



FLORIDA INTERNATIONAL UNIVERSITY  
BOARD OF TRUSTEES  
FINANCE AND FACILITIES COMMITTEE  
MINUTES  
APRIL 21, 2021

**1. Call to Order and Chair's Remarks**

The Florida International University Board of Trustees' Finance and Facilities Committee meeting was called to order by Committee Chair Leonard Boord at 10:32 a.m. on Wednesday, April 21, 2021, at the FIU, Modesto A. Maidique Campus, Graham Center Ballrooms and via Zoom.

General Counsel Carlos B. Castillo conducted roll call of the Finance and Facilities Committee members and verified a quorum. Present were Trustees Leonard Boord, *Committee Chair (via Zoom)*; Roger Tovar, *Committee Vice Chair and Board Vice Chair*; Cesar L. Alvarez; Dean C. Colson, *Board Chair*; Natasha Lowell; Joerg Reinhold; and Marc D. Sarnoff.

Trustees Donna J. Hrinak, Gene Prescott, Chanel T. Rowe, and Alexandra Valdes and University President Mark B. Rosenberg also were in attendance.

**2. Approval of Minutes**

Committee Chair Boord asked that the Committee approve the minutes of the meeting held on February 23, 2021. A motion was made and unanimously passed to approve the minutes of the Finance and Facilities Committee meeting held on February 23, 2021.

**3. Action Item** (*Committee Action; Full Board Information Only*)

**FF1. Ratification of the Independent Contractor Agreement with the vendor Logistics Management Group, and approval of the purchase orders that may be issued under this Agreement**

Senior Vice President of Administration and Chief Financial Officer Kenneth A. Jessell presented the request for ratification of the Independent Contractor Agreement with the vendor Logistics Management Group for Committee review. He explained that Logistics Management Group provides all the event management services for the various events organized by the Food Network & Cooking Channel South Beach Wine & Food Festival presented by Capital One (SOBEWFF®), to take place in May 2021. Sr. VP and CFO Jessell indicated that the total amount that the university anticipates spending, under the agreement, is approximately \$1.97M. He explained that despite the reduction in SOBEWFF® venues and capacity given social distancing requirements, the agreement amount is expected to be consistent with what was spent in prior years given the additional expenses relating to personal protective equipment, additional restrooms, additional barricades, and additional staff to monitor social distancing. Sr. VP and CFO Jessell remarked that SOBEWFF® has returned

over \$30M to the institution since 2002. He mentioned that an approximate \$1.5M fund balance can cover the minor loss that is anticipated, adding that if the university had decided to not host this year's SOBEWFF®, FIU would still be spending about \$1.4M in salaries.

Pursuant to the Delegations of Authority from the Florida International University Board of Trustees to the University President, as reflected in the Resolution on the President's Powers and Duties approved by the Board of Trustees on March 4, 2019, a motion was made and unanimously passed that the FIU Board of Trustees Finance and Facilities Committee (i) ratify the University entering into the contract as listed and described in the Board materials, and (ii) authorize the University President or his designee to issue purchase orders pursuant to the executed contract up to the total amount described in the Board materials.

#### **4. New Business**

Committee Chair Boord pointed out that at the December 3, 2020 Finance and Facilities Committee meeting, he reported that approval of subaward payments included in research grants would not require prior Committee or Board of Trustees approval, and that, as such, the university would provide to the Committee on a quarterly basis written notice of these types of transactions. He indicated that recently, he addressed with members of the university administration another type of research related transaction that should be addressed in a similar fashion. He commented that indirect sponsored project funds are also used to make purchases for sponsored projects.

At the request of Committee Chair Boord, Sr. VP and CFO Jessell explained that many of the university's grants include indirect overhead returns to the institution in order to support the operation of the research enterprise, adding that these dollars are reinvested in other research projects. He added that the university continues to meet all state, Board of Trustees, and Florida Board of Governors (BOG) procurement requirements when utilizing indirect funds. He commented that said funds are discretionary funds to support research, noting that requests to support faculty, providing a piece of equipment as an example, have come forward and it is important for the university to have the flexibility to make the purchase without having to wait until the next Board meeting.

Committee Chair Boord explained that indirect funds are referred to as "Facilities and Administrative" funds, or "F&A". He remarked that, unlike direct sponsored funds, F&A funds are not directly tied to a stated budget line item for a project, and therefore, the university, through its Office of Research and Economic Development (ORED), has discretion on how F&A funds may be used so long as the purchases support the university's research mission. Committee Chair Boord mentioned that clarification was requested that purchases using only F&A funds could proceed in a similar fashion to the approach for the subaward payments and not require prior Board of Trustees approval, which would be consistent with the approach of other members of the State University System. He stated that these purchases must follow all University, BOG, and state procurement requirements.

Committee Chair Boord explained that after meeting with members of the administration, it was agreed to treat purchases using indirect funds in the same manner as the use of direct sponsored project funds in the subaward context with one caveat. Referring to said caveat, he noted that

indirect funds purchases that meet the Procurement thresholds under the Delegations will be reported, after the fact, to the Finance and Facilities Committee on a quarterly basis. Committee Chair Boord added that if, however, a purchase using indirect funds exceeds \$1M, ORED will use a Research Funding Certification Form certifying that: (1) the purchase is authorized by state law and BOG Regulations; (2) the University's Procurement Services may reasonably and in good faith rely on the certification; and (3) the F&A Funds are sufficient to cover the cost of the subject transaction as well as the operational responsibilities for the current fiscal year of ORED.

Committee Chair Boord reported that proposed revisions to the Delegations of Authority to capture these clarifications, as well as other potential changes in such areas as Procurement and Facilities, are being worked upon by the university administration. He indicated that members of the administration have advised that said proposed revisions will be brought to his attention with the goal of being presented to the Board of Trustees for action at its June meeting.

Sr. VP and CFO Jessell presented, at the request of Board Vice Chair Roger Tovar, university construction updates. As part of said presentation, he specifically highlighted: BT-892 Tamiami Hall (formerly Parkview II); School of International and Public Affairs (SIPA) Phase II; BT-923 PG-5 Emergency Operations Center Expansion; BT-919 Engineering Building; Miami-Dade Public Schools MAST@FIU; Biscayne Bay Campus Aquatic Center Pool repairs; International Center for Tropical Botany at the Kampong; UniversityCity Prosperity Project – Green Library walking trail and wellness walk, plazas, and pedestrian walkways; and the Medina Aquarius Program – upgrades to Reef Base in Islamorada.

Trustee Natasha Lowell commended the presentation and requested that the Trish and Dan Bell Chapel and Wolfsonian-FIU projects be included as part of future construction updates.

## **5. Concluding Remarks and Adjournment**

With no other business, Committee Chair Leonard Boord adjourned the meeting of the Florida International University Board of Trustees Finance and Facilities Committee on Wednesday, April 21, 2021 at 10:53 a.m.