

**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 of the Board of Trustees, 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**

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.
  - 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.
  - 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.
- 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.
- 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.
- 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.