting on emergency matters affecting the university or public health, safety, or welfare. Notice of the time, date, place and purpose of an emergency meeting will be posted on the Board's website and forwarded to a major newspaper of general circulation in the area where the meeting will take place. The media may also be notified through a press release issued by the Media Relations Office.

Section 6.5 Notice of Meetings. Reasonable prior notice of all meetings shall be provided in accordance with Florida law. Notice of regular and special meetings will be provided by posting the notice and agenda on the Board's website and faxing such notice and agenda to a major newspaper of general circulation. Notice of emergency meetings shall be provided as described above.

Section 6.6 Telephonic Meetings. At the discretion of the Board Chair, Full Board and Committee meetings may be held through teleconferencing or other electronic means. Additionally, while Trustees are expected to attend most in person Board and Committee meetings, the Board Chair may give permission for participants to participate through teleconferencing or other electronic means when this is deemed necessary.

Section 6.7 Quorum. A majority of the members of the Board must be present to constitute a quorum for the transaction of business.

Section 6.8 Voting. Unless otherwise provided in these Bylaws, the decision of the majority of the Trustees in attendance and voting on the question shall prevail. No Trustee present at a Board meeting or Committee meeting may abstain from voting except for those circumstances when a Trustee has a specific recognized conflict of interest under Florida law. Trustees are prohibited from voting on any matters which the Trustee knows would inure to his or her individual special private gain or loss. A Trustee is encouraged to abstain from voting when a Trustee has any other conflict of interest recognized under the Florida Code of Ethics but Trustees are permitted by Florida law to vote when such a conflict of interest is present so long as the Trustee discloses the conflict of interest. Trustees with voting conflicts are required to inform the Board in the manner prescribed by the Florida Commission on Ethics. Voting by proxy or by mail is not permitted.

Section 6.9 Meeting Agendas. The Corporate Secretary or his/her designee, in consultation with the Board Chair, shall set the agenda for meetings. The Corporate Secretary will provide a copy of the agenda and supporting documentation to each member of the Board for regular meetings and, when possible, special meetings, at least seven (7) calendar days prior to the meeting, and for emergency meetings and all other special meetings, as soon as practical after the meetings are scheduled. Failure

to provide an agenda by the time specified in these Bylaws will not affect the ability of the Board to vote on any items. If additional items or supporting documentation become available prior to the meeting, a supplemental agenda will be provided. Agendas shall list items in the order they are to be considered. Items may be considered out of their stated order at the discretion of the Chair. The Board may also consider and vote on items not included in the published agenda.

Normally, agenda items that come before the Board have been considered and recommended by a Committee of the Board. However, the Chair may, in consultation with the Corporate Secretary, allow an item to be presented to the full Board without prior consideration by a Board committee when circumstances warrant.

Section 6.10 Consent Agenda and Action Items. At regular meetings of the Board, the Board shall vote on matters appearing on the Consent Agenda in its entirety, unless an individual Trustee requests that a separate vote be taken on a particular item. A separate vote shall be taken on each item appearing as an Action Item on the Agenda.

Section 6.11 Rules of Procedure. *Roberts Rules of Order*, newly revised, will be followed in conducting meetings of the Board, unless otherwise provided by the Board Bylaws. The Chair shall resolve questions regarding interpretations under these Bylaws or Roberts Rules.

Section 6.12 Minutes. Minutes of the meetings of the Board shall be kept by the Corporate Secretary, who shall cause them to be preserved and who shall transmit copies to the members of the Board. All lengthy reports shall be referred to in the minutes and shall be kept on file as part of the University records, but such reports need not be attached to the minutes except when so ordered by the Board.

ARTICLE VII

COMMITTEES

Section 7.1 Committees. Except for the Governance Committee, the membership of which is specified in these Bylaws, the Board Chair, in consultation with the President, shall appoint members of Committees, their Chairs, and Vice Chairs based upon their expertise in matters relating to that Committee and may also remove any members. All Committees shall have no fewer than three (3) members. Unless specifically delegated or as otherwise provided in these Bylaws, authority to act on all matters is reserved exclusively to the Board and the duty of each Committee shall be to consider and to make recommendations to the Board upon matters referred to it. Each Committee shall have a written statement of purpose and primary responsibilities, or charter, as approved by the Board. The chairs of all Committees shall perform their duties and shall have the responsibility and authority to place matters on the Board's agenda, with approval of the Board chair.

Section 7.2 Standing Committees. The following Committees shall be standing Committees of the Board until dissolved by the Board:

The **Academic Policy and Student Affairs Committee** shall be responsible for oversight of all policies relating to the academic and student affairs of the University. It shall assist the Board in its oversight responsibilities relating to aspects of student life and student conduct. It shall review the infrastructure and resources necessary to deliver the academic and student life programs and for the accreditation of the University and professional programs. It shall be responsible for reviewing and

considering policies relating to new and existing degree programs, instruction and research. It shall review and consider policies relating to the recruitment and retention of faculty members, including tenure, academic freedom and academic responsibility, codes of conduct and appropriate penalties for violations of University regulations pertaining to academic dishonesty, and student admissions, and make recommendations to the Board on these and other matters referred to it by the Board.

The **Athletics Committee** shall serve as the primary advisory body to the President in matters relating to intercollegiate athletics. It shall insure the proper role of athletics within the overall mission of the University. It shall insure the integrity of the athletics program with regard to NCAA, the University's athletic conference, state and federal law compliance and gender equity on Intercollegiate Athletics. It shall work to maintain the proper perspective of athletic competition within the university life of the student-athlete. It shall monitor the academic performance and progress made by student-athletes. It shall oversee all programs designed to insure the academic success, personal development and personal welfare of student-athletes.

The **External Relations Committee** is responsible for reviewing and recommending to the Board policies relating to local, state and federal legislation; working to identify all major local, state and federal activities affecting the University; reporting to the Board recommended actions which will further the University's mission; reviewing and recommending to the Board policies affecting communications with the media and with the public, including alumni of the institution; and reviewing and considering programs that advance the University's reputation and further the University's teaching, research, and service missions in the local, state, national, and international communities.

~~The **Finance and Audit Committee** is responsible, for providing oversight over the University's financial resources and other assets and for reviewing internal and external audits of the University, direct support organizations, and the University's faculty practice plan corporation, together with responses and corrective actions, as applicable. This includes receiving and reviewing information regarding the fiscal operations of the University and reviewing and, when appropriate, recommending to the Board for its approval: the University's annual operating and capital outlay budgets; the University's investment policy; the University's Capital Improvement Program list for funding by the Legislature, including the Public Education Capital Outlay list; debt issuances; the University's master plan(s); honorary and donative namings of University facilities; regulations and Board policies pertaining to the financial resources and other assets of the University; advising the Board on all aspects of internal and external audit; advising the Board on the adequacy of accounting procedures, systems, controls, and financial reporting in accordance with applicable laws and regulations; and overseeing and monitoring the University's compliance program.~~

The **Finance and Facilities Committee** is responsible, for providing review, policy guidance and strategic oversight of the university's financial matters, financial reporting statements, campus master planning activities and other real estate type activities for both the University and its direct support organizations ("DSO"). This includes receiving and reviewing information regarding the fiscal operations of the University and reviewing and, when appropriate, recommending to the Board for its approval: the University's annual operating and capital outlay budgets; the University's investment policy; the University's Capital Improvement Program list for funding by the Legislature, including the Public Education Capital Outlay list; debt issuances; the University's master plan(s); honorary and donative namings of University facilities; and regulations and Board policies pertaining to the financial resources and other assets of the University.

The **Audit and Compliance Committee** is responsible, in assisting the Florida International University Board of Trustees (“Board”) in discharging its oversight responsibilities, including but not limited to, reviewing procedures in place to assess and minimize significant risks, overseeing the quality and integrity of financial reporting practices (including the underlying system of internal controls, policies and procedures, regulatory compliance programs, and ethical code of conduct), and overseeing the overall audit process. This includes advising the Board on the adequacy of accounting procedures, systems, controls, and financial reporting in accordance with applicable laws and regulations; and overseeing and monitoring the University’s compliance program.

The **Governance Committee** is responsible for reviewing and making recommendations to the Board on various Board functions, including, periodically reviewing these Bylaws; evaluating the Board’s performance; overseeing governance of the University’s affiliated organizations; overseeing Presidential personnel matters, including the annual evaluation of the President; considering collective bargaining matters coming before the Board; and establishing regulations and Board policies regarding University governance. Furthermore, the Governance Committee shall have and may exercise all powers and authority of the Board on an as needed basis between regular Board meetings for time-sensitive matters, subject only to such restrictions or limitations as the Trustees may from time to time specify, except that the following matters shall be reserved to the full Board for approval (i) Board officer selection, (ii) changes in the mission and purposes of the institution, (iii) presidential selection and termination, (iv) amendments to the Bylaws, (v) debt issuances, (vi) sale or other disposition of real property, (vii) the University’s annual operating and capital outlay budgets and the University’s Capital Improvement Program list for funding by the Legislature, including the Public Education Capital Outlay list, and (viii) any other matter required by law or Board of Governors’ regulation to be approved by the full Board. All actions taken by the Governance Committee pursuant to this authority shall be reported at the next meeting of the full Board, or when deemed sufficiently important by the Board Chair and the University President, such actions shall be reported to the Trustees within thirty (30) days after such action is taken, or at a meeting of the Trustees if a meeting is held within that period of time. The Governance Committee shall be comprised of the Board Chair, Board Vice Chair and all Committee Chairs.

The **Health Affairs Committee** is responsible for oversight of all policies relating to the Academic Health Center; assisting the Board in its oversight responsibilities relating to aspects of the Colleges of Medicine, Nursing and Health Sciences, Public Health and Social Work, Arts and Sciences (School of Integrated Science and Humanity), and Engineering and Computing (Department of Biomedical Engineering) that deal with health affairs; assisting the Board in its oversight responsibilities of the University’s clinical activities, including the faculty practice plan and the delivery of student health services; reviewing the infrastructure and resources necessary for the operation and integration of the Academic Health Center; and assisting the Board in providing strategic direction regarding affiliation activities for clinical instruction and practice for all faculty and students in the Academic Health Center.

Section 7.3 Ad-Hoc Committees. Ad-Hoc Committees shall be appointed by the Board Chair with such powers and duties and period of service as the Board Chair may determine, provided that no ad-hoc committee shall be created to act upon any matter appropriate to be acted upon by a standing committee. The Chair of any ad-hoc committee shall be appointed by the Board Chair and shall perform his/her duties in consultation with the University President.

Section 7.4 Quorum. A majority of the regular committee members shall constitute a quorum for all committee meetings. A quorum having been established, no business shall be transacted without a majority vote of all committee members present.

ARTICLE VIII

AMENDMENT OR SUSPENSION OF BYLAWS

Section 8.1 Bylaw Amendments. These Bylaws may be altered, amended or repealed at any regular meeting of the Board by a two-thirds (2/3) vote of all members of the Board, when notice of the proposed amendment or repeal is provided in the meeting notice.

Section 8.2 Suspension of Bylaw Provisions. Any provision of these Bylaws may be suspended in connection with the consideration of a matter before the Board by an affirmative vote of not less than two-thirds (2/3) of the members of the Board.

ARTICLE IX

APPEARANCES BEFORE THE BOARD

Section 9.1 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 Board of Trustees Office at 11200 S.W. 8 Street, PC 548, Miami, Florida 33199, and must be submitted to the Board of Trustees Office no later than 11:00 a.m. on the business day preceding the Board meeting.

The Assistant Corporate Secretary, in consultation with the General Counsel, shall determine whether the speaker is entitled to be heard in accordance with applicable law. Each Trustee will be provided with an opportunity to review the list of individuals who are on the agenda to appear before the Board, as well as the names of any who were not placed on the agenda.

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 9.2 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 9.3 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 X

ACADEMIC FREEDOM

Statement of Board Policy on Academic Freedom

Florida International University is dedicated to the transmission and advancement of knowledge and understanding. Academic freedom is essential to the achievement of these purposes. The University therefore supports and encourages freedom of inquiry for faculty members and students, to the end that they may responsibly pursue these goals through teaching, learning, research, discussion and publication, free from internal or external restraints that would unreasonably restrict their academic endeavors. The University shall protect faculty and students in their responsible exercise of freedom to teach and learn.

ARTICLE XI

MISCELLANEOUS

Section 11.1 Conflict of Interest Policy. Trustees stand in a fiduciary relationship to the University. Therefore, Trustees shall act in good faith, with due regard to the interests of the University, 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. The Board shall adopt a written conflict of interest policy, which shall be reviewed periodically and revised as necessary.

Section 11.2 Limitation of Liability and Indemnification. The Board shall be a corporation primarily acting as an instrumentality of the state pursuant to Section 768.28, Florida Statutes, for purposes of sovereign immunity. The University shall, to the extent legally permissible, indemnify, defend and hold harmless each of its Trustees, 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 University 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.

Section 11.3 Non-Discrimination. The University does not discriminate in its educational and employment policies against any person on the basis of gender, race, color, religion, age, disability, sexual orientation, national or ethnic origin, or on any other basis proscribed by federal, state or local law.

Adopted 13 January 2003; Amended 12 March 2003; Amended 22 November 2004; Amended 19 September 2005; Amended 28 June 2007; Amended 29 February 2008; Amended 31 March 2009; Amended 12 June 2009; Amended 20 February 2010; Amended 10 September 2013; Amended 10 September 2014; Amended 11 March 2016

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STATE
UNIVERSITY
SYSTEM
of FLORIDA
Board of Governors

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July 20, 2016

MEMORANDUM

TO: University Presidents
Board of Trustees Chairs
Board of Trustees Audit Committee Chairs

FROM: Alan Levine, Chair
Audit and Compliance Committee

SUBJECT: Audit Committee Guidance

You may recall, at the June 2016 Audit and Compliance Committee meeting of the Board of Governors, we had a brief discussion about the best practices for composition and placement of the Audit and Compliance Committees of University Boards of Trustees. It is clear each university has a committee responsible for audit. However, it is also evident that some universities combine the audit function with operational functions (such as budget and finance). I raised this issue at the committee meeting primarily to create awareness that this combination of operational functions with audit is not a best practice. The independence of the audit committee, and its function, is important for a variety of reasons, not the least of which is ensuring that audit committee functions do not take a back seat to other pressing university operations issues.

The audit and compliance committee is a key standing committee of any governing board. It is the first line of defense for financial reporting, internal control, risk management and compliance and serves as guardian of the university's most valuable asset: its reputation.

Regarding audit committees, the Association of Governing Boards of Universities and Colleges (AGB), in their 2011 *Survey of Higher Education Governance*, states:

Through its independence, it ensures accountability and provides oversight of the institution's financial practices and standards of conduct. Also, the presence of an independent audit committee demonstrates board accountability to the general

University Presidents, Board Chairs, and Audit Committee Chairs
July 20, 2016
Page 2 of 2

public and to prospective board members. Although not required by law, it is good practice for all institutions, public and independent, to have audit committees separate from finance committees.

Audit and compliance committees should be designated as autonomous committees to enhance independence and mitigate potential conflicts that may exist within joint committees.

The decision about how to structure your committees is one best left to your Board of Trustees in consultation with the President. However, I ask you to consider the importance of independence and autonomy – key factors to providing accountability and oversight – when evaluating your audit and compliance committee’s practices, compositions, and placement. You may wish to consider resources such as the AGB’s Effective Committee Series to benchmark your Board of Trustees audit and compliance committee practices. These documents are available at: <http://agb.org/store/the-effective-committees-toolkit>.

On behalf of the Audit and Compliance Committee of the Board of Governors, I am sincerely grateful for your consideration of this request as we work together to ensure proper oversight and governance for the State University System of Florida. Please feel free to reach out if you have concerns.

cc: Chancellor Criser
General Counsel Shirley
Inspector General and Director of Compliance Maleszewski
Governor Morton
Governor Huizenga
Governor Lautenbach
Governor Link
Governor Valverde
Governor Jordan

THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Governance Committee
December 1, 2016

Subject: Proposed Finance and Facilities Committee Charter

Proposed Committee Action:

Recommend the approval of the proposed Finance and Facilities Committee Charter to the Florida International University Board of Trustees (BOT).

Background Information:

Pursuant to the recommendation of the Board of Governors regarding best practices for governing Boards of universities and colleges, and the creation of a separate BOT Finance and Facilities Committee and a separate BOT Audit and Compliance Committee, which the BOT Governance Committee is scheduled to take up on December 1, 2016, adoption of the proposed charter will enable the proposed Finance and Facilities Committee to assist this Board in fulfilling its administrative and fiscal responsibilities.

Board of Governors' Regulation 1.001(3)(b) states that each board of trustees may establish committees of the board to address matters, including, but not limited to, academic and student affairs, strategic planning, finance, audit, property acquisition and construction, personnel, and budgets.

Supporting Documentation: Draft of proposed Finance and Facilities Committee Charter

Facilitator/Presenter: Carlos B. Castillo

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**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

FINANCE AND FACILITIES COMMITTEE CHARTER

1. Overall Purpose/Objectives

The Finance and Facilities Committee (“Committee”) is a committee of the Florida International University Board of Trustees (“Board”), whose members are appointed by the Chairperson of the Board. The general purpose of the Committee is to provide review, policy guidance and strategic oversight of the university's financial matters, financial reporting statements, campus master planning activities and other real estate type activities for both the University and its direct support organizations (“DSO”).

For university financial matters, the Committee will review actions to be presented to the Board and provide a recommendation. This includes, but is not limited to, the annual University budget and all tuition, room rents, and other student fees that are required by state statute to be approved by the Board. The committee will schedule and periodically review financial reports from the university’s DSO.

For campus master planning and other real estate matters, the Committee will coordinate the campus master planning process and provide recommendations to the Board for action. The Committee will annually review the capital improvement plan submissions to the Board of Governors and State legislature, and periodically review programs that ensure the maintenance and safety of University facilities. The Committee will review any real estate related projects or facilities involving the University or any of its DSOs, or any other university entities that may arise in the future by whatever designation, and make recommendations to the full Board. The Committee will participate in, review and approve the planning process for any DSO-initiated program that will materially affect the University either financially or in reputation, or involve any real estate related matters on or off campus.

2. Authority

The Board authorizes the Committee to:

- 2.1 Perform activities within the capacity of its charter.
- 2.2 Participate, through the Chair, in the process of the appointment and dismissal of the Senior Vice President and Chief Financial Officer.
- 2.3 Engage independent counsel and other advisers as it deems necessary to carry out its duties, with approval of the Board or the President.
- 2.4 Have unrestricted access to management, faculty and employees of the

University and its DSOs, as well as to all books, records, and facilities thereof.

3. Organization Membership

- 3.1 The Chair of the Board of Trustees will appoint the chair and members of the Committee.
- 3.2 The Committee consists of at least five (5) members, all of whom are voting Trustees of the University.
- 3.3 A majority of Committee members, if not all, shall possess general accounting, business and financial knowledge, including the ability to read and understand fundamental financial statements.
 - 3.3.1 If possible the Committee will include at least one member who is a "accounting or financial expert"; a person who has an understanding of generally accepted accounting principles and financial statements; the ability to assess the application of these principles in connection with accounting for estimates, accruals and reserves; and an understanding of committee functions; experience preparing financial statements, or experience actively supervising persons engaged in such activities. The person must have acquired these attributes through one or more of the following: education or experience actually doing these functions or similar ones; actively supervising someone who is performing these functions or similar ones; experience overseeing or assessing the performance of companies or public accountants who are preparing or evaluating financial statements; or other relevant experience.
- 3.4 Members will serve on the Committee until their resignation or replacement by the Chair of the Board.

4. Meetings

- 4.1 A simple majority of the members of the Committee will constitute a quorum for the transaction of business.
- 4.2 Meetings shall be held not less than four (4) times per year and shall correspond with the University's financial reporting cycle.
- 4.3 The Committee shall maintain written minutes of its meetings, and for the Committee Chair to approve each meeting's agenda.
- 4.4 The Senior Vice President and Chief Financial Officer, who has operational responsibility for facilities planning, will be the liaison to the Committee from the FIU Administration. Said Senior Vice President and Chief Financial Officer will regularly meet and correspond with the Chair of the Committee and in consultation with the Chair, prepare the agenda for meetings of the Committee. Said Senior Vice

President and Chief Financial Officer will further advise and keep informed, as needed, both the President and the Chair of the Board on a regular basis regarding matters brought before and actions taken by the Committee.

- 4.5 The Committee shall provide regular updates of Committee activities to the Board for matters within the Committee's area of responsibility.
- 4.6 The Committee may request special presentations or reports that may enhance members' understanding of their responsibilities.
- 4.7 It is the intent of the Committee for matters within its purview to come before the Committee as early as possible so that the Committee can issue its recommendations and exercise its oversight at the beginning of any particular project or matter.

5. Roles and Responsibilities

FINANCE

With regard to each item listed below, the committee will:

- 5.1 Review the annual operating budgets of the University and recommend appropriate action to the Board.
- 5.2 Review the financial statements of the University's DSOs, making recommendations for action to the Board as needed; (frequency of review is at the discretion of the committee, but will be not less than once each year).
- 5.3 Review the annual capital budget request of the University and recommend appropriate action to the Board.
- 5.4 Review annual (or interim) changes to the University's tuition and fees and any related policy changes, and recommend appropriate action to the Board.
- 5.5 Review and approve material, non-mandated changes to accounting policies and practices.
- 5.6 Advise Senior Management, based upon the Committee's review, whether the Committee believes that the annual audited financial statements (including the footnotes) contain any material misstatements or omissions.
- 5.7 Review with Senior Management at the completion of the annual financial statement audit:
 - 5.7.1 the University's annual financial statements and related footnotes, including their degree of clarity;

- 5.7.2 the Auditor General's opinion regarding the financial statements;
 - 5.7.3 any significant changes required to the state auditor's audit plan;
 - 5.7.4 any difficulties or disputes with management encountered during the audit, including an overall assessment of management cooperation;
 - 5.7.5 the University's accounting principles, including the consistency, appropriateness and quality (not just acceptability) thereof, with particular emphasis on sensitive accounting estimates and accruals;
 - 5.7.6 the University's overall level of compliance with governmental regulations;
 - 5.7.7 reports concerning internal controls, including significant findings and recommendations and management's response;
 - 5.7.8 other matters that should be communicated to the Committee under generally accepted auditing standards; and
 - 5.7.9 any other financial filings required by law or regulation.
- 5.8 Consult annually with the CFO regarding the integrity of the University's financial reporting processes and related internal controls.

FACILITIES

- 5.9 Become familiar with the current campus master plan and the philosophies behind its development.
- 5.10 Understand the statutorily required process and frequency of updates to the plan.
- 5.11 Recommend amendments to the plan to the Board.
- 5.12 Recommend appropriate action regarding the acquisition and disposition of real property.
- 5.13 Review material proposed additions to and renovations of existing facilities, to include facilities of the University and DSOs.
- 5.14 Review and recommend to the Board the annual list of capital improvements for funding by the Legislature.
- 5.15 Periodically review and recommend to the Board matters and facilities relating specifically to student housing, both on and off campus and further review a long-term strategic planning program for said student housing.

Direct Support Organizations

- 5.16 Participate in the planning process for any DSO involvement in capital projects that affect the University either financially or in reputation or involve any real estate.
- 5.17 Review, provide oversight with respect to, and provide recommendations to the Board for any actions that may be required stemming from a DSO initiated capital project.

Maintenance of Facilities

- 5.18 Review the effectiveness of the various University and DSO organizations in maintaining the buildings and grounds that are responsibilities of the Board.
- 5.19 Review the effectiveness of University law enforcement in protecting the physical assets of the University and providing a safe environment for the various University constituencies.
- 5.20 Review the effectiveness of the campus organizations responsible for environmental health and safety both in the buildings and on the grounds.
- 5.21 Provide recommended action items to the Board on all of the items above to the Board when necessary.

Reporting Responsibilities

- 5.22 Regularly update the Board about Committee activities and make appropriate recommendations.
- 5.23 Ensure the Board is aware of matters within the purview or responsibility of the Committee that may significantly impact the financial condition or legal liability of the University.

Charter Review

- 5.24 Review the Committee charter at least every two (2) years and discuss any required changes with the Board.
- 5.25 Ensure that the charter is approved or reapproved by the Board, after each update.

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THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
Governance Committee
December 1, 2016

Subject: Proposed Audit and Compliance Committee Charter

Proposed Committee Action:

Recommend the approval of the proposed Audit and Compliance Committee Charter to the Florida International University Board of Trustees (BOT).

Background Information:

Pursuant to the recommendation of the Board of Governors regarding best practices for governing Boards of universities and colleges, and the creation of a separate BOT Finance and Facilities Committee and a separate BOT Audit and Compliance Committee, which the BOT Governance Committee is scheduled to take up on December 1, 2016, adoption of the proposed charter will enable the proposed Audit and Compliance Committee to assist this Board in fulfilling its oversight responsibilities.

Board of Governors' Regulation 1.001(3)(b) states that each board of trustees may establish committees of the board to address matters including, but not limited to, academic and student affairs, strategic planning, finance, audit, property acquisition and construction, personnel, and budgets.

Supporting Documentation: Draft of proposed Audit and Compliance Committee Charter

Facilitator/Presenter: Carlos B. Castillo

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**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

AUDIT AND COMPLIANCE COMMITTEE CHARTER

1. Overall Purpose/Objectives

The Audit and Compliance Committee (“Committee”) is appointed by the Florida International University Board of Trustees (“Board”) to assist it in discharging its oversight responsibilities, including but not limited to, reviewing procedures in place to assess and minimize significant risks, overseeing the quality and integrity of financial reporting practices (including the underlying system of internal controls, policies and procedures, regulatory compliance programs, and ethical code of conduct), and overseeing the overall audit process.

The Committee will oversee the financial operations and reporting process for both the University and its direct support organizations (“DSO”). The committee will review: 1) the University’s internal financial controls and processes; 2) the internal audit function; 3) the independent audit process, including the appointment and assessment of the external auditors for the University; and 4) the DSO and University processes for monitoring compliance with applicable laws and regulations, meeting regulatory requirements and promoting ethical conduct.

2. Authority

The Board authorizes the Committee to:

- 2.1 Perform activities within the capacity of its charter.
- 2.2 Evaluate the Office of Internal Audit's role and scope of activities.
- 2.3 Participate, through the Chair, in the process of the appointment and dismissal of the Chief Audit Executive.
- 2.4 Engage independent counsel and other advisers as it deems necessary to carry out its duties.
- 2.5 Have unrestricted access to management, faculty and employees of the University and its DSOs, as well as to all books, records, and facilities thereof.
- 2.6 Develop and review procedures for the receipt, retention and treatment of complaints received from employees regarding financial or operational matters.
- 2.7 Review and approve the Office of Internal Audit’s annual audit plan (and any subsequent changes thereto), considering the University-wide risk assessment and the degree of coordination with the Auditor General's Office for an effective, efficient, non-redundant use of audit resources.

- 2.8 Review and discuss with management and the Office of Internal Audit (1) significant findings and recommendations, including management's response and timeframe for corrective action; (2) the degree of implementation of past audit recommendations; and (3) any difficulties encountered in the course of the audit activities such as restrictions on the scope of work or access to information.
- 2.9 Assess the staffing of the Office of Internal Audit, including the annual budget.
- 2.10 Review and approve modifications to the Office of Internal Audit.
- 2.11 Review the organizational reporting lines related to the Office of Internal Audit, particularly related to confirming and assuring the continued independence of the Office of Internal Audit and its staff.
- 2.12 Review the work of the external auditors for the University and DSOs.
- 2.13 Evaluate the effectiveness of the University's compliance program by (1) reviewing the results of the program effectiveness evaluation; (2) assessing the staffing of the Office of Compliance & Integrity, including the annual budget; (3) reviewing major modifications to the University's compliance program; and (4) reviewing compliance-related training topics for the Board.
- 2.14 Participate, through the Chair, in the process of the appointment and dismissal of the Assistant Vice President, Chief Compliance and Privacy Officer.
- 2.15 Review and approve the Office of Compliance & Integrity's annual compliance plan (and any subsequent changes thereto), considering the University-wide risk assessment.
- 2.16 Review and approve modifications to the Office of Compliance & Integrity.
- 2.17 Review the organizational reporting lines related to the Office of Compliance & Integrity, particularly related to confirming and assuring the continued independence of the Office of Compliance & Integrity and its staff.

3. Organization

Membership

- 3.1 The Chair of the Board of Trustees will appoint the chair and members of the Committee.
- 3.2 The Committee consists of at least five (5) members, all of whom are voting Trustees of the University.
- 3.3 A majority of Committee members, if not all, shall possess general accounting, business and financial knowledge, including the ability to read and understand fundamental financial statements.

3.3.1 If possible the Committee will include at least one member who is a "accounting or financial expert"; a person who has an understanding of generally accepted accounting principles and financial statements; the ability to assess the application of these principles in connection with accounting for estimates, accruals and reserves; an understanding of committee functions; experience preparing, auditing, analyzing or evaluating financial statements, or experience actively supervising persons engaged in such activities; and an understanding of internal controls and procedures for financial reporting. The person must have acquired these attributes through one or more of the following: education or experience actually doing these functions or similar ones; actively supervising someone who is performing these functions or similar ones; experience overseeing or assessing the performance of companies or public accountants who are preparing, auditing or evaluating financial statements; or other relevant experience.

3.4 Members shall be independent and objective in the discharge of their responsibilities. They are to be free of any financial, family, or other material personal relationship, including relationships with members of University management, University auditors and other professional consultants

3.5 Members will serve on the Committee until their resignation or replacement by the Chair of the Board.

Meetings

3.6 A simple majority of the members of the Committee will constitute a quorum for the transaction of business.

3.7 Meetings shall be held not less than four (4) times per year and shall correspond with the University's financial reporting cycle.

3.8 The Committee shall maintain written minutes of its meetings, and for the Committee Chair to approve each meeting's agenda.

3.9 The Committee shall meet with the General Counsel, Chief Audit Executive, and Assistant Vice President, Chief Compliance and Privacy Officer on a regular basis.

3.10 The Committee may request special reports from University or DSO management on topics that may enhance their understanding of their activities and operations.

4. Roles and Responsibilities

The Committee shall:

4.1 Provide the Board with regular updates of Committee activities and make recommendations to the Board for matters within the Committee's area of responsibility.

- 4.2 Meet separately with the Office of Internal Audit and Senior Management, separately, in order to discuss any matters the Committee or these individuals believe should be discussed privately. This should be performed at least two (2) times annually, at the conclusion of a regularly scheduled Committee meeting.
- 4.3 Affirm that the Chief Audit Executive and Assistant Vice President, Chief Compliance and Privacy Officer are ultimately responsible to the Committee and the Board and they should communicate directly with the Committee Chair when deemed prudent and necessary. Said Chief Audit Executive and Assistant Vice President, Chief Compliance and Privacy Officer, in consultation with the General Counsel, will regularly meet and correspond with the Chair of the Committee, advise and keep informed, as needed, both the President and the Chair of the Board on a regular basis regarding matters brought before and actions taken by the Committee, and in further consultation with the Chair, prepare the agenda for meetings of the Committee.
- 4.4 Have the authority to conduct investigations into any matters within the Committee's scope of responsibilities as set forth herein. The Committee shall have unrestricted access to the University's independent auditors and anyone employed by the University, and to all relevant information in order to conduct such investigations. The Committee may retain, at the University's expense, independent counsel, accountants and other professional consultants to assist with such investigations. The results of any such investigations must be reported to the Board by the Committee Chair.

With regard to each topic listed below, the Committee shall:

Internal Controls

- 4.5 Consider and review the effectiveness of the University's process for identifying significant financial, operational, reputational, strategic and regulatory risks or exposures and management's plans and efforts to monitor and control such risks.
- 4.6 Evaluate the overall effectiveness of the internal control framework and consider whether recommendations made by the internal and external auditors have been implemented by management, including but not limited to the status and adequacy of information systems and security, for purposes of meeting expectations of the U.S. Sentencing Guidelines, personnel systems internal controls, and other relevant matters.
- 4.7 Understand the internal control systems implemented by management of the University and each DSO for the approval of transactions and the recording and processing of financial data.

Risk Management

- 4.8 Evaluate the overall effectiveness of the risk management process.
- 4.9 Evaluate the University's oversight and monitoring of its affiliated organizations, and the University's insurance coverage and the process used to manage any uninsured

risks.

Financial Reporting and Disclosures

- 4.10 Review the adequacy of accounting, management, and financial processes of the University and its DSOs.
- 4.11 Review the financial reporting process implemented by management of the University and its DSOs.
- 4.12 Review as applicable for the University and its DSOs: 1) interim financial statements, 2) annual financial statements, 3) the annual report, and 4) the audit report on federal awards that is required under Office of Management and Budget (OMB) Circular A-133.
- 4.13 Review University and DSO management processes for ensuring the transparency of the financial statements and the completeness and clarity of the disclosures.
- 4.14 Meet with University management and the external auditors to review the financial statements, the key accounting policies, the reasonableness of significant judgments, and the results of the audit.

Compliance with Laws, Regulations, Policies and Standards

- 4.15 Review the independence, qualifications, activities, resources, and structure of the compliance function and ensure no unjustified restrictions or limitations are made.
- 4.16 Review and discuss any significant results of compliance audits; any significant matters of litigation or contingencies that may materially affect the University's financial statements; and any legal, tax or regulatory matters that may have a material impact on University operations, financial statements, policies and programs.
- 4.17 Ensure that significant findings and recommendations made by the university compliance officer are received, discussed, and appropriately acted on.
- 4.18 Review the effectiveness of the system for monitoring compliance with laws and regulations and management's investigation and follow-up (including disciplinary action) of any wrongful acts or non-compliance.
- 4.19 Ascertain whether the University has an effective process for determining risks and exposure from asserted and unasserted litigation and other claims of noncompliance with laws and regulations.
- 4.20 Receive information and training regarding specific elements of the University's compliance program.
- 4.21 Obtain reports concerning financial fraud resulting in losses in excess of \$10,000 or involving a member of senior management.

- 4.22 Obtain regular updates from the University Compliance Officer regarding compliance matters that may have a material impact on the organization's financial statements or compliance policies.
- 4.23 Review the University's monitoring of compliance with University policies, including (but not limited to) policies regarding the conduct of research, including the results of the University's monitoring and enforcement of compliance with University standards of ethical conduct and conflict of interest policies.
- 4.24 Review the findings of any examinations or investigations by regulatory bodies.

Working with Auditors

Independent External Audit

- 4.25 Review the professional qualifications of all external auditors, and when determined by the committee, require such auditor to be hired by and report directly to the Committee.
- 4.26 Review on an annual basis the performance of all external auditors and make recommendations to the appropriate Board for their appointment, reappointment or termination.
- 4.27 Ensure that significant findings and recommendations made by the independent auditors for both the University and any DSO, and management's proposed response thereto, are received, discussed and appropriately acted upon.

Internal Audit

- 4.28 Review the independence, qualifications, activities, resources and structure of the internal audit function and ensure no unjustified restrictions or limitations are made.
- 4.29 Review the effectiveness of the internal audit function and ensure that it has appropriate standing within the University.
- 4.30 Ensure that significant findings and recommendations made by the internal auditors and management's proposed response are received, discussed and appropriately acted on.
- 4.31 Review the proposed internal audit plan for the coming year [or the multi-year plan] and ensure that it addresses key areas of risk and that there is appropriate coordination with the external auditor.

Complaints and Ethics

- 4.32 Ensure procedures for the receipt, retention and treatment of complaints concerning financial, internal accounting controls or auditing matters.

- 4.33 Review the University and DSO conflicts of interest policies to ensure that: 1) the term "conflict of interest" is clearly defined, 2) guidelines are comprehensive, 3) annual signoff is required, and 4) potential conflicts are adequately resolved and documented.

Reporting Responsibilities

- 4.34 Regularly update the Board about Committee activities and make appropriate recommendations.
- 4.35 Ensure the Board is aware of matters that may significantly impact the financial condition or affairs of the University or its DSOs.
- 4.36 Receive prior to each meeting a summary of findings from completed internal audits and the status of implementing related recommendations.

Evaluating Performance

- 4.37 Evaluate the Committee's own performance, both of individual members and collectively, on a regular basis.
- 4.38 Assess the achievement of duties specified in the charter and report findings to the board.
- 4.39 Review the Committee charter, at least every two (2) years, and discuss any required changes with the board.
- 4.40 Ensure that the charter is approved or reapproved by the Board, after each update.