

# Governance, Audit, and Compliance Committee Meeting Agenda

Wednesday, February 8, 2023  
8:30 – 9:30 AM

Virtual via WebEx

Dial in: 1-415-655-0001 | Access code: 2425 033 6305#

## MEMBERS

Mark Bostick, Chair  
Bob Stork

Dr. Laine Powell, Vice Chair  
Dr. David Williams

Cliff Otto

## AGENDA

- |       |   |                        |
|-------|---|------------------------|
| I.    | Call to Order   | Mark Bostick, Chair    |
| II.   | Roll Call   | Sherri Pavlik          |
| III.  | Public Comment  | Mark Bostick           |
| IV.   | <a href="#">Approval of the November 15, 2022 Minutes</a><br><b>*Action Required*</b>                 | Mark Bostick           |
| V.    | <a href="#">2022-24 Governance, Audit, and Compliance Committee Work Plan</a>                         | Mark Bostick           |
| VI.   | <a href="#">Audit &amp; Compliance Update</a>   | David Blanton, CAE/CCO |
| VII.  | <a href="#">PBF Data Integrity Audit and Data Integrity Certification</a><br><b>*Action Required*</b> | David Blanton          |
| VIII. | <a href="#">Foundation Financial Audit (FYE June 30, 2022)</a>  | David Blanton          |
| IX.   | <a href="#">Board of Trustees Self-Assessment</a>   | Mark Bostick           |
| X.    | <a href="#">Revised Resolution on Powers and Duties of the President</a><br><b>*Action Required*</b>  | Mark Bostick           |
| XI.   | <a href="#">Revised Board of Trustees Bylaws</a><br><b>*Action Required*</b>                          | Mark Bostick           |
| XII.  | Closing Remarks and Adjournment   | Mark Bostick           |



# Governance, Audit, and Compliance Committee Meeting

## DRAFT MEETING MINUTES

**Wednesday, November 15, 2022  
9:00 a.m. – 10:30 a.m.**

**Florida Polytechnic University  
Applied Research Center & via WebEx**

I. Call to Order

Committee Chair Mark Bostick called the Governance, Audit, and Compliance Committee meeting to order at 9:00 a.m.

II. Roll Call

Sherri Pavlik called the roll: Committee Chair Mark Bostick, Committee Vice-Chair Laine Powell, Trustee Bob Stork, and Chair Cliff Otto were present (Quorum)

Other Trustees present: Vice-Chair Beth Kigel, Trustee Gary Wendt, Trustee Narendra Kini, Trustee Melia Rodriguez

Staff present: President Randy Avent, Provost Terry Parker, Dr. Allen Bottorff, David Fugett, Kathy Bowman, Mike Dieckmann, David Blanton, Melaine Schmiz, Alex Landback, Kristen Wharton, and Sherri Pavlik were present.

III. Public Comment

There were no requests received for public comment.

IV. Approval of Minutes

**Committee Vice Chair Laine Powell made a motion to approve the Governance, Audit, and Compliance Committee meeting minutes of September 21, 2022. Trustee Bob Stork seconded the motion; a vote was taken, and the motion passed unanimously.**

V. 2022-24 Governance, Audit, and Compliance Committee Work Plan

Committee Chair Bostick reviewed the Governance, Audit, and Compliance Committee Work plan. There was no discussion on this item.

VI. Audit and Compliance Update

David Blanton provided the Committee with an update on Audit and Compliance external and internal audits. He reported that there have been no audit reports released since the September Committee meeting and shared updates on the audits still in progress:

1. Information Technology Audit;
2. Financial Audit;

3. Crowe Report (Foundations financial audit); and
4. Performance Based Funding (PBF)

Blanton shared status on Board of Governor (BOG) Certifications:

1. Foreign Influence;
2. DSO Follow-up/Corrective Action; and
3. Revised PBF Data Integrity Certification

VII. Revised University Audit Risk Assessment and Audit Plan, FY23

Blanton presented the Revised University Audit Risk Assessment and Audit Plan, FY23 to the Committee. The Audit Plan was modified to include follow-up on the Crowe report that disclosed an internal control weakness related to segregation of duties for the Foundation.

**Trustee Bob Stork made a motion to recommend approval of the Revised University Audit Risk Assessment and Audit Plan, FY23 to the Board of Trustees. Committee Vice Chair Laine Powell seconded the motion; a vote was taken, and the motion passed unanimously.**

VIII. Textbook Adoption Monitoring Report – Fall 2022

Blanton reported on the Textbook Affordability Monitoring Report for Fall 2022. He shared new law compliance requirements that went into effect two weeks after the start of classes. Even with the new requirements, the University achieved compliance in posting at least 95% of textbooks for the Fall 2022 semester. Blanton then noted recommendations to enhance compliance with the new textbook archiving requirements.

IX. Regulations

Regulation FPU-1.015 Allegations of Fraud, Waste, Abuse, or Financial Mismanagement

David Fugett stated this regulation is amended to align with Board of Governors (BOG) Regulation 4.001 which was amended by the BOG on June 30, 2022. There were no substantive changes.

**Committee Vice Chair Laine Powell made a motion to recommend approval of the amended regulation FPU-1.015 Allegations of Fraud, Waste, Abuse, or Financial Mismanagement to the Board of Trustees. Board Chair Cliff Otto seconded the motion; a vote was taken, and the motion passed unanimously.**

X. President's Evaluation for 2021-22

Board Chair Cliff Otto shared his discussion with BOG Chancellor Marshall Criser regarding President Randy Avent's performance for fiscal year 2022. Feedback was positive and Chancellor Criser stated the BOG has a high degree of confidence in President Avent.

Committee Chair Mark Bostick gave an overview of the composite stating 7 out of 10 trustees gave an overall rating of "Exceeded," two trustees gave an overall rating of "Achieved," and one trustee gave an overall rating of "Partially Achieved."

The floor was opened for discussion on the *President's Annual Review, July 2021-June 2022, Composite of the Trustees' Evaluations*.

There were no further comments.

**Trustee Bob Stork made a motion to recommend approval of the document "President's Annual Review, July 2021-2022, Composite of the Trustees' Evaluations" reflecting the President's annual evaluation for 2021-2022 to the Board of Trustees. Board Chair Cliff Otto seconded the motion; a vote was taken, and the motion passed unanimously.**

XI. Renewal of President's Employment Agreement for 2023-2024

Committee Chair Bostick opened the discussion on the renewal of President Avent's employment agreement for another year stating the only change to the Agreement is the appointment term which extends through July of 2024.

There were no comments for discussion.

**Committee Vice Chair Laine Powell made a motion to recommend the renewal of President Randy Avent's appointment term commenced on July 7, 2013, for an additional year ending July 6, 2024, to the Board of Trustees. Board Chair Cliff Otto seconded the motion; a vote was taken, and the motion passed unanimously.**

Extending the appointment term requires the Contract to be amended to accomplish the renewal.

**Board Chair Cliff Otto made a motion to recommend approval of draft Amendment #3 to the President's Employment Agreement to the Board of Trustees. Committee Vice Chair Laine Powell seconded the motion; a vote was taken, and the motion passed unanimously.**

XII. President's Compensation Adjustments

At this time, President Avent excused himself from the room while the Committee discussed his compensation adjustments. Under the existing employment agreement, the President is entitled to a minimum 3.5% increase in his base salary and entitled to a bonus/performance compensation if overall performance is rated "Achieved" or higher.

Committee Chair Bostick reminded the Committee that the President's overall evaluation was "Exceeded," and as stated in the president's contract, it is the discretion of the Board to increase the bonus above 20% to an amount not to exceed 30% of his current annual base salary.

He then opened the floor for recommendations on both the base salary and the bonus, reiterating the overall rating from the composite was 10% "Partially Achieved," 20% "Achieved," and 70% "Exceeded."

Discussion ensued on previous increases to the president's bonus.

Board Chair Cliff Otto made a motion to recommend a 3.5% increase in base salary and a 25% performance compensation bonus. Trustee Bob Stork seconded the motion.

Trustee Gary Wendt requested an explanation for the suggested 25% bonus. Trustee Stork responded that last year with the closing of the pandemic, the Committee acknowledged President Avent's hard work in bringing everything together during a challenging time and took into consideration the base pay increase being waived. Due to these circumstances, the Committee decided to go above and beyond in compensation. Trustee Stork thought the rating provided this year warranted the bonus to be in the middle of the range, thus 25%. Trustee Stork also stated that bonuses do not need to be at the top of the recommended percentage every year.

Trustee Wendt stated he did not feel 25% was adequate and that the bonus should be equal to or larger than the previous year. His personal feeling was that President Avent's performance was no less than last year and because of that it should be at least equal to last year's bonus.

Not opposed to Trustee Wendt's recommendation, Board Chair Otto stated it presents a positive reflection of the President's value as it continues to be remarkably high for both the University and the BOT. The increased percentage delivers the message that the Board wants President Avent to continue to lead the University.

The Committee then took a roll call vote; there was a split vote, and the motion did not pass.

Upon further discussion, Board Chair Cliff Otto made the recommendation of a 3.5% increase in base salary, with a 29% bonus. Committee Chair Mark Bostick seconded the motion. There was a split vote, and the motion did not pass.

Discussion ensued to have a percentage that closely matches the previous year.

**Trustee Bob Stork made a motion to recommend approval to the Board:**

- 1. Award the President a 3.5% increase to his base salary; and,**
- 2. Award the President a performance compensation/bonus in the amount of 28% of his current annual base salary**

**Board Chair Cliff Otto seconded the motion; a vote was taken, and the motion passed unanimously.**

XIII. Closing Remarks and Adjournment

Committee Chair Mark Bostick thanked the committee and with no further business to discuss, adjourned the meeting at 9:46 a.m.

**Florida Polytechnic University  
Governance, Audit, and Compliance Committee  
Board of Trustees  
February 8, 2023**

**Subject: 2022-2024 Governance, Audit, and Compliance Committees Work Plan**

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**Proposed Committee Action**

Review only. No action required.

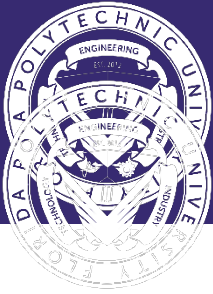
**Background Information**

Committee Chair Mark Bostick will review the Committee's 2022-2024 Work Plan.

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**Supporting Documentation:** Governance, Audit, and Compliance Committee Work Plan 2022-2024

**Prepared by:** David Fugett, VP and General Counsel



# Committee Work Plan

## Governance, Audit, and Compliance Committee Work Plan 2022-2024

### SEPTEMBER

- Review Governance, Audit, and Compliance Committee Charter (review every two years – due September 2022)

#### Governance:

- Make recommendation on the trustee evaluation instrument to be used for President's annual review
- Review President's Outcome Metrics (for prior FY)
- Review President's Powers and Duties (if needed)

#### Audit and Compliance:

- University Operational Audit – Auditor General (*minimum every three years*)
- UAC Annual Report (*prior FY*)
- UAC Risk Assessment and Audit Plan (*current FY*)
- University Compliance and Ethics Program Plan (*current FY*)
- Performance Based Funding Audit Scope Approval

### NOVEMBER

#### Governance:

- Make recommendations to the Board on President's evaluation outcome and compensation changes
- Make recommendation to Board on renewal of President's employment agreement and any necessary changes to the agreement

#### Audit and Compliance:

- Textbook Affordability Monitoring Report (*Fall semester*)

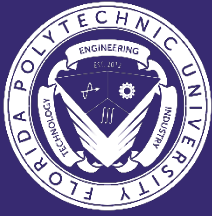
### FEBRUARY

#### Governance:

- Review Board Bylaws (review every 3 years – due 2024)
- Discuss nominations for Board Chair and Vice Chair (every 2 years - due February 2024)
- Oversee Board self-assessment (every 5 years – due February 2023)

#### Audit and Compliance:

- Performance Based Funding Audit and Data Integrity Certification
- University Annual Financial Audit (*prior FY*)
- Foundation 990 Financial Audit (*prior FY*)



# Committee Work Plan

## JUNE

### Governance:

- Make recommendation to Board on President's proposed goals for FY+1
- Discuss Board training needs
- Make recommendation on nominations for Board Chair and Vice Chair (every two years – due May 2024)

### Audit and Compliance:

- Textbook Affordability Monitoring Report (*Spring semester*)
- Bright Futures Audit (*review and approve every two years – due June 2024*)



**Florida Polytechnic University  
Governance, Audit and Compliance Committee  
Board of Trustees  
February 8, 2023**

**Subject: Audit & Compliance Update**

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**Proposed Committee Action**

Information only – no action required.

**Background Information**

David Blanton, Chief Audit Executive/Chief Compliance Officer (CAE/CCO) will provide the Committee with an update of all University audit and compliance activity including the status of all external audits and University Audit & Compliance activities and plans.

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**Supporting Documentation:** N/A

**Prepared by:** David A. Blanton, CAE/CCO

**Florida Polytechnic University  
Governance, Audit and Compliance Committee  
Board of Trustees  
February 8, 2023**

**Subject: Performance-Based Funding Data Integrity Audit and Certification**

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**Proposed Committee Action**

Recommend approval to the Board of Trustees of the Performance-Based Funding (PBF) Data Integrity Audit performed by University Audit and the related PBF Certification both due to the Board of Governors by March 1, 2023.

**Background Information**

The Performance-Based Funding (PBF) Model currently includes 10 metrics that evaluate all State University institutions. The Florida Board of Governors designed the model to (1) promote the Board of Governors' strategic plan goals for State Universities (2) reward excellence or improvement (3) have a few clear, simple metrics, and (4) acknowledge the unique mission of the various State institutions. Accordingly, the PBF model has several metrics common to all State institutions, one selected by the Board of Governors: and one selected by the Florida Poly Board of Trustees.

State institutions are evaluated on either excellence or improvement for each PBF metric. The Board of Governors uses data from various data submissions from the most current year to evaluate PBF performance and to make PBF funding decisions for each institution. Therefore, the integrity of data submitted to the Board of Governors is crucial to determining achievement towards strategic goals and funding decisions within the PBF model. Accordingly, Section 1001.92, Florida Statutes, provides that each university shall conduct an annual audit to verify that the data submitted complies with the data definitions established by the Board of Governors and submit the audit to the Board's Office of Inspector General as part of the annual certification process. These data submissions and related controls are the focus of this audit.

This audit allows the Board Chair and President to certify the accuracy of data submissions to the Board of Governors and enhance public trust and confidence in this process.

Board of Governors (BOG) Regulation 5.001(8) provides that a data integrity certification is to be provided to the BOG's Office of Inspector General by March 1 of each year. The certification drafted by the BOG includes certain representations which are to be certified and signed by the University President and the BOT Chair after being approved by the Board of Trustees. The PBF audit serves as the basis for the Board Chair and President to certify the accuracy of data submissions to the Board of Governors.

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**Supporting Documentation:**

1. Report No. FPU 2023-05, Performance-Based Funding Data Integrity Audit (issued by University Audit)

2. Data Integrity Certification – March 2023

**Prepared by:** David A. Blanton, CAE/CCO



FLORIDA POLYTECHNIC  
UNIVERSITY

**Report No: FPU 2023-05**

**January 2023**

**University Audit & Compliance  
Performance-Based Funding  
Data Integrity Audit  
For the Period Ending September 30, 2022**

David A. Blanton, CPA, CCEP  
Chief Audit Executive and Chief Compliance Officer

**University Audit & Compliance  
Performance-Based Funding Data Integrity Audit  
For the Audit Period Ending September 30, 2022**

**Index**

Executive Summary ..... 3  
Background, Objectives, Scope and Methodology ..... 4  
Audit Observations and Recommendations ..... 5  
Exhibit A: Audit Observation Risk Ranking Matrix ..... 6  
Exhibit B: Action Plan for Audit Observations ..... 7  
Exhibit C: 2023 PBF Metrics and Corresponding Data Submission Files ..... 8

University Audit and Compliance (UAC) is employed by the University. UAC’s mission is to serve the University by recommending actions to assist in achieving its strategic and operational objectives. This assistance includes evaluating and providing assurance of activities designed and implemented by management to strengthen internal controls, reduce risk to and waste of resources, and improve operations to enhance the performance and reputation of the University. Accordingly, this report is intended solely for the use of University management and its various oversight authorities and is not intended for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

## Executive Summary:

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Pursuant to the Audit Work Plan<sup>1</sup> approved by the Audit & Compliance Committee and the requirement set forth by State law<sup>2</sup> and Board of Governors (BOG) Regulations<sup>3</sup>, University Audit and Compliance (UAC) conducted an audit of Performance-Based Funding (PBF) Data Integrity as of September 30, 2022, and certain actions thereafter.

The objectives of this audit were to:

- Determine whether the University has established appropriate controls to ensure the completeness, accuracy, and timeliness of data submissions to the BOG which relate to the PBF metrics of the University.
- Provide assurance that the various data files which relate to the PBF metrics have been subjected to audit and tested for accuracy and completeness.
- Provide reasonable assurance to the President and the Chair of the Board of Trustees that certain representations included in the PBF – Data Integrity Certification form are fairly presented and therefore can be affirmed in the required certification.
- Determine whether appropriate corrective action was taken by University management to correct the Audit Observations from the prior PBF audit.

Audit fieldwork was conducted from October 2022 through January 2023. This audit was conducted in accordance with the Institute of Internal Auditors *International Standards for the Professional Practice of Internal Auditing* (Standards). Accordingly, these audit procedures provide a reasonable basis for the conclusions drawn from this audit.

Based on the results of this audit, UAC concludes that the University has established appropriate controls and processes to (1) ensure the completeness, accuracy, and timeliness of data submissions to the BOG which support the PBF metrics and (2) affirm the various representations in the PBF – Data Integrity Certification form, except as noted below:

No reportable matters noted.

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<sup>1</sup> UAC Risk Assessment and Audit Plan for the Fiscal Year Ended June 30, 2023.

<sup>2</sup> Section 1001.92, Florida Statutes, SUS Performance-based Incentive.

<sup>3</sup> Board of Governors Regulation 5.001(8), Performance-Based Funding.

## Background, Objectives, Scope, and Methodology:

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### Background:

The Performance-Based Funding (PBF) Model currently includes 10 metrics that evaluate all State University System (SUS) institutions<sup>4</sup>. The Florida Board of Governors (BOG) designed the model to (1) promote the BOG's strategic plan goals for the SUS (2) reward excellence or improvement (3) have a few clear, simple metrics, and (4) acknowledge the unique mission of the various SUS institutions. Accordingly, the PBF model has several metrics common to all SUS institutions; one selected by the BOG; and one selected by the Florida Poly Board of Trustees (BOT). See **Exhibit C** for a description of the various PBF metrics applicable to Florida Poly.

SUS institutions are evaluated on either excellence or improvement for each PBF metric. The BOG uses data from various data submissions from the most current year to evaluate PBF performance and to make PBF funding decisions for each institution. Therefore, the integrity of data submitted to the BOG is crucial to determining achievement towards strategic goals and funding decisions within the PBF model. Accordingly, State law<sup>5</sup> provides that each university shall conduct an annual audit to verify that the data submitted complies with the data definitions established by the BOG and submit the audit to the BOG's Office of Inspector General as part of the annual certification process required by the BOG. These data submissions and related controls are the focus of this audit. Although this audit provides assurance over the data submitted to the BOG, the ultimate responsibility for the accuracy and completeness of PBF data submissions and the related data resides with university management.

### Objectives:

The objectives of this audit were approved<sup>6</sup> prior to audit completion and were as follows:

- Determine whether the University has established appropriate controls to ensure the completeness, accuracy, and timeliness of data submissions to the BOG which relate to the PBF metrics of the University.
- Provide assurance that the various data files which relate to the PBF metrics have been subjected to audit and tested for accuracy and completeness.
- Provide reasonable assurance to the President and the Chair of the BOT that certain representations included in the PBF – Data Integrity Certification form are fairly presented and therefore can be affirmed in the required certification.
- Determine whether appropriate corrective action was taken by University management to correct the Audit Observations from the prior PBF audit.

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<sup>4</sup> Prior to the 2021-22 funding year, Florida Poly did not participate in the PBF funding model since it was a newly established institution without sufficient cohort history to measure performance against the established metrics.

<sup>5</sup> Section 1001.92, Florida Statutes, SUS Performance-based Incentive.

<sup>6</sup> Approved by the Florida Poly Audit and Compliance Committee on September 21, 2022, and approved by the Florida Poly BOT on September 28, 2022.

### **Scope and Methodology:**

The scope of this audit was approved<sup>6</sup> prior to audit completion and included the following:

- An evaluation of the validity of representations outlined in the Performance Based Funding – Data Integrity Certification form.
- An evaluation of controls established to ensure the completeness, accuracy, and timeliness of data files that were submitted to the BOG.
- An evaluation of access controls.
- Testing of PBF data submissions for accuracy, completeness, and consistency with data definitions and guidance provided by the BOG.
- A review of data resubmissions and data reclassifications to ensure that they were appropriate and conform to BOG guidance.

UAC assessed the risk of material noncompliance with BOG data reporting requirements and obtained an understanding of data integrity controls in order to adequately design audit procedures necessary to accomplish the audit objectives. Audit procedures included, but were not limited to, the evaluation of internal controls, reviewing written policies and procedures, interviewing key personnel, and performing tests and analysis to evaluate whether control procedures were adequately designed and operating effectively to ensure the completeness, accuracy, and timeliness of data files submitted to the BOG for PBF funding decisions.

UAC would like to acknowledge that University staff who took part in the audit were knowledgeable of their respective areas, responded quickly to questions, and showed patience throughout the audit engagement. Their cooperation was greatly appreciated.

UAC conducted this audit in accordance with the Institute of Internal Auditors *International Standards for the Professional Practice of Internal Auditing* (IIA Standards).

### **Audit Observations and Recommendations:**

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Overall, based on the results of audit procedures performed, UAC concludes that PBF-related controls over data submissions during the audit period were adequate to ensure reliable processes and procedures designed to ensure that data required in reports filed with the BOG are recorded, processed, summarized, and reported in a manner which ensures its accuracy and completeness.

No reportable matters were noted for the current audit.



## Exhibit A: Audit Observation Risk Ranking Matrix

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**NOTE: Not applicable for the current year – no reportable matters noted.**

### **Risk Rating: High**

This is a high priority observation; immediate attention from University personnel is required. This is a serious internal control or risk management issue that if not corrected or mitigated could lead to serious consequences.

The criteria that define this rating are as follows: Substantial risk of loss; serious risk of violation of University strategies, policy, or values; serious risk of reputational damage and/or significant risk of adverse impact.

Examples of deficiencies for this rating include, but are not limited to, no existing policy, controls do not exist or not placed into operation, significant fraud detected, significant amount of questioned transactions, and/or significant noncompliance observed,

### **Risk Rating: Moderate**

This is a medium priority observation; timely attention from University personnel is warranted.

The criteria that define this rating are as follows: Moderate risk of financial losses, moderate risk of loss of controls within the program or area audited, and/or adverse impact resulting in moderate sanctions or penalties.

Examples of deficiencies for this rating include, but are not limited to, inconsistent application of policy, only mitigating controls exist, and/or requires additional evaluation or review.

### **Risk Rating: Low**

This is a low priority observation; routine attention from University personnel may be warranted. Recommendation may lead to improvement in the quality and/or efficiency of the process or area audited. Risks are limited.

The criteria that define this rating are as follows: Remote risk of inappropriate activity, insignificant adverse impact, and/or immaterial amounts involved.

Examples of deficiencies for this rating include, but are not limited to, controls exist but only nominal exceptions noted, compensating controls exist but internal controls could be enhanced.

## **Exhibit B: Action Plan for Audit Observations**

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Not applicable – no reportable matters noted for the current audit.

## **Exhibit C: 2023 PBF Metrics and Corresponding Data Submission Files**

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Metric 1: Percent of Bachelor's Graduates Enrolled or Employed - Earning \$40,000+ (SIFD)

Metric 2: Median Wages of Bachelor's Graduates Employed Full-time (SIFD)

Metric 3: Average Cost to the Student - Net Tuition per 120 Credit Hours (HTD, SFA, SIF)

Metric 4: FTIC Four Year Graduation Rate (SIF, SIFD)

Metric 5: Academic Progress Rate (APR) (SIF, RET, ADM, SFA)

Metric 6: Bachelor's Degrees Awarded in Areas of Strategic Emphasis (SIFD)

Metric 7: University Access Rate - Percent of Undergraduates with a Pell-grant (SFA, SIF)

Metric 8<sup>7</sup>: (a) Graduate Degrees Awarded in Areas of Strategic Emphasis (SIF, ADM, SIFD)

Metric 9<sup>8</sup>: (b)(1) APR, 2<sup>nd</sup> Year Retention for FTIC with a Pell Grant (SIF, RET, HTD, SFA)

Metric 10: Graduates with 2+ Workforce Experiences (SIFD, Separate Metric 10 data submission file)

ADM – Admissions File

HTD - Hours to Degree File

RET - Retention File

SIF – Student Instruction File

SIFD – Student Instruction File – Degrees Awarded

SFA – Student Financial Aid File

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<sup>7</sup> Metric 8b (ranking of incoming students) was applicable to New College of Florida and Florida Poly in 2022. Going forward, Metric 8a, described above, is now applicable to Florida Poly.

<sup>8</sup> This metric (9.b.1) is applicable only to Florida Poly beginning with the next funding cycle. Other SUS institutions use either (9.a) 3-year graduation rate for FCS AA transfers or (9.b) 6-year graduation rate for Pell students.



# Data Integrity Certification

## March 2023

In accordance with Board of Governors Regulation 5.001(8), university presidents and boards of trustees are to review, accept, and use the annual data integrity audit to verify the data submitted for implementing the Performance-based Funding model complies with the data definitions established by the Board of Governors.

Given the importance of submitting accurate and reliable data, boards of trustees for those universities designated as preeminent or emerging preeminent are also asked to review, accept, and use the annual data integrity audit of those metrics to verify the data submitted complies with the data definitions established by the Board of Governors.

**Applicable Board of Governors Regulations and Florida Statutes:** Regulations 1.001(3)(f), 3.007, and 5.001; Sections 1.001.706, 1001.7065, and 1001.92, Florida Statutes

**Instructions:** To complete this certification, university presidents and boards of trustees are to review each representation in the section below and confirm compliance by signing in the appropriate spaces provided at the bottom of the form. Should there be an exception to any of the representations, please describe the exception in the space provided.

Once completed and signed, convert the document to a PDF and ensure it is ADA compliant. Then submit it via the Chief Audit Executives Reports System (CAERS) by the close of business on March 1, 2023.

**University Name: Florida Polytechnic University**

### Data Integrity Certification Representations:

1. I am responsible for establishing and maintaining, and have established and maintained, effective internal controls and monitoring over my university's collection and reporting of data submitted to the Board of Governors Office which will be used by the Board of Governors in Performance-based Funding decision-making and Preeminence or Emerging-preeminence Status.
2. In accordance with Board of Governors Regulation 1.001(3)(f), my Board of Trustees has required that I maintain an effective information system to provide accurate, timely, and cost-effective information about the university, and shall require that all data and reporting requirements of the Board of Governors are met.
3. In accordance with Board of Governors Regulation 3.007, my university provided accurate data to the Board of Governors Office.

## Data Integrity Certification, March 2023

4. In accordance with Board of Governors Regulation 3.007, I have tasked my Data Administrator to ensure the data file (prior to submission) is consistent with the criteria established by the Board of Governors. The due diligence includes performing tests on the file using applications, processes, and data definitions provided by the Board Office. A written explanation of any identified critical errors was included with the file submission.
5. In accordance with Board of Governors Regulation 3.007, my Data Administrator has submitted data files to the Board of Governors Office in accordance with the specified schedule.
6. I am responsible for taking timely and appropriate preventive/ corrective actions for deficiencies noted through reviews, audits, and investigations.
7. I recognize that Board of Governors' and statutory requirements for the use of data related to the Performance-based Funding initiative and Preeminence or Emerging-preeminence status consideration will drive university policy on a wide range of university operations – from admissions through graduation. I certify that university policy changes and decisions impacting data used for these purposes have been made to bring the university's operations and practices in line with State University System Strategic Plan goals and have not been made for the purposes of artificially inflating the related metrics.
8. I certify that I agreed to the scope of work for the Performance-based Funding Data Integrity Audit and the Preeminence or Emerging-preeminence Data Integrity Audit (if applicable) conducted by my chief audit executive.
9. In accordance with section 1001.706, Florida Statutes, I certify that the audit conducted verified that the data submitted pursuant to sections 1001.7065 and 1001.92, Florida Statutes [regarding Preeminence and Performance-based Funding, respectively], complies with the data definitions established by the Board of Governors.

Exceptions to Note: No reportable matters for the current certification.

# Data Integrity Certification, March 2023

## Data Integrity Certification Representations, Signatures:

*I certify that all information provided as part of the Board of Governors Data Integrity Certification for Performance-based Funding and Preeminence or Emerging-preeminence status (if applicable) is true and correct to the best of my knowledge; and I understand that any unsubstantiated, false, misleading, or withheld information relating to these statements render this certification void. My signature below acknowledges that I have read and understand these statements. I certify that this information will be reported to the board of trustees and the Board of Governors.*

Certification: \_\_\_\_\_  
Dr. Randy K. Avent, University President

Date: \_\_\_\_\_

*I certify that this Board of Governors Data Integrity Certification for Performance-based Funding and Preeminence or Emerging-preeminence status (if applicable) has been approved by the university board of trustees and is true and correct to the best of my knowledge.*

Certification: \_\_\_\_\_  
Clifford K. Otto, University Board of Trustees Chair

Date: \_\_\_\_\_

**AGENDA ITEM: VIII.**

**Florida Polytechnic University  
Governance, Audit & Compliance Committee  
Board of Trustees  
February 8, 2023**

**Subject: Foundation Financial Audit (FYE June 30, 2022)**

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**Proposed Committee Action**

Information only. No action required.

**Background Information**

David Blanton will provide the Committee with an overview of the Foundation's financial audit for the fiscal year ended June 30, 2022, conducted by Carr, Riggs & Ingram (independent CPA firm).

Pursuant to University Regulation (FPU 10.002), the Foundation is required to submit the annual financial audit to the University Board of Trustees for review and oversight.

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**Supporting Documentation:** Foundation Audit Report prepared by CRI

**Prepared by:** David A. Blanton, CAE/CCO



**Florida Polytechnic University Foundation, Inc.**

**FINANCIAL STATEMENTS**

**June 30, 2022**





	Page
<b>INTRODUCTORY SECTION</b>	
Table of Contents	
<b>FINANCIAL SECTION</b>	
Independent Auditors' Report.....	1
Management's Discussion and Analysis .....	4
<b>BASIC FINANCIAL STATEMENTS</b>	
Statement of Net Position .....	8
Statement of Revenues, Expenses and Changes in Net Position .....	9
Statement of Cash Flows .....	10
Notes to Financial Statements.....	11
<b>REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS</b>	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards .....	19
<b>REQUIRED COMMUNICATIONS</b>	
Required Communications .....	21
Accounting Policies, Judgments and sensitive Estimates & CRI Comments on Quality.....	28
Summary of Audit Adjustments.....	29
Management Representation Letter .....	30



# REPORT





Carr, Riggs & Ingram, LLC  
3000 Bayport Drive  
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Tampa, FL 33607

813.855.3036  
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CRIcpa.com

## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Florida Polytechnic University Foundation, Inc.  
Lakeland, Florida

### **Opinions**

We have audited the accompanying financial statements of the Florida Polytechnic University Foundation, Inc. (Foundation), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Foundation, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with

auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2022, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, LLC

Tampa, Florida  
November 16, 2022



# MANAGEMENT'S DISCUSSION AND ANALYSIS



**Florida Polytechnic University Foundation, Inc.**  
**Management's Discussion and Analysis**  
**June 30, 2022**

The management's discussion and analysis of Florida Polytechnic University Foundation, Inc.'s (Foundation), a component unit of Florida Polytechnic University, financial performance provides an overview of the Foundation's financial activities for the year ended June 30, 2022. It should be read in conjunction with the accompanying financial statements and notes.

**Financial Highlights**

As of June 30, 2022, the Foundation reported total assets of \$9,127,094 total liabilities of \$2,782,144 and a net position of \$6,344,950. The Foundation is a not-for-profit corporation incorporated in the State of Florida, but reports financial information in accordance with the Governmental Accounting Standards Board (GASB).

**Overview of the Financial Statements**

The basic financial statements consist of three basic financial statements: the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows.

*Statement of Net Position* – The statement of net position reflects the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the Foundation, using the accrual basis of accounting, and presents the financial position of the Foundation at a specified time. Assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, equals net position, which is one indicator of the Foundation's current financial condition. The changes in net position that occur over time indicate improvement or deterioration in the Foundation's financial condition.

*The Statement of Revenues, Expenses, and Changes in Net Position* - The statement of revenues, expenses, and changes in net position presents the Foundation's revenue and expense activity, categorized as operating and nonoperating. Revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid.

**Florida Polytechnic University Foundation, Inc.**  
**Management's Discussion and Analysis**  
**June 30, 2022**

**Statement of Net Position**

As noted above, net position may serve, over time, as a useful indicator of a government's financial position. The following schedules provide a summary of assets, liabilities, and net position and changes in net position of the Foundation:

<i>June 30,</i>	<b>2022</b>	2021	Increase (Decrease)
<b>Assets</b>			
Cash and cash equivalents	\$ 627,686	\$ 801,388	\$ (173,702)
Investments	6,095,923	7,256,294	(1,160,371)
Contributions receivable, net	2,403,485	441,000	1,962,485
<b>Total assets</b>	<b>\$ 9,127,094</b>	<b>\$ 8,498,682</b>	<b>\$ 628,412</b>
<b>Liabilities</b>			
Accounts payable	\$ 32,144	\$ 27,616	\$ 4,528
Other liabilities	2,750,000	2,750,000	-
<b>Total liabilities</b>	<b>2,782,144</b>	<b>2,777,616</b>	<b>4,528</b>
<b>Net Position</b>			
Restricted for			
Expendable	2,005,233	880,969	1,124,264
Nonexpendable Endowments	3,532,862	3,568,738	(35,876)
Unrestricted	806,855	1,271,362	(464,507)
<b>Total net position</b>	<b>\$ 6,344,950</b>	<b>\$ 5,721,069</b>	<b>\$ 623,881</b>

Total assets as of June 30, 2022, were \$9,127,094, an increase of \$628,412 from the prior year. Total assets increased due to an increase in donations of \$1,711,297 but a decrease in investment earnings of \$2,469,409. Total liabilities showed a slight increase of \$4,528 due to an increase in operational expenses. The Foundation's net position as of June 30, 2022, was \$6,344,950, an increase of \$623,881 from the prior year.



**Florida Polytechnic University Foundation, Inc.**  
**Management's Discussion and Analysis**  
**June 30, 2022**

**The Statement of Revenues, Expenses, and Changes in Net Position**

As of June 30, 2022, approximately 82% of the Foundation's net position was restricted, of which approximately 62% is considered nonexpendable for endowments. The remaining 38% restricted is for scholarships, student wellness, and other student activities. The remaining balance of net position, or approximately 18% of the total net position, is unrestricted and may be used to meet the Foundation's unrestricted obligations.

<i>For the year ended June 30,</i>	<b>2022</b>	2021	Increase (Decrease)
<b>Revenues</b>			
Contributions, net of allowance and discounts	\$ 2,990,445	\$ 1,279,148	\$ 1,711,297
Miscellaneous revenue	251	104	147
Investment earnings/ (losses)	(997,089)	1,472,320	(2,469,409)
Total revenues	<b>1,993,607</b>	2,751,572	(757,965)
<b>Expense</b>			
Services and supplies	599,719	362,745	236,974
Scholarships, fellowships, and waivers	570,309	549,427	20,882
Other operating expenses	125,651	128,910	(3,259)
Bad debt expense	74,047	37,389	36,658
Total expenses	<b>1,369,726</b>	1,078,471	291,255
Change in net position	623,881	1,673,101	(1,049,220)
Net Position, beginning of year	<b>5,721,069</b>	4,047,968	1,673,101
Net Position, end of year	<b>\$ 6,344,950</b>	\$ 5,721,069	\$ 623,881

Contributions to the Foundation totaled \$2,990,445, an increase of \$1,711,297 from the prior year. Contributions to the Foundation represent unrestricted, scholarship, and endowment support. Service and supplies expense totaled \$599,719, an increase of \$236,974 due to an added consultant expense for an upcoming fundraising campaign. Scholarships, fellowships, and waivers expense was \$570,309, an increase of \$20,882. Other operating expenses totaled \$125,651, a decrease of \$3,259.

**Economic Factors**

The Foundation was able to increase contributions by \$1,711,297 during a global pandemic which significantly impacted the ability to cultivate relationships with potential donors. This increase was offset by an investment loss in market value of \$2,469,409 due to the Russia/Ukraine war and its negative effects on the price of oil and gas. It is the objective of the Foundation to be a strong advocate for funding resources ensuring the university meets the strategic mission to serve students and industry through excellence in education, discovery, and application of engineering and applied sciences.

**Florida Polytechnic University Foundation, Inc.  
Management's Discussion and Analysis  
June 30, 2022**

**Request for Information**

If you have any questions concerning the basic financial statements or other accounting information in this report, please contact the Foundation at:

Florida Polytechnic University Foundation  
Kathleen (Kathy) Bowman, VP Advancement & CEO Florida Polytechnic University Foundation  
4700 Research Way, Lakeland, FL 33805



# FINANCIAL STATEMENTS



**Florida Polytechnic University Foundation, Inc.**  
**Statement of Net Position**

<i>June 30,</i>		<b>2022</b>
<hr/>		
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$	218,072
Cash and cash equivalents - restricted		409,614
Investments		162,142
Contributions receivable, net		622,398
<hr/>		
Total current assets		1,412,226
Noncurrent assets		
Restricted noncurrent assets		
Investments - endowment		3,189,730
Investments - restricted for other long term purpose		2,744,051
Contributions receivable, net		1,781,087
<hr/>		
Total noncurrent assets		7,714,868
<hr/>		
Total assets	\$	9,127,094
<hr/> <hr/>		
<b>Liabilities</b>		
Current Liabilities		
Accounts payable	\$	32,144
Other liabilities		2,750,000
<hr/>		
Total liabilities		2,782,144
<hr/>		
<b>Net position</b>		
Restricted		
Expendable		
Scholarships		1,980,233
Other programs		25,000
Nonexpendable endowments		3,532,862
Unrestricted		806,855
<hr/>		
Total net position		6,344,950
<hr/>		
Total liabilities and net position	\$	9,127,094
<hr/> <hr/>		

*The accompanying notes are an integral part of these financial statements.*

**Florida Polytechnic University Foundation, Inc.**  
**Statement of Revenues, Expenses and Changes in Net Position**

<i>For the year ended June 30,</i>	<i>2022</i>
<b>Operating revenues</b>	
Contributions, net of allowance and discounts	\$ 2,916,398
Miscellaneous revenue	251
<hr/>	
Total operating revenues	2,916,649
<b>Operating expenses</b>	
Services and supplies	599,719
Scholarships, fellowships, and waivers	570,309
Other operating expenses	125,651
<hr/>	
Total operating expenses	1,295,679
<hr/>	
Operating income	1,620,970
<b>Nonoperating revenues (expenses)</b>	
Realized gain on investments and dividends	451,309
Unrealized loss on investments and dividends	(1,448,398)
<hr/>	
Total nonoperating revenues (expenses)	(997,089)
<hr/>	
Change in net position	623,881
<hr/>	
Net position, beginning of year	5,721,069
<hr/>	
Net position, end of year	\$ 6,344,950
<hr/> <hr/>	

*The accompanying notes are an integral part of these financial statements.*

**Florida Polytechnic University Foundation, Inc.**  
**Statement of Cash Flows**

<i>Year ended June 30,</i>	<i>2022</i>
<b>Operating activities</b>	
Cash received from contributions	\$ 954,164
Cash payments for services and supplies	(595,188)
Cash payments for scholarships, fellowships, and waivers	(570,309)
Cash payments for other operating expenses	(125,651)
<hr/>	
Net cash used in operating activities	(336,984)
<b>Investing activities</b>	
Purchases of investments	(3,248,023)
Proceeds from sale of investments	3,411,305
<hr/>	
Net cash provided by investing activities	163,282
<hr/>	
Net decrease in cash and cash equivalents	(173,702)
<hr/>	
Cash and cash equivalents, beginning of year	801,388
<hr/>	
Cash and cash equivalents, end of year	627,686
<hr/> <hr/>	
<b>Reconciliation of operating income to net cash provided by operating activities</b>	
Operating income	1,620,970
Changes in assets and liabilities	
Accounts receivable	(1,962,485)
Accounts payable	4,531
<hr/>	
Total adjustments	(1,957,954)
<hr/>	
Net cash provided by operating activities	\$ (336,984)
<hr/> <hr/>	

*The accompanying notes are an integral part of these financial statements.*

## Florida Polytechnic University Foundation, Inc. Notes to Financial Statements

### **Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Florida Polytechnic University Foundation, Inc. (Foundation) was incorporated on October 30, 2012. Foundation was formed as a direct-support organization in accordance with Section 1004.28, Florida Statutes, and operates exclusively for the benefit of Florida Polytechnic University (University). The Foundation is considered a component unit of the University. The governing body of the Foundation is the Board of Directors (Board). The Board is comprised of not less than three and not more than forty-five elected directors, revised by the Nominations Committee, elected by the Board, and confirmed by the University Board of Trustees. The Foundation's purpose is to receive, hold, invest and administer property and to make expenditures to or for the benefit of the University by encouraging alumni and friends to provide private funds and other resources for the University's benefit, to manage those assets, to provide volunteer leadership in support of the University's objectives and to perform all business matter to accomplish these purposes, and to exercise rights in intellectual property for the benefit of the University.

#### ***Reporting Entity***

According to the Foundations by-laws and Section 1004.28, Florida Statutes, the University Board of Trustees shall approve all appointments to the Foundation Board, resulting in University control of the Board. Therefore, the Foundation's financial statements are prepared in accordance with generally accepted accounting principles applicable to governmental nonprofit organizations as prescribed by the Governmental Accounting Standards Board (GASB).

In evaluating the Foundation as a reporting entity, there were no component units identified for which the Foundation is considered financially accountable.

#### ***Basis of Presentation***

The accompanying financial statements have been prepared on the accrual basis of accounting coupled with an economic resources measurement focus.

The Foundation applies accounting and financial reporting standards applicable to governmental entities. Accordingly, the Foundation applies statements issued by the Governmental Accounting Standards Board.

The Foundation is engaged only in business-type activities and is required to present the financial statements required for enterprise funds which are part of proprietary funds.

Proprietary funds account for their activities similar to those found in the private sector, where cost recovery and the determination of net income are useful or necessary for sound fiscal management. The focus of proprietary fund measurement is upon the determination of operating income, changes in net position, financial net position and cash flows. Currently, the Foundation reports its proprietary fund activities in a single enterprise fund.

**Florida Polytechnic University Foundation, Inc.**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Basis of Presentation (Continued)***

The statement of net position and statement of revenues, expenses and changes in net position are reported using the flow of economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

***Assets, Liabilities, and Net Position***

***Cash and Cash Equivalents***

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

***Contributions Receivable***

The Foundation accounts for its pledges in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. Unrestricted and restricted contributions receivable are recorded in the statement of net position. If management expects the cash from the contribution receivable to be received more than one year in the future, the promises to give revenue and receivable are discounted for the time value of money (i.e., net present value). Endowment pledges are not recognized in the statement of net position.

Management estimates the allowance for uncollectible promises based on historical write-offs. Contributions are reported at net realizable value in the initial year and a discount is recorded. These contributions are not revalued in subsequent years and the Foundation has not elected the fair value option. Discount amortization is recognized as contribution revenue in subsequent years.

***Investments***

Investments consist primarily of assets invested in marketable equity and debt securities and money market accounts. Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statement of financial position. The realized and unrealized gain or loss on investments is reflected in the statement of activities.



**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Assets, Liabilities, and Net Position (Continued)***

*Investments (Continued)*

Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that change in the fair values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

*Net Position*

Classification of net position is defined as follows:

*Restricted net position* – This category represents the net position of the Foundation which is restricted by constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments or imposed by law through enabling legislation.

*Expendable* – This portion of restricted net position comprises expendable funds with restrictions to use for the benefit of various programs at the University, including the expendable portion of endowment funds.

*Nonexpendable* – This portion of restricted net position consists of nonexpendable funds with restrictions to use for the benefit of various programs at the University. The corpus of the permanent endowments are retained while the net earnings or losses on endowment funds are included in expendable funds available for expenditure.

*Unrestricted net position* – This category includes funds that do not meet the definition of restricted.

Net position flow assumption - Sometimes the Foundation will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Foundation's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

**Florida Polytechnic University Foundation, Inc.**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Revenue Recognition***

The Foundation recognizes gifts of cash, investment securities or pledges receivable as revenue when all eligibility requirements have been met with the exception of pledges to the endowment which are recognized when funds are received. Donations of securities and other non-monetary items are recorded as revenue based on their acquisition value at the date of the gift. Donated services are not recognized by the Foundation.

***Income Tax Status***

The Foundation is a not-for-profit organization that is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Unrelated business income, as defined by Section 509(a)(1) of the Code is subject to federal income tax. The Foundation currently has no unrelated business taxable income. Accordingly, no provision for income taxes has been recorded.

The Foundation determined there were no uncertain tax position for which either recognition or disclosure is required in the Financial Statements.

***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, November 16, 2022 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**Note 2: DETAILED NOTES ON ALL FUNDS**

***Deposits and Investments***

At June 30, 2022, \$250,000 of the Foundation's bank balances is covered by federal depository insurance (FDIC).

**Florida Polytechnic University Foundation, Inc.**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Deposits and Investments (Continued)***

*Credit risk* – Section 150: Investments of the GASB Codification requires that governments provide information about credit risk associated with their investments by disclosing the credit rating of investments in debt securities as described by nationally recognized statistical rating organizations. The Foundation had no policy on credit risk.

*Custodial credit risk* – Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution the Foundation may not be able to recover deposits.

*Interest rate risk* – Interest rate risk is the possibility that interest rates will rise and reduce the fair value of an investment. The Foundation had no policy on interest rate risk.

As of June 30, 2022, the Foundation had the following investments and related maturities:

Investment type	Investment Maturities			
	Fair Value	Less than 1 year	1-5 Years	> 5 Years
Mutual funds				
Equity funds	\$ 4,081,995	\$ 4,081,995	\$ -	\$ -
Bonds funds	2,013,928	2,013,928	-	-
<b>Total investments</b>	<b>\$ 6,095,923</b>	<b>\$ 6,095,923</b>	<b>\$ -</b>	<b>\$ -</b>

*Credit Risk* - Credit risk is the risk that an insurer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. State law does not limit investment options of the Foundation. The Foundation had no policy on credit risk. Presented below is the actual rating as of June 30, 2022 for each type of investment. Presented below is the actual rating as of June 30, 2022 for each type of investment.

Investment type	Rating	Fair Value
Mutual funds		
Equity funds	NR	\$ 4,081,995
Bonds funds	NR	2,013,928
<b>Total investments</b>		<b>\$ 6,095,923</b>

*Fair Value* – GASB Codification Section 3100: Fair Value Measurements establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

**Florida Polytechnic University Foundation, Inc.**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Deposits and Investments (Continued)***

The three levels of the fair value hierarchy under the codification are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.
- Level 2: Inputs to the valuation methodology include:
- quoted prices for similar assets or liabilities in active markets;
  - quoted prices for identical or similar assets or liabilities in inactive markets;
  - inputs other than quoted prices that are observable for the asset or liability;
  - inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Foundation's investments at June 30, 2022 are reported at fair value as follows:

Investment type	Assets Measured at Fair Value	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
Mutual funds				
Equity funds	\$ 4,081,995	\$ 4,081,995	\$ -	\$ -
Bonds funds	2,013,928	2,013,928	-	-
<b>Total investments</b>	<b>\$ 6,095,923</b>	<b>\$ 6,095,923</b>	<b>\$ -</b>	<b>\$ -</b>

**Florida Polytechnic University Foundation, Inc.**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Contribution Receivable***

Contribution receivable at June 30, 2022 are summarized as follows:

Expected receipt of contribution in:	Amount
2023	\$ 635,100
2024	625,100
2025	425,000
2026	405,000
2027	400,000
<hr/>	
Gross contributions receivable	2,490,200
Less discount for present value	(74,013)
Less allowance for doubtful contributions receivable	(12,702)
<hr/>	
Net contributions receivable	\$ 2,403,485

Contributions receivable consist primarily of promises from individuals and corporations within the Central Florida and Tampa Bay area. Management has established an allowance account as its estimate of uncollectible promises to give of \$12,702 at June 30, 2022.

***Other Liabilities***

The Foundation has \$2,750,000 in other liabilities as of year ended June 30, 2022. During fiscal year 2014, an anonymous donor gave \$5,000,000 to the Foundation. According to the stipulations of the second amendment to the donation agreement, \$250,000 was returned to the donor in fiscal year 2015. \$2,000,000 of the donation was designated for unrestricted purposes. Funds were available in a dollar for dollar match as donations were received from additional donors. During fiscal year June 30, 2014, \$447,200 was matched and recognized as revenue. During fiscal year end June 30, 2015, the remaining \$1,552,800 was matched, collected, and recognized as revenue. The remaining \$2,750,000 cannot be used until the anonymous donor and Foundation enter an agreement as to how the funds will be released. The second amendment of the donation agreement states, if a written agreement is not reached on or before August 1, 2015, the anonymous donor may at any time thereafter, upon its written request remove the remainder of the donation. If this event occurs, the Foundation is required to return the \$2,750,000 to the anonymous donor within 30 days of the anonymous donor's written request. As of the issuance of the June 30, 2022 financial statements, an agreement has not been reached with the anonymous donor, although on-going discussions have/are taking place between the University and the anonymous donor in regards to status of designated benchmarks. To date, the anonymous donor has not requested the funds be returned.

**Florida Polytechnic University Foundation, Inc.**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Endowment Composition***

The Foundation's endowment balance is comprised of funds established for the purposes of scholarships. As of June 30, 2022 the balance was \$3,189,730 of which \$3,532,864 was nonexpendable and \$343,134 is a reduction of unrestricted net position, to cover the investment losses.

The Foundation authorizes expenditures for the uses and purposes for which endowment funds were established.

The Foundation is allowed to spend a portion of the total return on endowment funds for current year needs. Any remainder of the total return is to be reinvested to keep pace with and exceed inflations. Dividends earned on endowment funds are to be spent on a percentage of the average prior five calendar years' market value when available.

**Note 3: RELATED PARTY TRANSACTIONS**

The Foundation contributed \$720,309 to the University for the year ended June 30, 2022.

For the year ended June 30, 2022, contribution revenue from the Foundation Board of Directors and University Board of Trustees totaled \$65,828.



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Florida Polytechnic University Foundation, Inc.  
Lakeland, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Florida Polytechnic University Foundation, Inc. (Foundation), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements, and have issued our report thereon dated November 16, 2022.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

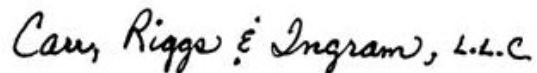
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Carr, Riggs & Ingram, L.L.C.".

CARR, RIGGS & INGRAM, LLC

Tampa, Florida  
November 16, 2022





# REQUIRED COMMUNICATIONS





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November 16, 2022

The Board of Directors and Management of  
Florida Polytechnic University Foundation, Inc.

We are pleased to present the results of our audit of the 2022 financial statements of Florida Polytechnic University Foundation, Inc. (the Foundation).

This report to the Board of Directors and management summarizes our audit, the report issued and various analyses and observations related to the Foundation's accounting and reporting. The document also contains the communications required by our professional standards.

Our audit was designed, primarily to express an opinion on the Foundation's 2022 financial statements. We considered the Foundation's current and emerging business needs, along with an assessment of risks that could materially affect the financial statements, and aligned our audit procedures accordingly. We conducted the audit with the objectivity and independence that you expect. We received the full support and assistance of the Foundation's personnel.

At Carr, Riggs & Ingram, LLC (CRI), we are continually evaluating the quality of our professionals' work in order to deliver audit services of the highest quality that will meet or exceed your expectations. We encourage you to provide any feedback you believe is appropriate to ensure that we do not overlook a single detail as it relates to the quality of our services.

This report is intended solely for the use of the Board of Directors and management of the Foundation and should not be used by anyone other than these specified parties.

We appreciate this opportunity to work with you. If you have any questions or comments, please contact me at 813-207-2946 or [jbrielmaier@cricpa.com](mailto:jbrielmaier@cricpa.com).

Very truly yours,

A handwritten signature in blue ink that reads 'JJBE III'.

John J. Brielmaier, III, CPA, CITP, CISA  
Partner



As discussed with the Board of Directors and management during our planning process, our audit plan represented an approach responsive to the assessment of risk for the Foundation. Specifically, we planned and performed our audit to:

- Perform audit services, as requested by the Board of Directors, in accordance with auditing standards generally accepted in the United States of America, in order to express an opinion on the Foundation's financial statements for the year ended June 30, 2022;
- Communicate directly with the Board of Directors and management regarding the results of our procedures;
- Address with the Board of Directors and management any accounting and financial reporting issues;
- Anticipate and respond to concerns of the Board of Directors and management; and
- Address other audit-related projects as they arise and upon request.
- Perform audit services, as requested by the Board and management, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, in order to express an opinion on the Foundation's financial statements for the year ending June 30, 2022.



We have audited the Foundation’s financial statements for the year ended June 30, 2022, and have issued our report thereon dated November 16, 2022. Professional standards require that we provide you with the following information related to our audit:

MATTER TO BE COMMUNICATED	AUDITORS’ RESPONSE
<p><b>Auditors’ responsibility under Generally Accepted Auditing Standards and Government Auditing Standards</b></p>	<p>As stated in our engagement letter dated June 1, 2022, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (GAAP). Our audit of the financial statements does not relieve you or management of your responsibilities.</p> <p>As part of our audit, we considered the internal controls of the Foundation. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.</p>
<p><b>Client’s responsibility</b></p>	<p>Management, with oversight from those charged with governance, is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of financial position, results of operations, and cash flows in conformity with the applicable framework. Management is responsible for the design and implementation of programs and controls to prevent and detect fraud. Management is responsible for the design and implementation of programs and controls to prevent and detect fraud. Management is responsible for overseeing nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.</p>
<p><b>Planned scope and timing of the audit</b></p>	<p>Our initial audit plan was not significantly altered during our fieldwork.</p>
<p><b>Management judgments and accounting estimates</b>  <i>The process used by management in forming particularly sensitive accounting estimates and the basis for the auditors’ conclusion regarding the reasonableness of those estimates.</i></p>	<p>Please see the following section titled “Accounting Policies, Judgments and Sensitive Estimates and CRI Comments on Quality.”</p>



MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p><b>Potential effect on the financial statements of any significant risks and exposures</b>  <i>Major risks and exposures facing the Foundation and how they are disclosed.</i></p>	<p>No such risks or exposures were noted.</p>
<p><b>Significant accounting policies, including critical accounting policies and alternative treatments within generally accepted accounting principles and the auditors' judgment about the quality of accounting principles</b></p> <ul style="list-style-type: none"> <li>• <i>The initial selection of and changes in significant accounting policies or their application; methods used to account for significant unusual transactions; and effect of significant policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</i></li> <li>• <i>The auditor should also discuss the auditors' judgment about the quality, not just the acceptability, of the Foundation's accounting policies as applied in its financial reporting. The discussion should include such matters as consistency of accounting policies and their application, and clarity and completeness of the financial statements, including disclosures. Critical accounting policies and practices applied by the Foundation in its financial statements and our assessment of management's disclosures regarding such policies and practices (including any significant modifications to such disclosures proposed by us but rejected by management), the reasons why certain policies and practices are or are not considered critical, and how current and anticipated future events impact those determinations.</i></li> <li>• <i>Alternative treatments within GAAP for accounting policies and practices related to material items, including recognition, measurement, presentation and disclosure alternatives, that have been discussed with client management during the current audit period, the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the auditor; Furthermore, if the accounting policy selected by management is not the policy preferred by us, discuss the reasons why</i></li> </ul>	<p>The significant accounting policies used by the Foundation are described in Note 1 to the financial statements.</p> <p>We noted no transactions entered into by the Foundation during the fiscal year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.</p> <p>Further, the disclosures in the Foundation's financial statements are neutral, consistent, and clear.</p>



MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p><i>management selected that policy, the policy preferred by us, and the reason we preferred the other policy.</i></p>	
<p><b>Significant difficulties encountered in the audit</b>  <i>Any significant difficulties, for example, unreasonable logistical constraints or lack of cooperation by management.</i></p>	<p>We encountered no significant difficulties in dealing with management in performing and completing our audit.</p>
<p><b>Disagreements with management</b>  <i>Disagreements, whether or not subsequently resolved, about matters significant to the financial accounting, reporting, or auditing matter, that could be significant to the financial statements or the auditors' report. This does not include those that came about based on incomplete facts or preliminary information.</i></p>	<p>We are pleased to report that no such disagreements arose during the course of our audit.</p>
<p><b>Other findings or issues</b>  <i>Matters significant to oversight of the financial reporting practices by those charged with governance. For example, an entity's failure to obtain the necessary type of audit, such as one under Government Auditing Standards, in addition to GAAS.</i></p>	<p>None noted.</p>
<p><b>Matters arising from the audit that were discussed with, or the subject of correspondence with, management</b>  <i>Business conditions that might affect risk or discussions regarding accounting practices or application of auditing standards.</i></p>	<p>None noted.</p>
<p><b>Corrected and uncorrected misstatements</b>  <i>All significant audit adjustments arising from the audit, whether or not recorded by the Company, that could individually or in the aggregate have a significant effect on the financial statements. We should also inform the Board of Directors about uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented, that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Any internal control deficiencies that could have prevented the misstatements.</i></p>	<p>See "Summary of Audit Adjustments" section.</p>



MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p><b>Major issues discussed with management prior to retention</b>  <i>Any major accounting, auditing or reporting issues discussed with management in connection with our initial or recurring retention.</i></p>	<p>Discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.</p>
<p><b>Consultations with other accountants</b>  <i>When management has consulted with other accountants about significant accounting or auditing matters.</i></p>	<p>To our knowledge, there were no such consultations with other accountants.</p>
<p><b>Written representations</b>  <i>A description of the written representations the auditor requested (or a copy of the representation letter).</i></p>	<p>See "Management Representation Letter" section.</p>
<p><b>Internal control deficiencies</b>  <i>Any significant deficiencies or material weaknesses in the design or operation of internal control that came to the auditors' attention during the audit.</i></p>	<p>See "Internal Control Findings" section.</p>
<p><b>Fraud and illegal acts</b>  <i>Fraud involving the Foundation's Board of Directors or those responsible for internal controls, or causing a material misstatement of the financial statements, where the auditor determines there is evidence that such fraud may exist. Any illegal acts coming to the auditors' attention involving senior management and any other illegal acts, unless clearly inconsequential.</i></p>	<p>We are unaware of any fraud or illegal acts involving management or causing material misstatement of the financial statements.</p>
<p><b>Other information in documents containing audited financial statements</b>  <i>The external auditors' responsibility for information in a document containing audited financial statements, as well as any procedures performed and the results.</i></p>	<p>Our responsibility related to documents (including annual reports, websites, etc.) containing the financial statements is to read the other information to consider whether:</p> <p>Such information is materially inconsistent with the financial statements; and</p> <p>We believe such information represents a material misstatement of fact.</p> <p>We have not been provided any such items to date and are unaware of any other documents that contain the audited financial statements.</p>
<p><b>Significant unusual accounting transactions</b>  <i>Auditor communication with governance to include auditors' views on policies and practices management used, as well as the auditors' understanding of the business purpose.</i></p>	<p>No significant unusual accounting transactions were noted during the year.</p>



MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p><b>Supplementary Information in relation to the financial statements as a whole</b>  <i>The auditors' responsibility for supplementary information accompanying the financial statements, as well as any procedures performed and the results.</i></p>	<p>We made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.</p>





We are required to communicate our judgments about the quality, not just the acceptability, of the Foundation's accounting principles as applied in its financial reporting. We are also required to communicate critical accounting policies and sensitive accounting estimates. Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The Board of Directors may wish to monitor throughout the year the process used to compute and record these accounting estimates. The table below summarizes our communications regarding these matters.

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	AUDITORS' CONCLUSIONS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Investments	The Foundation follows the provisions of ASC 820, <i>Fair Value Measures</i> , when reporting investments.	X	The allocation between levels 1-3 under ASC 820 is based on a detailed management review of the underlying investments.	The Foundation's policies are in accordance with accounting principles generally accepted in the United States of America (GAAP).
Contributions Receivable	Contribution receivables expected to be received more than one year in the future are discounted for the time value of money (i.e. net present value).  Contribution receivables are monitored continuously and an allowance for uncollectible contributions receivable is recorded.	X	The Foundation applies a discount rate based on the average of the 5 and 10 year Treasury Bill.  The Foundation considers historical write-offs when estimating the allowance for uncollectible contributions receivable.	The Foundation's policies are in accordance with accounting principles generally accepted in the United States of America (GAAP).



During the course of our audit, we accumulate differences between amounts recorded by the Foundation and amounts that we believe are required to be recorded under GAAP reporting guidelines. Those adjustments are either recorded (corrected) by the Foundation or passed (uncorrected). Uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even if, in the auditors' judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

There were no adjustments, either corrected or uncorrected, as a result of our audit procedures.

### **QUALITATIVE MATERIALITY CONSIDERATIONS**

In evaluating the materiality of audit differences when they do arise, we consider both quantitative and qualitative factors, for example:

- Whether the difference arises from an item capable of precise measurement or whether it arises from an estimate, and, if so, the degree of imprecision inherent in the estimate.
- Whether the difference masks a change in earnings or other trends.
- Whether the difference changes a net decrease in assets to addition, or vice versa.
- Whether the difference concerns an area of the Foundation's operating environment that has been identified as playing a significant role in the Foundation's operations or viability.
- Whether the difference affects compliance with regulatory requirements.
- Whether the difference has the effect of increasing management's compensation – for example, by satisfying requirements for the award of bonuses or other forms of incentive compensation.
- Whether the difference involves concealment of an unlawful transaction.



November 16, 2022

Carr, Riggs & Ingram, LLC  
3000 Bayport Drive  
Suite 500  
Tampa, FL 33607

This representation letter is provided in connection with your audit(s) of the financial statements of the Florida Polytechnic University Foundation, Inc (Foundation), which comprise the respective financial position as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the disclosures (collectively, the “financial statements”), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of November 16, 2022, the following representations made to you during your audit.

#### **Financial Statements**

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 1, 2022, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.



FLORIDA POLYTECHNIC UNIVERSITY  
**FOUNDATION**

- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the Foundation is contingently liable, if any, have been properly recorded or disclosed.

**Information Provided**

- 11) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the Foundation from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of the Foundation or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have no knowledge of any fraud or suspected fraud that affects the Foundation and involves—
  - Management,
  - Employees who have significant roles in internal control, or



FLORIDA POLYTECHNIC UNIVERSITY  
**FOUNDATION**

- Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the Foundation's financial statements communicated by employees, former employees, regulators, or others.
  - 15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
  - 16) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
  - 17) We have disclosed to you the names of the Foundation's related parties and all the related party relationships and transactions, including any side agreements.

**Government-specific**

- 18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 19) We have a process to track the status of audit findings and recommendations.
- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 21) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 22) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 23) The Foundation has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 24) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions.
- 25) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of



FLORIDA POLYTECHNIC UNIVERSITY  
**FOUNDATION**

contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

- 27) As part of your audit, you assisted with preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.
- 28) In regard to the preparation of financial statements services performed by you, we have—
- 1) Assumed all management responsibilities.
  - 2) Designated Larry Locke, COO, who has suitable skill, knowledge, or experience to oversee the services.
  - 3) Evaluated the adequacy and results of the services performed.
  - 4) Accepted responsibility for the results of the services.
  - 5) Ensured that the entity's data and records are complete and received sufficient information to oversee the services.
- 29) The Foundation has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 30) The Foundation has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 31) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 32) The financial statements include all fiduciary activities required by [GASBS No. 84](#), as amended.
- 33) The financial statements properly classify all funds and activities in accordance with [GASBS No. 34](#), as amended.
- 34) All funds that meet the quantitative criteria in [GASBS Nos. 34](#) and [37](#) for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 35) Components of net position (net investment in capital assets; restricted; and unrestricted) is properly classified and, if applicable, approved.



FLORIDA POLYTECHNIC UNIVERSITY  
**FOUNDATION**

- 36) Investments, derivative instrument transactions, and land and other real estate held by endowments are properly valued.
- 37) Provisions for uncollectible receivables have been properly identified and recorded.
- 38) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 39) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 40) Deposits and investment securities and derivative instrument transactions are properly classified as to risk and are properly disclosed.
- 41) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 42) We have appropriately disclosed the Foundation's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 43) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 44) The financial statement properly classify \$2,750,000 as a liability due back to the donor per the second amendment of the Anonymous Donor donation agreement. No agreement has been reached between the Foundation and the donor as of November 16, 2022 in regards to a change in status of these funds.

Signature: *Kathleen Bowman*

Title: Foundation, CEO

Signature: *Larry Locke*

Title: Foundation, COO



The Board of Directors and Management of  
Florida Polytechnic University Foundation, Inc.

In planning and performing our audit of the financial statements of the Florida Polytechnic University Foundation Inc. (Foundation) as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, the Board of Directors, others within the Foundation, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, LLC

Tampa, Florida  
November 16, 2022



**Florida Polytechnic University  
Governance, Audit, and Compliance Committee  
Board of Trustees  
February 8, 2023**

**Subject: Board of Trustees Self-Assessment**

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**Proposed Committee Action**

Discussion only. No action required.

**Background Information**

In spring 2018, the University Board of Trustees invited AGB consultant Dr. Carol Cartwright to lead a discussion on Board self-assessment and governance. A Board assessment survey was conducted to identify areas of strength as well as areas for improvement. Dr. Cartwright presented the survey's findings at the May 2018 Board Retreat.

Per SACSCOC Principles of Accreditation, Section 4, governing boards expected to define and regularly evaluate their responsibilities and expectations. SACSCOC does not require evaluations to be conducted in a specific time frame. The Board of Governors conducts a self-evaluation biannually.

The Association of Governing Boards notes that:

Board assessment is an essential element of good governance. By establishing a thorough assessment process and a clear plan to address the findings, a board holds itself accountable, demonstrates its commitment to serve the institution, and promotes stronger board performance." (*Assessing the Board, AGB*)

Two topics for Committee consideration and discussion:

1. **When to conduct a self-assessment.** Based on previous Governance Committee discussions, the Work Plan indicates that the Board self-assessment is due this year.
2. **How to conduct a self-assessment.** In consultation with the Board Chair, an assessment can be conducted using internal resources and expertise precluding the need to hire an outside consultant. Sample draft assessment instruments have been reviewed by both staff and the Board Chair who agree that with some modifications, an assessment instrument can be developed for the Florida Poly Board of Trustees.

The committee needs to discuss when and how to perform the next Self-Assessment.

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**Supporting Documentation:** N/A

**Prepared by:** Kristen Wharton, Assistant Secretary, University Board of Trustees

**Florida Polytechnic University  
Governance, Audit, and Compliance Committee  
Board of Trustees  
February 8, 2023**

**Subject: Resolution on the Powers and Duties of the President**

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**Proposed Committee Action**

Recommend approval of the revised "*Resolution on the Powers and Duties of the President*" to the Board of Trustees.

**Background Information**

Resolution on Powers and Duties of the President (Resolution) was first adopted on September 16, 2014 and amended on November 17, 2021. The Board of Governors (BOG) amended Regulation 1.001 University Board of Trustees Powers and Duties to withdraw the reference of the University presidents serving as Corporate Secretary of the Board of Trustees (BOT).

References to the President serving as Corporate Secretary have been deleted accordingly.

In addition, language was modified under Property and Purchasing (5)(h)(i) for clarification.

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**Supporting Documentation:**

1. Draft BOT Resolution on Powers and Duties of the President
2. Regulation 1.001 section 2(f) University Board of Trustees Powers and Duties

**Prepared by:** Kristen Wharton, Assistant Secretary, University Board of Trustees

# THE FLORIDA POLYTECHNIC UNIVERSITY BOARD OF TRUSTEES

<p style="text-align: center;"><b>Board of Trustees</b> <b>Resolution <del>2017</del><u>2023-004001</u></b></p>
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**SUBJECT: Powers and Duties of the President**

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The Florida Polytechnic University Board of Trustees hereby adopts the following Resolution:

**The Florida Polytechnic University Board of Trustees hereby rescinds the prior Board of Trustees Resolution ~~2017~~2021-003-004 and resolves to establish the powers and duties of the President of Florida Polytechnic University as follows:**

The President shall serve as the Chief Executive Officer ~~and Corporate Secretary of the Board of Trustees~~, and shall be responsible for the operation and administration of the University consistent with the authority delegated as may be made by the Board of Trustees from time to time. In carrying out these powers and duties, the President shall:

**(1) University Administration and Oversight.**

(a) Organize the University to efficiently and effectively achieve its goals, and periodically review and provide reports to the Board of Trustees on University operations in order to determine how effectively and efficiently the University is being administered and whether it is meeting the strategic goals of the University, including the goals of its strategic plan adopted by the Board of Governors and other strategic goals for advancement of the University endorsed by the Board of Trustees.

(b) Prepare a strategic plan in alignment with the Board of Governors' system wide strategic plan and regulations, and the University's mission for consideration and approval by the Board of Trustees for submission to the Board of Governors.

(c) Prepare a multi-year workplan for consideration and approval by the Board of Trustees for submission to the Board of Governors that outlines the University's top priorities, strategic directions, and specific actions and financial plans for achieving those priorities, as well as performance expectations and outcomes on institutional and system wide goals. The workplan shall reflect the University's distinctive mission and focus on core institutional strengths within the context of State University System goals and regional and statewide needs, as well as national and global needs as applicable to the University's mission.

(d) Prepare and periodically update a policy addressing conflicts of interest for the Board of Trustees and University employees.

(e) Maintain an effective information system to provide accurate, timely, and cost-effective information about the University, and require that all data and reporting requirements of the Board of Trustees and Board of Governors be met.

(f) Take routine administrative actions on behalf of the Board of Trustees related to the development, adoption, amendment or repeal of University regulations, or any action required under the Florida Administrative Procedures Act, Chapter 120, Florida Statutes. This authority does not include the final approval of University regulations.

(g) Propose regulations for approval by the Board of Trustees, when appropriate.

(h) Establish procedures related to data and technology, including information systems, communications systems, computer hardware and software, and networks.

(i) Secure comprehensive general liability insurance and other forms of insurance, as necessary, pursuant to sections 1001.706(4)(d) and 1004.24, Florida Statutes.

(j) Provide for payment of the cost of civil actions against officers, employees, or agents of the Board of Trustees.

(k) Govern traffic on the grounds of the University and in other areas in accordance with law and any mutual aid agreements entered into with other law enforcement agencies.

(l) Establish the program for campus safety and emergency preparedness, including safety and security measures for University personnel, students, and campus visitors.

(m) Close all or portions of the University campus and cease normal operations and services in the event of an emergency, when, in the President's judgment, such action would protect the safety, health and welfare of the University faculty, students and staff, and the University facilities and grounds. In exercising this authority, the President is authorized to determine and assign those employees who are required to provide essential services.

(n) Consult with the Chancellor of the State University System prior to recommending any acquisition, establishment, reclassification, relocation, or closure of additional campuses or special purpose centers to the Board of Trustees.

~~(o) To serve as Corporate Secretary of the Board of Trustees, and in the capacity of Secretary, shall give notice of all meetings of the Board of Trustees and its committees, set the agenda for meetings of the Board of Trustees in consultation with the chair, record and maintain the minutes of any Board of Trustee or committee meetings, including a record of all votes cast, in accordance with Florida Statutes section 286.011(2) attest to all documents which have been executed by the Board of Trustees, and act as custodian of the Corporate Seal.~~

(p) Consult with the Board of Trustees in a timely manner on any matters appropriate to its policy-making and fiduciary functions and serve as the University's key spokesperson.

(q) Execute all documents on behalf of the University and the Board of Trustees consistent with law, Board of Governors and Board of Trustees resolutions, rules, regulations and policies and the best interests of the University. No such document may purport to limit any Board of Trustees member's individual discretion in discharging the responsibilities of a Trustee.

**(2) Academic Programs and Student Affairs.**

(a) Propose for adoption by the Board of Trustees, as appropriate, University regulations or policies in areas including, but not limited to:

1. Authorization and discontinuance of degree programs;
2. Articulation and access;
3. Admission and enrollment of students;
4. Minimum academic performance standards for the award of a degree;
5. Student financial assistance;
6. Student activities and organizations;
7. Student records and reports;
8. Antihazing, related penalties, and program for enforcement;
9. Reasonable accommodation of religious observances;
10. Textbook and instructional materials affordability; and
11. Uniform Student code of conduct and related penalties.

Such regulations or policies shall be consistent with any applicable Board of Governors' regulations.

(b) Recommend to the Board of Trustees the establishment and termination of undergraduate and graduate degree programs.

(c) Develop, approve, and implement non-degree, including non-college credit, granting educational programs of the University.

(d) Award degrees, including posthumous, in memoriam and honorary degrees.

(e) Develop, approve, and enter into agreements for student exchange and study abroad programs and implement such programs, including without limitation those that are ancillary to the degree and non-degree, including non-college credit, granting programs of the University.

(f) Establish the internal academic calendar of the University within general guidelines of the Board of Governors.

(g) Govern admissions.

(h) Establish a committee to periodically review and evaluate the student disciplinary system. At least one-half of the members of the committee shall be students appointed in consultation with the student body president.

- (i) Approve the internal procedures of student government organizations.
- (j) Provide purchasing, contracting and budgetary review process for the student government organizations.
- (k) Approve, if necessary, the establishment of an educational research center for child development in accordance with the provisions of section 1011.48, Florida Statutes.
- (l) Administer all aspects of the University intercollegiate athletics program, if any, with periodic reports to the Board of Trustees on the operations of the program including, but not limited to, finances, audit and compliance, and changes in key personnel.

**(3) Personnel.**

- (a) Establish and implement policies and procedures to recruit, appoint, transfer, promote, compensate, evaluate, reward, demote, discipline, and remove personnel, in accordance with regulations and policies of the Board of Trustees and the Board of Governors.
- (b) Consult with the Chair of the Board of Trustees, or other trustee designee, on the hiring, dismissal, and compensation of any person serving in a Vice President capacity or other executive direct report position to the President or the Board of Trustees, and the Chief Audit Executive and Chief Compliance Officer. The President shall also consult with the Board Chair on an annual basis to review the positions covered by this provision and amend the list based on the mission and strategic priorities of the University. The General Counsel, Chief Audit Executive and Chief Compliance Officer shall report to the Board of Trustees and the President.
- (c) Approve travel in accordance with section 112.061, Florida Statutes.
- (d) Serve as the University representative with regard to administering collective bargaining matters; appoint members to the collective bargaining teams to negotiate agreements on behalf of the Board of Trustees; and execute on behalf of the Board of Trustees final agreements approved by the Board of Trustees after ratification by collective bargaining units.

**(4) Financial Management.**

- (a) Keep the Board of Trustees apprised of the financial condition of the University and any direct support organizations certified by the Board of Trustees or affiliated organizations subject to the oversight of the Board of Trustees.
- (b) Prepare an institutional budget request, including a request for fixed capital outlay, and an operating budget for approval by the Board of Trustees.
- (c) Recommend to the Board of Trustees a schedule of tuition and fees to be charged by the University in accordance with the provisions in section 1009.24, Florida Statutes.

- (d) Recommend to the Board of Trustees a regulation for the waiver for tuition and fees pursuant to law and regulations established by the Board of Governors.
- (e) Account for expenditures of all state, local, federal, and other funds in accordance with guidelines or regulations established by the Board of Governors, and as provided by state or federal law.
- (f) In accordance with the provisions of section 1011.40, Florida Statutes, prepare the operating budget of the University as prescribed by law, regulations of the Board of Governors, policies of the Board of Trustees, and provisions of the General Appropriations Act, for approval by the Board of Trustees. The proposed expenditures, plus transfers, and balances shall not exceed the estimated income, transfers, and balances. The budget and each part thereof shall balance. If at any time the unencumbered balance in the education and general fund of the Board of Trustees approved operating budget goes below 5 percent, the President shall provide written notification to the Board of Governors.
- (g) Enter into agreements for, and accept, credit card payments or other electronic payments as compensation for goods, services, tuition, and fees.
- (h) Establish policies and procedures for the performance of annual internal audits of University finances and operations. All reports generated from such audits must be submitted to the Board of Governors after review and acceptance by the Board of Trustees.
- (i) Establish policies and procedures for the implementation of appropriate financial controls, with review by the University's internal auditor.
- (j) To authorize budget transfers from depositories or accounts, and sign checks or otherwise authorize payment of legal obligations of the University in accordance with section 1011.42(7), Florida Statutes.
- (k) Perform banking transactions, which authority may also be delegated to the Vice President and Assistant Vice President for Administration and Finance, the University Controller and Associate Controller, the University Treasurer, and other positions deemed by the President or senior designee reporting to the President to have responsibility for financial matters.
- (l) Employ private attorney services after consulting with the university's General Counsel.
- (m) Employ the services of collection agencies when deemed advisable in collecting delinquent accounts and to charge off and settle accounts when uncollectible. The President will annually report the status of accounts receivable charge-offs to the Board, which may be provided through the university's financial statements or reports.
- (n) Ensure the Board of Trustees is presented with sufficient information for prudent decision-making for projects subject to the Board of Governors Debt Management Guidelines and Public-Private Partnership Guidelines, and University guidelines.

## **(5) Property and Purchasing.**

(a) Administer a program for the maintenance and construction of facilities pursuant to Chapter 1013, Florida Statutes; certify to the Board of Governors or Department of Education, as requested, a project's compliance with the requirements for expenditure of Public Education Capital Outlay funds.

(b) Ensure that all plans for construction, renovation, remodeling, or demolition of any educational or ancillary plants conform to the requirements of the Florida Building Code and the Florida Fire Prevention Code. The President is authorized to submit documents to the Board of Governors or Department of Education, as appropriate, and to award contracts subsequent to and consistent with Board of Trustees approval of the scope, timeframes, funding source, and budget of a survey-recommended project. (F.S. section 1013.371).

(c) Act for the Board of Trustees as custodian of all University property.

(d) Approve and execute contracts for: purchase, sale, lease, license, or acquisition of commodities, goods, equipment, and contractual services; leases of real and personal property; and construction in accordance with Board of Governors' regulations. The acquisition may include purchase by installment or lease-purchase. Such contracts may provide for payment of interest on the unpaid portion of the purchase price.

(e) Approve and execute contracts for the purchase, sale, lease, license or acquisition of commodities, goods, equipment and contractual services, including professional architectural services (Purchasing Agreements) with a contract value up to and including \$1,000,000 (contract value includes initial term and all potential renewals).

For Purchasing Agreements where the contract value exceeds \$1,000,000, approval of the Chair of the Finance and Facilities Committee is required prior to executing the Purchasing Agreement. In addition, if there are subsequent amendments to a Purchasing Agreement that would cause the contract value of the agreement to exceed \$2,000,000, approval by the Finance and Facilities Committee is required prior to executing the amendments.

On an annual basis, the Finance and Facilities Committee will be provided an update on the current Purchasing Agreements (which shall include the vendor's name and expenditures to date for those contracts awarded) with a contract value in excess of \$1,000,000 as an informational item.

Purchasing Agreements related in scope that are with the same vendor shall be aggregated for the purposes of determining approval authority and reporting requirements.

(f) Approve and execute contracts for the lease, rental, or use of real property (Lease Agreements) for University-related purposes where the University is the lessee/renter/user, provided the term of the Lease Agreement does not exceed 5 years or 25,000 square feet.

For Lease Agreements where the agreement exceeds 5 years or 25,000 square feet, the Board of Trustees' approval is required prior to executing the Lease Agreement. In addition, if there are



subsequent amendments to a Lease Agreement that would cause the agreement to exceed 5 years or 25,000 square feet, approval by the Finance and Facilities Committee is required prior to executing the amendments.

(g) The President has authority to approve and execute contracts for leasing University real property to a third party, provided the term of the contract does not exceed 3 years.

For contracts where the term exceeds 3 years, the Board of Trustees' approval is required prior to issuing the competitive solicitation or prior to executing the contract.

(h) Approve and execute contracts for minor construction projects up to \$2,000,000. For construction projects and capital facilities contracts greater than \$2,000,000, the Board of Trustees must approve the project prior to the execution and will authorize the President to sign instruments, documents, and contracts, as necessary to effectuate the project~~the contract~~. In addition, for such construction projects and capital facilities contracts greater than \$2,000,000, the Board of Trustees must approve and authorize the President to sign the contract with the professional architect.

(i) In accordance with the provisions of section 1013.48, Florida Statutes, approve change orders in the name of the Board of Trustees for amounts not exceeding \$100,000. All such approvals shall be for the purpose of expediting the work in progress. The President may approve and execute change orders for an amount exceeding \$100,000 only after consultation with and approval of the chair of the Finance and Facilities Committee, or if the chair has a conflict of interest, the Board Chair's designee. The Board Chair and Vice Chair shall be notified of all change orders and will be included as an informational item on the Finance and Facilities Committee agenda.

~~Change orders exceeding \$100,000 require the approval of the Board of Trustees Finance and Facilities Committee prior to execution.~~

All change orders shall be reported to the Board of Trustees and entered in-to the official minutes as soon as practicable at a regular meeting of the Board.

(j) Regulate the use, maintenance, protection, and control of, and the imposition of charges for, University-owned or University-controlled buildings and grounds, property and equipment, name trademarks and other proprietary marks, and the financial and other resources of the University.

(k) Adjust property records and dispose of state-owned tangible personal property in the University's custody in accordance with the procedures established by the Board of Trustees. Notwithstanding the provisions of section 273.055(5), Florida Statutes, all moneys received from the disposition of state-owned tangible personal property shall be retained by the University and disbursed for the acquisition of tangible personal property and for all necessary operating expenditures. The University shall maintain records of the accounts into which such moneys are deposited.

(l) Protect, develop, and transfer the work products of University personnel and other University agents and contractors, which authority shall include but not be limited to licensing, assigning, selling, leasing, or otherwise allowing the use of or conveying such work products and securing and enforcing patents, copyrights, and trademarks on such products.

(m) In accordance with section 705.18, Florida Statutes, and Board of Governors' regulation, take charge of any lost or abandoned personal property found on the University campus or on premises owned or controlled by the University or any direct support organization thereof. If the property is not claimed by the owner within 30 days after it is found, or a longer period of time as may be deemed appropriate by the President, the President or his or her designee shall dispose of or make use of the property in accordance with established policies and procedures that best meet the needs of the University.

(n) Prepare a campus master plan for adoption by the Board of Trustees, prepare a campus development agreement for execution by the Board of Trustees, pursuant to section 1013.30, Florida Statutes, and report on progress under the Master Plan.

(o) Recommend for adoption and promulgation by the Board of Trustees, regulations establishing basic criteria related to procurement, including procedures and practices to be used in acquiring commodities and contractual services, in accordance with Board of Governors' regulations.

(p) Exercise responsibility for the fire safety and sanitation of public educational and ancillary plants.

#### **(6) Miscellaneous Powers and Duties.**

(a) In accordance with section 1004.28, Florida Statutes, and Board of Governors' regulation, recommend to the Board of Trustees for final approval, the creation and certification, as well as the decertification and dissolution, of direct support organizations, and any other affiliated organization of the University whose authorizing legislation, bylaws or agreement with the University so requires, in order to serve the needs or further the interests of the University.

(b) Appoint a representative to the governing boards of each direct support organization or any other affiliated organization of the University. Prior to appointing representatives to the governing boards of direct support organizations or any other affiliated organization of the University, the President shall consult with the chair of the Board, or other trustee designee.

(c) Accept gifts, grants, bequests, and devises on behalf of the university and control the University's fund-raising activities.

(d) In accordance with the terms specified by the donor, to designate the purpose for which, and the location at which, the income and/or principal of a gift shall be used and to make allocations in accordance therewith.

(e) To determine, consistent with any expressed intent of the donor, the purpose for which and the location at which a gift shall be used, to determine whether income and/or principal shall be used, and to make allocations and reallocation in accordance therewith, to the extent not specified by the donor of a gift.

(f) Establish policies regulating the administration and operation of the University Division of Sponsored Research. The President, or his or her designee, is authorized to negotiate, enter into, and execute research contracts; to solicit and accept research grants and donations; and to fix and collect fees, other payments, and donations that may accrue by reason thereof. The President or his or her designee may negotiate, enter into, and execute contracts on a cost-reimbursement basis and may provide temporary financing of such costs prior to reimbursement from moneys on deposit in a sponsored research development fund, except as may be prohibited elsewhere by law.

(g) All purchases of a division of sponsored research shall be made in accordance with the policies and procedures of the University and the purchasing regulations of the Board of Governors; however, upon certification addressed to the President that it is necessary for the efficient or expeditious prosecution of a research project, the President may exempt the purchase of material, supplies, equipment, or services for research purposes from the general purchasing requirement of the Florida Statutes.

(h) Comply with all applicable laws, rules, regulations, and requirements.

(i) Minimize university risk and manage the university's risk management program.

(j) Delegate in writing to any employee of the University who:

1. is a Vice President with responsibility in an area relating to the subject matter of the delegation; or

2. is a manager with responsibility in an area relating to the subject matter of the delegation who reports directly to a position at or above the level of Vice President; or

3. holds a position at the University that is equivalent in seniority or responsibility to a Vice President or such manager, as determined by the President or the Vice President for Human Resources; or

4. is deemed by the President to have the appropriate capabilities,

provided that the delegation specifies the date of the delegation, the name and title of the delegee, the particular authority or portion of authority being delegated and a copy of such delegation is filed with the delegee and with the Vice President and General Counsel of the University, and a summary table of the delegations is provided to the Board of Trustees. Although the president may re-delegate to appropriate officials, the president retains the final authority and responsibility for the administration of the university and may condition, limit, or revoke any delegated signature authorities at any time. Authorities the President reserves may not be exercised by any other person, unless expressly authorized by administrative policy or presidential directive.

(k) Initiate, defend, and settle lawsuits and claims and appeal adverse rulings when doing so would be in the best interests of the University. Notice and reports referenced below may be oral.

For settlement of claims up to \$300,000, the President may take action. For settlement of claims greater than \$300,000, but less than \$750,000, the President may take action after consultation with the Chair of the Board of Trustees. For claims above \$750,000, the President will consult with and obtain the approval of the Board Chair prior to taking action and will notify the Board Vice Chair.

The President shall notify all trustees about settlements at or above \$300,000.

(l) Act on behalf of the University in those instances where Federal law, Florida law, or Board of Governors guidelines or regulations designate the university president as having the authority to act.

(m) Have vested with the University President or President's designee the powers, duties and authority that is vested with the University; to exercise the authority and duties delegated by the Board of Trustees to the President in accordance with University regulations, policies and conditions contained in the Board of Trustees written delegations of authority, and as required by Board of Governors directives and state and federal law.

(n) Perform such other duties as are not retained by the Board of Trustees and as may be necessary or appropriate for the administration of the University, in compliance with any applicable laws, Board of Trustees and Board of Governors' regulations, policies, and resolutions.

(o) Issue directives and executive orders. Such directives and orders shall not violate existing Board of Trustees policies.

(p) Nothing in this resolution should be construed as limiting or divesting the Board of Trustees' right to exercise any authority or responsibility as deemed appropriate.

(q) If any additional contract or other matter of the University, a direct support organization, or other University affiliated entity, beyond ordinary standards and not covered by specific standards, would be considered material to the University and/or a direct support organization or University affiliated entity, including its resources or reputation, or would generate significant media attention, the President or designee is expected to confer with the chair of the Board and to notify the vice chair of the Board. Also, if any matter is expected to generate significant media attention outside of the ordinary course, the President is expected to notify the full Board of Trustees. The chair of the Board and the President shall collaborate over time to support their mutual understanding of this expectation, recognizing that there are judgments involved for both of them.

Adopted by the Florida Polytechnic University Board of Trustees on ~~November 17, 2021~~February 16, 2023.

Signed: \_\_\_\_\_  
Clifford K. Otto, Chair

## 1.001 University Board of Trustees Powers and Duties

(1) Pursuant to Article IX, section 7(c), Florida Constitution, the Board of Governors shall establish the powers and duties of the board of trustees as set forth herein and as may be established in Board of Governors' regulations. This regulation supersedes the delegation of authority to the boards of trustees contained in the Board of Governors' Resolution dated January 7, 2003. The intent of this regulation is to delegate powers and duties to the university boards of trustees so that the university boards have all of the powers and duties necessary and appropriate for the direction, operation, management, and accountability of each state university.

### (2) Composition of Boards; Membership and Organization.

- (a) Each university shall be administered by a board of trustees, consisting of thirteen members dedicated to the purposes of the State University System. Each university board of trustees includes six members appointed by the Governor and five members appointed by the Board of Governors, all of whom must be confirmed by the Senate. All trustees are required to attend a Board of Governors orientation session, preferably prior to service on the university board. The chair of the faculty senate, or the equivalent, and the president of Student Government, or the equivalent, are also members. Board of trustee members shall serve staggered terms of five years 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. All members are public officers subject to the requirements of the Florida Code of Ethics.
- (b) Each board of trustees shall select its chair and vice chair from the appointed members. Each chair shall serve for two years and may be reselected for one additional consecutive two-year term. Any exception to this term of office must be approved by a two-thirds vote of the board of trustees.
- (c) The duties of the chair shall include presiding at all meetings of the board of trustees, calling special meetings of the board of trustees, attesting to actions of the board of trustees, and notifying the Board of Governors or the Governor, as applicable, in writing whenever a board member has three consecutive unexcused absences from regular board meetings in any fiscal year, which may be grounds for removal as provided in section 1001.71, Florida Statutes.
- (d) The university president shall serve as the chief executive officer to the board of trustees and shall be responsible to the board of trustees for all operations of the university and for setting the agenda for meetings of the board of trustees in consultation with the chair.

- (e) Members of the boards of trustees shall receive no compensation but may be reimbursed for travel and per diem expenses as provided in section 112.061, Florida Statutes.
  - (f) Each board of trustees shall establish the powers and duties of the university president.
  - (g) Each board of trustees shall be a public body corporate with all the powers of a body corporate, including the power to adopt a corporate seal, to contract and be contracted with, to sue and be sued, to plead and be impleaded in all courts of law and equity, and to give and receive donations. In all suits against the board of trustees, service of process shall be made on the chair of the board of trustees or on a university designee.
  - (h) Each board of trustees shall be primarily acting as an instrumentality of the state pursuant to section 768.28, Florida Statutes, for purposes of sovereign immunity.
  - (i) Each board of trustees is subject to the public records and open meetings requirements set forth in Article I, section 24 of the Florida Constitution and laws implementing that section.
  - (j) Each board of trustees shall keep and, within two weeks after a board meeting, post prominently on the university's website detailed meeting minutes for all meetings, including the vote history and attendance of each trustee, as provided in section 1001.71, Florida Statutes.
- (3) University Administration and Oversight.
- (a) Each board of trustees shall be responsible for the administration of its university in a manner that is dedicated to, and consistent with the university's mission which shall be otherwise consistent with the mission and purposes of the State University System as defined by the Board of Governors.
  - (b) 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.
  - (c) Each board of trustees shall adopt a strategic plan in alignment with the Board of Governors' systemwide strategic plan and regulations, and the university's mission. University strategic plans shall be submitted to the Board of Governors for approval.
  - (d) Each board of trustees shall prepare a multi-year workplan/report for the Board of Governors that outlines its university's top priorities, strategic directions, and specific actions and financial plans for achieving those priorities, as well as performance expectations and outcomes on institutional and systemwide goals. The workplan/

report shall reflect the university's distinctive mission and focus on core institutional strengths within the context of State University System goals and regional and statewide needs.

- (e) Each board of trustees shall have a policy addressing conflicts of interest for its members.
  - (f) Each board of trustees shall maintain an effective information system to provide accurate, timely, and cost-effective information about the university, and shall require that all data and reporting requirements of the Board of Governors are met.
  - (g) Each board of trustees may promulgate regulations and procedures related to data and technology, including information systems, communications systems, computer hardware and software, and networks.
  - (h) Each board of trustees is authorized to secure comprehensive general liability insurance.
  - (i) Each board of trustees may provide for payment of the cost of civil actions against officers, employees, or agents of its board.
  - (j) Each board of trustees is authorized to promulgate university regulations in accordance with the Regulation Development Procedure adopted by the Board of Governors.
  - (k) Each board of trustees may govern traffic on the grounds of the university and in other areas in accordance with law and any mutual aid agreements entered into with other law enforcement agencies.
  - (l) Each board of trustees shall be responsible for campus safety and emergency preparedness, to include safety and security measures for university personnel, students, and campus visitors.
  - (m) Each board of trustees is authorized to create divisions of sponsored research and establish policies regulating the administration and operation of the divisions of sponsored research.
- (4) Academic Programs and Student Affairs.
- (a) Each board of trustees shall adopt university regulations or policies, as appropriate, in areas including, but not limited to:
    1. authorization and discontinuance of degree programs;
    2. articulation and access;
    3. admission and enrollment of students;
    4. minimum academic performance standards for the award of a degree;
    5. student financial assistance;
    6. student activities and organizations;
    7. student records and reports;
    8. antihazing, related penalties, and program for enforcement;
    9. reasonable accommodation of religious observances; and

10. uniform student code of conduct and related penalties.  
Such regulations or policies shall be consistent with any applicable Board of Governors' regulations.

- (b) Each board of trustees shall establish a committee to periodically review and evaluate the student judicial system. At least one-half of the members of the committee shall be students appointed by the student body president.
- (c) Each board of trustees shall approve the internal procedures of student government organizations.
- (d) Each board of trustees shall require that institutional control and oversight of its intercollegiate athletics program is in compliance with the rules and regulations of the National Collegiate Athletic Association. The university president is responsible for the administration of all aspects of the intercollegiate athletics program.

(5) Personnel.

- (a) Each board of trustees shall provide for the establishment of the personnel program for all the employees of the university, including the president, which may include but is not limited to: compensation and other conditions of employment, recruitment and selection, nonreappointment, standards for performance and conduct, evaluation, benefits and hours of work, leave policies, recognition and awards, inventions and works, travel, learning opportunities, exchange programs, academic freedom and responsibility, promotion, assignment, demotion, transfer, tenure, and permanent status, ethical obligations and conflicts of interest, restrictive covenants, disciplinary actions, complaints, appeals and grievance procedures, and separation and termination from employment. To the extent allowed by law, university employees shall continue to be able to participate in the state group insurance programs and the state retirement systems.
- (b) Each board of trustees shall act as the sole public employer with regard to all public employees of its university for the purposes of collective bargaining, and shall serve as the legislative body for the resolution of impasses with regard to collective bargaining matters.
- (c) Each board of trustees shall select its university president subject to confirmation of the candidate by the Board of Governors and in accordance with the requirements of Regulation 1.002. A presidential search committee shall be appointed to make recommendations to the full board of trustees. The board of trustees shall select a candidate for confirmation by the Board of Governors. Prior to confirmation, the board of trustees shall submit a written description of the selection process and criteria, the qualifications of the selected candidate, and a copy of the proposed employment contract to the Board of Governors



for its consideration in confirming the candidate. The candidate selected by the board of trustees shall be required to appear before the Board of Governors at the meeting where confirmation of the candidate will be considered. Such meeting will be held as soon as practicable to ensure a timely transition. Renewals of presidential employment contracts shall be subject to confirmation by the Board of Governors and shall be limited to one-year terms.

- (d) In the event that a board of trustees selects an interim president, such selection is subject to confirmation of the candidate by the Board of Governors. If it is determined by the board of trustees to be in the best interests of the university, the interim president selected by the board may be delegated full authority to serve as the interim president during the period prior to confirmation by the Board of Governors. Continued service as interim president requires confirmation by the Board of Governors, and the candidate selected by the board of trustees shall be required to appear before the Board of Governors at the meeting where confirmation will be considered. Such meeting will be held as soon as practicable to ensure a timely transition.
  - (e) Each board of trustees shall develop guidelines for the annual evaluation of the president.
  - (f) Each board of trustees shall conduct an annual evaluation of the president. The chair of the board of trustees shall request input from the Chair of the Board of Governors, who may involve the Chancellor, during the annual evaluation process pertaining to responsiveness to the Board of Governors' strategic goals and priorities, and compliance with systemwide regulations.
- (6) Financial Management.
- (a) Each board of trustees shall be responsible for the financial management of its university and shall submit an institutional budget request, including a request for fixed capital outlay, and an operating budget to the Board of Governors for approval in accordance with the guidelines established by the Board of Governors.
  - (b) Each board of trustees shall establish tuition and fees in accordance with regulations established by the Board of Governors.
  - (c) Each board of trustees shall establish waivers for tuition and fees pursuant to regulations established by the Board of Governors.
  - (d) Each board of trustees shall engage in sound debt management practices for the issuance of debt by the university and its direct support organizations, and shall comply with the guidelines established by the Board of Governors in connection with the authorization, issuance and sale of university and direct support organization debt.

- (e) Each board of trustees shall account for expenditures of all state, local, federal, and other funds in accordance with guidelines or regulations established by the Board of Governors, and as provided by state or federal law.
  - (f) Each board of trustees may enter into agreements for, and accept, credit card payments as compensation for goods, services, tuition, and fees.
  - (g) Each board of trustees shall establish policies and procedures for the performance of annual internal audits of university finances and operations. All reports generated from such audits must be submitted to the Board of Governors after review and acceptance by the board of trustees, or its designee.
  - (h) Each board of trustees and each direct support organization shall submit annual financial statements to the Board of Governors.
- (7) Property and Purchasing.
- (a) Each board of trustees and university direct support organization must obtain prior approval from the Board of Governors before entering into a binding contractual obligation to improve real property that will result in the board or the direct support organization seeking a commitment of state funds for the development, construction, operation, or maintenance of an educational or research facility.
  - (b) Each board of trustees shall have the authority to acquire real and personal property and contract for the sale and disposal of same, and approve and execute contracts for purchase, sale, lease, license, or acquisition of commodities, goods, equipment, and contractual services, leases of real and personal property, and construction. The acquisition may include purchase by installment or lease-purchase. Such contracts may provide for payment of interest on the unpaid portion of the purchase price.
  - (c) With respect to state-funded real property acquisitions, each board of trustees may, with the consent of the Board of Trustees of the Internal Improvement Trust Fund, sell, convey, transfer, exchange, trade, or purchase real property and related improvements necessary and desirable to serve the needs and purposes of the university.
    1. The board of trustees may secure appraisals and surveys in accordance with the policies and procedures of the Board of Trustees of the Internal Improvement Trust Fund. Whenever the board of trustees finds it necessary for timely property acquisition, it may contract, without the need for competitive selection, with one or more appraisers whose names are contained on the list of approved appraisers maintained by the

Division of State Lands in the Department of Environmental Protection.

2. The board of trustees may negotiate and enter into an option contract before an appraisal is obtained. The option contract must state that the final purchase price may not exceed the maximum value allowed by law. The consideration for such an option contract may not exceed 10 percent of the estimate obtained by the board of trustees or 10 percent of the value of the parcel, whichever is greater, unless otherwise authorized by the board of trustees.
3. Title to property acquired by a university board of trustees prior to January 7, 2003, and to property acquired thereafter with state funds shall vest in the Board of Trustees of the Internal Improvement Trust Fund. With respect to all other real property acquired by a university, such property shall be titled in the name of the university board of trustees, or as the trustees of the university may deem appropriate.
  - (d) Each board of trustees shall submit to the Board of Governors, for approval, plans for all new campuses and instructional centers.
  - (e) Each board of trustees shall administer a program for the maintenance and construction of facilities.
  - (f) Each board of trustees may exercise the right of eminent domain pursuant to the provisions of chapter 1013, Florida Statutes.
  - (g) Each board of trustees shall be responsible for the use, maintenance, protection, and control of, and the imposition of charges for, university-owned or university-controlled buildings and grounds, property and equipment, name trademarks and other proprietary marks, and the financial and other resources of the university.
  - (h) With respect to any funds or real or personal property designated by will, deed, agreement, or court appointment to be held in trust for the benefit of the university, or its students, faculty members, officers, or employees, or otherwise, or for any educational purpose, a university board of trustees is authorized to act as trustee with full legal capacity as trustee to administer such trust property and, in such event, the title thereto shall vest in the board of trustees as trustee. In all such cases, the university board of trustees shall have the power and capacity to do and perform all things as fully as any individual trustee or other competent trustee might do or perform, and with the same rights, privileges, and duties including the power, capacity, and authority to convey, transfer, mortgage, or pledge such property held in trust and to contract and execute all other documents relating to said trust property which may be required for or appropriate to the administration of such trust or to accomplish the purposes of any such

trust. Nothing herein shall be construed to authorize a board of trustees to contract a debt on behalf of, or in any way to obligate, the state; and the satisfaction of any debt or obligation incurred by the board as trustee under the provisions of this section shall be exclusively from the trust property, mortgaged or encumbered.

- (i) Each board of trustees shall prepare and adopt a campus master plan pursuant to section 1013.30, Florida Statutes.
  - (j) Each board of trustees shall prepare, adopt, and execute a campus development agreement pursuant to section 1013.30, Florida Statutes.
  - (k) Each board of trustees may authorize the rent or lease of parking facilities, provided that such facilities are funded through parking fees or parking fines imposed by a university. A board of trustees may authorize a university to charge fees for parking at such rented or leased parking facilities and parking fines.
  - (l) Each board of trustees shall promulgate regulations that establish basic criteria related to the procurement of commodities and contractual services.
  - (m) Each board of trustees shall be responsible for the fire safety and sanitation of public educational and ancillary plants.
- (8) Miscellaneous Powers and Duties.
- (a) Each board of trustees is authorized to form such corporate entities as are necessary to establish and maintain faculty practice plans for the collection, distribution, and regulation of fees generated by faculty members engaged in the provision of healthcare services to patients as an integral part of their academic activities and employment as faculty. Each such faculty practice plan must be adopted by the board of trustees in accordance with regulations of the Board of Governors and approved by the Board of Governors.
  - (b) Each board of trustees is authorized to establish direct support organizations and university health services support organizations and certify them to use university property, facilities, and services.
  - (c) Each board of trustees may establish educational research centers for child development.
  - (d) Each board of trustees is authorized to protect, develop, and transfer the work products of university personnel and other university agents and contractors, which authority shall include but not be limited to licensing, assigning, selling, leasing, or otherwise allowing the use of or conveying such work products and securing and enforcing patents, copyrights, and trademarks on such products. Each board of trustees shall have policies and procedures concerning the work products of university personnel that facilitate technology development and transfer for the public benefit. Such policies must include, without

limitation, provisions that take into account the contributions of university personnel in the development of work products and that require any proceeds from such work products be used to support the research and sponsored training programs of the university.

- (e) Each board of trustees is responsible for compliance with all applicable laws, rules, regulations, and requirements.
- (f) Each board of trustees shall perform such other duties as provided by the Board of Governors, or as each board of trustees may determine are necessary or appropriate for the administration of the university so long as the trustees comply with any applicable laws and Board of Governors' regulations and policies.

Authority: Section 7(c), Art. IX, Fla. Const.; History: Resolution 1-07-03, New 3-26-09, Amended 09-16-10, Amended 08-31-17, Amended 11-09-22.

**Florida Polytechnic University  
Governance, Audit, and Compliance Committee  
Board of Trustees  
February 8, 2023**

**Subject: Revised Board of Trustees Bylaws**

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**Proposed Committee Action**

Recommend adoption of the Fifth Amended and Restated Bylaws to the Board of Trustees.

**Background Information**

The existing Amended and Restated Bylaws were adopted by the Board on September 11, 2019. The Board of Governors (BOG) amended Regulation 1.001 University Board of Trustees Powers and Duties to withdraw the requirement of University presidents serving as Corporate Secretary of the Board of Trustees.

References to the President serving as Corporate Secretary have been modified accordingly. The Board Chair and the President will appoint a University employee to serve as Corporate Secretary.

Additionally, the section on Standing Committees (5.2) has been modified to reflect the joining of the Audit and Compliance with the Governance Committee. Strategic Planning has been removed from the Standing Committee list as it falls under Ad-Hoc Committees (5.3).

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**Supporting Documentation:** Draft Fifth Amended and Restated Bylaws

**Prepared by:** Kristen Wharton, Assistant Secretary, University Board of Trustees

**FLORIDA POLYTECHNIC UNIVERSITY  
BOARD OF TRUSTEES**

**~~FOURTH~~ FIFTH AMENDED AND RESTATED  
BYLAWS**

Adopted: ~~September 11, 2019~~





## TABLE OF CONTENTS

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### ARTICLE I STATEMENT OF PURPOSE

Section 1.1 Purpose	4
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### ARTICLE II THE BOARD

Section 2.1 Corporate Name	4
Section 2.2 Composition of the Board	4
Section 2.3 Powers and Duties of the Board	4

### ARTICLE III THE TRUSTEES

Section 3.1 Fiduciaries	5
Section 3.2 Term of Office	5
Section 3.3 Vacancies	5
Section 3.4 Removal	5
Section 3.5 Compensation	5

### ARTICLE IV OFFICERS OF THE BOARD

Section 4.1 Officers	6
Section 4.2 Selection of Officers and Terms of Office	6
Section 4.3 Permanent Vacancies in Chair and Vice-Chair Offices	6
Section 4.4 Chair	6
Section 4.5 Vice-Chair	6
Section 4.6 Executive Officer/ <del>Corporate Secretary</del>	6
<u>Section 4.7 Corporate Secretary</u>	<u>7-6</u>

### ARTICLE V COMMITTEES

Section 5.1 Committee Membership and Duties	7
Section 5.2 Standing Committees	8
Section 5.3 Ad-Hoc Committees	8
Section 5.4 Authority	8
Section 5.5 Presidential Search Committee	8
Section 5.6 Executive Committee	8

### ARTICLE VI MEETINGS

Section 6.1 Notice and Agenda	9
Section 6.2 Special Notice Requirements	9
Section 6.3 Minutes	9
Section 6.4 Regular Meetings	10
Section 6.5 Special Meetings	10
Section 6.6 Emergency Meetings	10
Section 6.7 Quorum and Voting	10
Section 6.8 Proxies	10
Section 6.9 Use of Communication Media Technology	11
Section 6.10 Rules of Procedure	11

Section 6.11 Appearances before the Board	11
ARTICLE VII	
CODE OF ETHICS AND CONFLICT OF INTEREST	
Section 7.1 Code of Ethics	11
ARTICLE VIII	
AMENDMENT OR SUSPENSION OF BYLAWS	
Section 8.1 Amendments	12
Section 8.2 Suspension of Bylaws	12
ARTICLE IX	
MISCELLANEOUS	
Section 9.1 Indemnification	12
Section 9.2 Insurance	12
Section 9.3 Limitation of Liability	12
Section 9.4 Service of Process	12
Section 9.5 Fiscal Year	13
Section 9.6 Corporate Seal	13

**ARTICLE I  
STATEMENT OF PURPOSE**

**Section 1.1  
PURPOSE**

The Florida Polytechnic University Board of Trustees (the "Board") is established as a public body corporate, with all the powers of a body corporate as provided by the Florida Constitution, Florida law and by delegation of the Florida Board of Governors (the "Board of Governors").

The Board has all the powers and authority to effectively govern and set policy for Florida Polytechnic University ("University") and has and exercises those powers and duties prescribed by law.

To more effectively discharge its responsibilities and duties, in connection with its governance of the University, the Florida Polytechnic University Board of Trustees has adopted the following bylaws.

**ARTICLE II  
THE BOARD**

**Section 2.1  
CORPORATE NAME**

The Board of Trustees is a public body corporate called "The Florida Polytechnic University Board of Trustees."

**Section 2.2  
COMPOSITION OF THE BOARD**

Article IX, Section 7 of the Florida Constitution establishes the composition of the Board. It provides that the Board consists of thirteen (13) Trustees ("Trustees"), with six (6) Trustees appointed by the Governor, five (5) appointed by the Board of Governors and two (2) serving by virtue of their offices, the president of the Florida Polytechnic University Student Government Association and the president of the equivalent of the faculty senate. All appointed Trustees are subject to confirmation by the Florida Senate. All Trustees are public officers subject to the requirements of the Florida Code of Ethics.

**Section 2.3  
POWERS AND DUTIES OF THE BOARD**

Article IX, Section 7 of the Florida Constitution posits in the Board of Governors the responsibility to establish the powers and duties of the boards of trustees of the state universities. By regulation, the Board of Governors delegated to the state universities' boards of trustees the power to administer each constituent university.

The Board serves as the governing body of the University and approves the University's mission. The Board selects the President of the University for ratification by the Board of Governors, evaluates the President's performance annually, and holds the President responsible for the University's operation and management, performance, fiscal accountability, and compliance with federal and state laws and rules and the Board of Governors' regulations. The Board is responsible for ensuring that the University has adequate financial resources to provide a sound education program. The Board has the authority to carry out all lawful functions permitted by these bylaws, by delegation from the Board of Governors, or by law.

The Board is responsible for policy-making, planning and appraisal actions. Authority rests with the Board of Trustees as a whole in meetings of the board and not with individual board members. The Board is not controlled by a minority of Board members or by organizations separate from it. The Board of Trustees shall work to preserve the University's and its own independence from undue political, religious,

or outside influence; to ensure academic freedom; and to support the University President in discharging presidential responsibilities for the operation and administration of the University.

In order to effectively fulfill its obligations under the law, the Board may adopt resolutions, regulations, rules, and policies consistent with the University's mission, with law, and with the Board of Governors' resolutions, regulations, rules, and policies.

## **ARTICLE III THE TRUSTEES**

### **Section 3.1 FIDUCIARIES**

Florida Statutes §112.311(6) provides that it is the declared policy of the state that public officers are agents of the people and hold their positions for the benefit of the public. Therefore, by virtue of their office, Trustees stand in a fiduciary relationship to the University and must serve the University's best interests at all times.

### **Section 3.2 TERM OF OFFICE**

Appointed trustees shall serve for staggered 5-year terms, as provided by law and as specified in their appointment. The president of the University Student Government Association and the president of the equivalent of the faculty senate shall serve for terms equivalent to the terms of their respective offices.

### **Section 3.3 VACANCIES**

The Board Chair shall report any vacancies in appointed trustee positions to the Governor and the Board of Governors. The appointing authority will fill the vacancies, subject to confirmation by the Senate of the State of Florida.

### **Section 3.4 REMOVAL**

To the extent permitted by law, the governor or the Board of Governors, whichever is the appointing authority, may remove a Trustee for cause. Unexcused failure to attend three (3) consecutive regular board meetings in any fiscal year shall be grounds for removal.

### **Section 3.5 COMPENSATION**

Members of the Board shall serve without compensation but may be reimbursed upon request for travel and per diem expenses in accordance with applicable law.

**ARTICLE IV  
OFFICERS OF THE BOARD**

**Section 4.1  
OFFICERS**

The Officers of the Board shall be the Chair, Vice-Chair, Corporate Secretary and University President; the University President shall serve as the Executive Officer/~~Corporate Secretary~~.

**Section 4.2  
SELECTION OF OFFICERS AND TERMS OF OFFICE**

The Board shall elect the Chair and Vice-Chair from the appointed members of the Board at its last regular meeting prior to August 1 upon recommendation of the Governance Committee; the Chair and the Vice-Chair shall each serve for a two-year term to begin on August 1. The Chair and the Vice-Chair shall be eligible for reselection for one additional consecutive term by vote of the Board, after which they may not be an officer for two years before being eligible for selection again. There shall not be automatic succession by virtue of holding an office, except as otherwise provided in Section 4.3.

**Section 4.3  
PERMANENT VACANCIES IN CHAIR AND VICE-CHAIR OFFICES**

A permanent vacancy of the Chair shall be filled by the Vice-Chair for the remainder of the term. A permanent vacancy of the Vice-Chair shall be filled for the remainder of the term by a majority vote of the members of the Board at its next regular meeting. Assumption to an unfinished term created by a permanent vacancy shall not preclude that officer from being eligible to be selected and reselected as provided in Section 4.2. The Chair and Vice-Chair will continue to hold office until their successors have been selected. The Chair or Vice-Chair may be removed from their offices at any time by the affirmative vote of a majority of the members of the Board.

**Section 4.4  
CHAIR**

The duties of the Chair shall include presiding at all meetings of the Board, calling special meetings of the Board, determining the composition of all Board committees requiring assignment, appointing committee chairs, serving as an ex officio voting member on all Board committees unless these Bylaws provide otherwise, appointing at least one representative to the board of directors and the executive committees of the direct support organizations, appointing a University employee to serve as Corporate Secretary, signing and executing all documents and instruments on behalf of the Board, attesting to actions of the Board, serving as spokesperson for the Board, and fulfilling other duties as may be required by law or assigned by the Board or the Board of Governors. The Chair shall perform such duties in consultation with the University President. The Board may also delegate the authority to sign and execute documents and instruments on behalf of the Board to the ~~Corporate Secretary~~University President. The Chair is responsible for causing the Board to conduct an annual evaluation of the University President.

**Section 4.5  
VICE-CHAIR**

The duty of the Vice-Chair is to perform the duties of the Chair with full authority during the absence or disability of the Chair and to fulfill other duties as may be assigned by the Board. In the absence of both the Chair and the Vice-Chair, the Corporate Secretary shall determine whether a quorum is present and, in that event, shall call for the election of a temporary presiding officer, who shall be elected from the appointed membership of the Board upon a majority vote of those Trustees present. Upon arrival of the Chair or Vice-Chair, the temporary chair shall relinquish the chair after concluding the business then before the Board.

**Section 4.6**

**EXECUTIVE OFFICER/~~CORPORATE SECRETARY~~**

The University President shall serve as Executive Officer of the University ~~and Corporate Secretary of the Board~~. As Executive Officer, 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 exercise such powers as are appropriate to that position in promoting, supporting, and protecting the interests of the University and in managing and directing its affairs and serve as the University's key spokesperson. The President shall have the authority to execute all documents on behalf of the University and the Board consistent with law, Board policies, and the best interests of the University. The University President may issue directives and executive orders not in contravention of existing Board policies. The University President shall be responsible for all educational, financial, business, and administrative functions of the University consistent with the policies established by the Board and shall exercise such other powers, duties and responsibilities as are delegated or assigned by the Board, the Board of Governors, and Florida law.

**Section 4.7**

**CORPORATE SECRETARY**

~~As The~~ Corporate Secretary, ~~the University President is an officer of the Board and is appointed by the Chair in conjunction with the President. The Corporate Secretary~~ shall be responsible for ensuring notice of all meetings of the Board and its committees is provided; setting the agenda in consultation with the Chair and the President; ensuring supporting documents are compiled for meetings ~~in consultation with the Chair~~; ensuring recording and maintenance of the minutes of the meetings in accordance with law, including a record of votes cast; ~~executing documents or~~ attesting to the signatures of other officers of the Board; and being custodian of the corporate seal. The Corporate Secretary shall perform the duties customarily performed by the secretary to a public body corporate as well as such other duties as may be prescribed by the Board. ~~The Corporate Secretary may designate an individual to serve as Assistant Secretary to the Board. The Corporate Secretary serves at the pleasure of the Chair and may be removed from office immediately upon written notice.~~

**ARTICLE V  
COMMITTEES**

**Section 5.1**

**COMMITTEE MEMBERSHIP AND DUTIES**

The Chair shall appoint and remove committee members and their chairs and may make changes, at any time, unless otherwise provided by these bylaws or law. A member of a committee shall hold office until the Chair appoints a successor. The Chair shall determine the length of the term of service of committee members and chairs.

Each committee shall consist of no less than three members. The Chair and the Vice-Chair shall be ex-officio voting members of all standing committees, subcommittees, and ad hoc committees. University staff with appropriate expertise in a committee's area of responsibility shall be appointed by the Chair to act as liaisons, in consultation with the University President, to help each committee in its business.

All Trustees who are not members of a particular committee are invited to attend that committee meeting and may comment, but not vote, on matters before the committee.

The duty of each committee shall be to consider and to make recommendations to the Board upon matters under its jurisdiction or referred to it. Unless specifically delegated, or as otherwise provided in these

bylaws, authority to act on all matters is reserved to the Board. All committee chairs shall perform their duties in consultation with the University President and may appoint subcommittees to bring matters before the committee for further consideration.

Any committee of the Board may meet upon call of its chair to carry out its duties and responsibilities. Meetings shall be noticed under the procedure established for the Board.

## **Section 5.2 STANDING COMMITTEES**

The following committees are the standing committees of the Board until dissolved by the Board:

- Academic and Student Affairs Committee
- Finance and Facilities Committee
- ~~Strategic Planning Committee~~
- ~~Governance, Audit, and Compliance Committee~~
- ~~Governance Committee~~
- Executive Committee

The Chair may establish additional standing committees as it deems appropriate to discharge the Board's responsibilities.

## **Section 5.3 AD-HOC COMMITTEES**

The Chair may appoint ad-hoc committees and determine the powers and duties and period of service for each such committee, provided that no ad-hoc committee shall be created to act upon any matter appropriate to be acted upon by a standing committee. Ad-hoc committee chairs shall perform their duties in consultation with the University President.

## **Section 5.4 AUTHORITY**

No committee has the power or authority to commit the Board to any policy or action unless specifically granted such power or authority by the Board or these bylaws. Committee chairs will report committee action as a recommendation for consideration and action by the Board. If the Board, however, authorized a committee to act on a matter referred to it, the committee chair will report the action taken to the Board at the Board's next scheduled meeting.

## **Section 5.5 PRESIDENTIAL SEARCH COMMITTEE**

It is the duty of the Board to select the University President, subject to ratification by the Board of Governors. Candidates for the position of University President shall be recommended to the Board by a presidential search committee. The members of the presidential search committee shall be appointed by the Board. The selection of the members of the committee may be delegated to the Chair of the Board.

## **Section 5.6 EXECUTIVE COMMITTEE**

The Executive Committee is made up of the Board Chair, the Board Vice-Chair, and the chairs of the standing committees.

The Executive Committee may act only on matters that, in the opinion of the Board Chair, must be timely approved between regularly scheduled Board meetings.

The Executive Committee is delegated and may exercise all powers and authority of the BOT except where the law, BOG regulation or directive, or these bylaws or directives specifically require the full board to act. The following matters shall also be reserved for the full board: Board officer selection;

appointing and removing the President; approving or discontinuing programs; changes in institutional mission or purposes; changes to the Board's bylaws; incurring of indebtedness; adoption of the 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 the sale or other disposition of real property in the BOT's name.

Actions taken by the Executive Committee shall be reported to the Board at the next Board meeting.

## **ARTICLE VI MEETINGS**

### **Section 6.1 NOTICE AND AGENDA**

Notice of regular meetings, committee meetings, and special meetings of the Board will be given not less than seven (7) days before the event and will include a statement of the general subject matter to be considered. Whenever an emergency meeting is scheduled, the Corporate Secretary will post a notice of the time, date, place, and purpose of the meeting on the Board of Trustees website. All meetings of the Board and its committees shall be noticed and open to the public at all times. No resolution, rule, or formal action shall be considered binding except as taken or made at a public meeting in accordance with Florida Statutes § 286.011. However, these notice or public meeting requirements shall not apply where the matters being considered are exempt by law from the notice or open meetings requirements (for example, executive sessions to discuss pending litigation, collective bargaining, or evaluation of claims filed with a risk management program.) Notice of meetings that are required to be noticed will be posted on the Board of Trustees' webpage on the Florida Polytechnic University website currently at <https://floridapoly.edu/about/board-of-trustees/>

Agenda items requiring action by Trustees must be submitted to the Corporate Secretary or his/her designee with sufficient time for the agenda and supporting information to be forwarded and received by the Trustees prior to the meeting requiring their vote. The Board may also consider agenda items not included in the published agenda.

Items that are routine, procedural, informational and self-explanatory may be placed on the consent agenda for the full Board meeting. Minutes from the prior Board meeting and unanimously approved action items from committee meetings may also be placed on the consent agenda. The items placed on the consent agenda may be voted on by the Board without discussion. However, prior to the full Board meeting, either the Board Chair or a committee chair may choose to have any specific item from a committee meeting that would normally be placed on the consent agenda placed instead on the discussion section of the agenda. Additionally, any trustee may request that a specific item on the consent agenda be moved to the discussion section of the agenda prior to a vote on the consent agenda.

### **Section 6.2 SPECIAL NOTICE REQUIREMENTS**

In the event the Board will consider a proposal to increase tuition or fees at an upcoming board meeting, notice of such proposal shall be posted at least 28 days before its consideration at a board of trustees meeting. The notice must:

- (i) Include the date and time of the meeting at which the proposal will be considered.
- (ii) Specifically outline the details of existing tuition and fees, the rationale for the proposed increase, and how the funds from the proposed increase will be used.
- (iii) Be posted on the University's website and issued in a press release.

### **Section 6.3**



## **MINUTES**

Minutes of the meetings of the Board or Board Committees shall be kept by the Corporate Secretary, who shall cause them to be preserved and who shall ensure copies are provided 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.

Minutes shall be posted prominently on the University website within two (2) weeks after a Board or Board Committee meeting, including the vote history and attendance of each trustee.

### **Section 6.4**

#### **REGULAR MEETINGS**

There shall be no fewer than five (5) regular meetings a year, or as otherwise determined by the Board. A regular meeting means business meetings and Board retreats (including workshops) held at regular intervals; provided that time shall be made available when needed for the conduct of business at or around the time of any Board retreats. For each fiscal year, the schedule of meetings shall be set no later than the last meeting of the prior fiscal year. Once established in accordance with these bylaws, the time and date of a regular meeting may be changed only by an affirmative vote of a quorum of the Board, or where deemed a necessity by the Board Chair and the ~~Corporate Secretary~~University President in consultation with each other.

### **Section 6.5**

#### **SPECIAL MEETINGS**

The Board will meet in special meetings, including hearings and workshops, at a time and place designated by the Chair. Special meetings may be held by teleconference, at the discretion of the Chair.

### **Section 6.6**

#### **EMERGENCY MEETINGS**

An emergency meeting of the Board may be called by the Chair, Vice-Chair or University President upon a finding by the Chair, Vice-Chair or University President, respectively, that immediate action is required to preserve the health, safety or welfare of the public. Whenever such emergency meeting is called, the Corporate Secretary will immediately notify either verbally or in writing each member of the Board stating the date, hour and place of the meeting and the purpose for which the meeting has been called. As provided by Florida Statutes §120.525, an emergency meeting shall also be noticed by any procedure that is fair under the circumstances. Only action necessary to protect the interest of the University and the community it serves shall be taken at such meeting.

### **Section 6.7**

#### **QUORUM AND VOTING**

A quorum for the conduct of business by the full Board shall consist of seven (7) Trustees. A quorum having been established, no business shall be transacted without a majority vote of all Trustees present, except as otherwise provided in these bylaws. A majority vote of the full Board is required for appointing or removing the University President. A Trustee may abstain from voting only under those circumstances prescribed by law. Should a Trustee abstain from voting, the Trustee may be counted for purposes of computing a quorum for a vote on that question. Voting by proxy or mail shall not be permitted.

A majority of the regular (not ex-officio) committee members shall constitute a quorum for all committee meetings. The Chair and Vice-Chair may be counted for purposes of establishing a committee quorum. A quorum having been established, no business shall be transacted without a majority vote of all committee members present.

### **Section 6.8**

## **PROXIES**

The use of proxies for purposes of determining a quorum or for any other purposes is prohibited.

### **Section 6.9**

#### **USE OF COMMUNICATION MEDIA TECHNOLOGY**

The Board may use telephone conference calls and other communications media technology (“communication media technology”) to conduct Board business in the same manner as if the proceeding were held in person.

~~A Trustee intending to attend a meeting of the Board by communication media technology shall provide the University President a written request to attend the board meeting by communication media technology at least seven (7) days in advance.~~

A Trustee may attend a meeting by communication media technology provided the member can both hear and speak to all other members (allowing for simultaneous transmission). Participation by a Trustee by communication media technology shall constitute attendance in person at the meeting.

The Board or any committee may participate in and hold a meeting of which all members participating in the meeting are attending via communication media technology provided that seven (7) days’ notice is given to the University President. Participation in such meeting shall constitute attendance in person at the meeting. The notice of any meeting which is to be conducted wholly by means of communication media technology will state where and how members of the public may gain access to the meeting.

### **Section 6.10**

#### **RULES OF PROCEDURE**

At the hour appointed for the meeting, the chair shall call the meeting to order and call the roll. The latest edition of *Robert's Rules of Order* will be followed in conducting all meetings of the Board, unless otherwise provided by the Board.

### **Section 6.11**

#### **APPEARANCES BEFORE THE BOARD**

The Board shall allow for a public comment period during each Board and committee meeting in accordance with the Board’s Policy- Public Comment at Board of Trustees Meetings.

The chair may recognize any individual or representative of a group to address the Board.

In order to proceed with the essential business of the Board in an orderly manner, any individual or group representative who attempts to disrupt a Board meeting will be subject to appropriate action (including removal) pursuant to law.

## **ARTICLE VII CODE OF ETHICS**

### **Section 7.1 CODE OF ETHICS**

As appointed public officers, Trustees stand in a fiduciary relationship to the University and the people of the State of Florida. Therefore, Trustees shall act in good faith, with due regard to the interests of the University and shall be guided by the provisions set forth in Florida law for the conduct of public officers. The Board has adopted a written ethics policy that also addresses conflicts of interest, which will be reviewed periodically and revised as necessary.

**ARTICLE VIII  
AMENDMENT OR SUSPENSION OF BYLAWS**

**Section 8.1  
AMENDMENTS**

Following initial adoption, these bylaws may be altered, amended or repealed by the affirmative vote of two-thirds (2/3) of the Board members voting in any regular or special meeting, provided the notice for the meeting states a proposed alteration, amendment or repeal of the bylaws will be considered, and provided the Trustees are provided a copy of the draft of the altered or amended bylaws via email at least seven (7) days prior to the meeting at which the alteration or amendment is to be voted on.

**Section 8.2  
SUSPENSION OF BYLAWS**

Any provision of these bylaws not required by law may be suspended in connection with the consideration of a matter before the Board by a majority vote of the Board members in attendance.

**ARTICLE IX  
MISCELLANEOUS**

**Section 9.1  
INDEMNIFICATION**

The Board shall, to the extent legally permissible, indemnify and defend each of its Trustees, officers, employees, volunteers, and other agents against all liabilities and expenses incurred in connection with the disposition of 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 to have acted unlawfully or not in good faith. Claims based on such actions or omissions may, in the discretion of the Board, be settled prior to or after the filing of suit.

**Section 9.2  
INSURANCE**

The Board may arrange for and pay the premium for appropriate insurance to cover all losses and expenses of actions referred to in Section 9.1.

**Section 9.3  
LIMITATION OF LIABILITY**

The Board is a public body corporate primarily acting as an instrumentality or agency of the state pursuant to Florida Statutes §768.28(2) for purposes of sovereign immunity.

**Section 9.4  
SERVICE OF PROCESS**

In all suits against the Board, service of process shall be made in person on the Office of the General Counsel currently located at the Florida Polytechnic University offices on the Polk State College Campus, 3425 Winter Lake Road, LTB-2121, Lakeland, Florida 33803. For service by mail as may be permitted by law, the mailing address shall be 4700 Research Way, Lakeland, Florida 33805-8531 or as otherwise resolved by the Board.

**Section 9.5**  
**FISCAL YEAR**

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

**Section 9.6**  
**CORPORATE SEAL**

The corporation shall have a seal on which shall be inscribed "Florida Polytechnic University." The corporate seal shall be used only in connection with the transaction of business of the Board and of the University. The University President may give permission for the use of the seal in the decoration of any University building or in other special circumstances.

*I HEREBY CERTIFY that the foregoing ~~Fourth-Fifth~~ Amended and Restated Bylaws of the Florida Polytechnic University Board of Trustees were approved by an affirmative vote of not less than two-thirds (2/3) of the members of the Board of Trustees at a regular meeting of the Board held on ~~September 11, 2019~~ \_\_\_\_\_.*

\_\_\_\_\_  
~~Donald H. Wilson~~Clifford K. Otto, Board of Trustees Chair