

**FLORIDA POLYTECHNIC UNIVERSITY  
FINANCE & AUDIT COMMITTEE  
MEETING MINUTES  
439 S. Florida Avenue, Suite 300  
Lakeland, FL 33801  
December 12, 2013 at 3:00 p.m.**

1. Call to Order and Roll Call

Chair Mark Bostick called the meeting to order at 3:03 p.m. Gina DeJulio called the roll: Chair Mark Bostick, Trustee Scott Hammack, and Trustee Kevin Hyman (Quorum) were present.

Staff, Consultants, and Presenters: Ava Parker, Gina DeJulio, John Gray, and Cindy Alexander.

2. Approval of Minutes

**Trustee Hyman made a motion to approve the minutes from May 30, 2013. Trustee Hammack seconded the motion, and the motion passed unanimously.**

3. Approval of Regulations

Gina DeJulio reviewed and went over the regulation FPU-7.002 Student Financial Aid. **Trustee Hammack made a motion to approve regulation FPU-7.002 Student Financial Aid. Trustee Hyman seconded the motion, and the motion passed unanimously.**

Gina DeJulio reviewed and went over the regulation FPU-7.003 Investment of Agency and Activity Funds. **Trustee Hyman made a motion to approve regulation FPU-7.003 Investment of Agency and Activity Funds. Trustee Hammack seconded the motion, and the motion passed unanimously.**

Gina DeJulio reviewed and went over the regulation FPU-8.002 Prompt Payment to Contractors/Vendors. Gina DeJulio requested approval of this regulation with one correction under paragraph two; to change 40 days to 30 days. **Trustee Hyman made a motion to approve regulation FPU-8.002 Prompt Payment to Contractors/Vendors. Trustee Hammack seconded the motion, and the motion passed unanimously.**

4. Financial Review

John Gray presented an update on the financial review for the operating and capital budget through June 30, 2014.

John Gray advised that Ava Parker will be presenting an update to the Board in December of modifications on potential lab equipment.

John Gray also advised that Florida Poly has spent less money in the first five months than what was originally budgeted. Florida Poly has saved \$500K this fiscal year in payroll because of a deferral of hiring. One department has had an increase because of the addition of campus security, but this has not been completely evaluated by the Operating Committee. Frank Martin will be presenting a full review to the Board for review and approval.

Ava Parker advised that the University has been working very hard to only spend when necessary so the carry forward will be available to help take care of some of the additional items that may be needed.

John Gray reviewed the colors of money, the definitions of the types of money for the University, the history of how funds came to Florida Poly, and the funds needed in the future to help build the student center/dining hall and residential housing. The types of money are Public Education Capital Outlay and Debt Service Trust Fund (PECO), Educational and General operating revenues and expenses (E&G), and Plant Operating and Maintenance revenues and expenses.

John Gray presented an overview of the funds for the University and compared the funds in versus the funds out.

Ava Parker advised Trustee MacCuspie will be presenting a recommendation for lab equipment at the next Board meeting. The estimated cost for the lab equipment will be around \$3M. She also advised that Shared Services will be working with Florida Poly on this process.

John Gray advised that there is a statutory requirement that 5% of the funds in the operating account to be kept in reserves.

John Gray reviewed the carry forward funds and explained why the University does not have access to those funds until July 1, 2014.

Trustee Hammack asked if it was possible to take out a loan and then pay it back when the carry forward funds were accessible. John Gray advised that he did research and that is not possible.

Ava Parker advised that Florida Poly owns equipment for a television studio that is currently in storage and is recommending that one room in the IST building be used to set up this equipment. The equipment will primarily be used for online recordings or distant learning. The equipment is worth \$500K and it will take approximately \$300K to set the room up for the equipment.

#### 5. UF Shared Services Agreement

Ava Parker advised that Florida Poly is going to start the negotiations to modify the Shared Services agreement with the University of Florida this quarter. She advised that they are working with an outside accounting firm to see options on how to offset these costs.

Ava Parker advised that Florida Poly is looking at an ERP system and staff is determining what the cost would be.

#### 6. UF Shared Services Agreement

Ava Parker is working with an outside firm for an internal operational audit to make sure we have everything in place and to make recommendations on how we can do things better.

#### 7. Financial Statements Audit

Ava Parker advised that Florida Poly's 2012/2013 financial statements are being audited by the state with an anticipated report date of January, which will include their findings. The statements will be audited annually.

#### 8. Foundation Board Update

Ava Parker advised that she has been working with the Foundation Board interviewing possible candidates for the position of Vice President of Advancement. The Foundation Chair will be appointing someone from the Foundation Board to be involved with the selection. There are two candidates that might possibly be back for a second interview. Ava Parker will let Trustee Bostick know if the candidates are contacted for a second interview so he can appoint someone to meet with them.

Ava Parker advised that the Foundation Board is actively engaged in fundraising opportunities for scholarship money. The expectation is that the Foundation Board will raise the scholarship money for the 500 students entering in August 2014; that is about \$2.5M.

Cindy Alexander will be contacting each of the Board members to discuss options for partnering with them or with their firms in order to help raise these funds.

9. Date/Time for Future Committee Meetings

Finance & Audit Committee meetings were set for January 14, 2014, March 11, 2014, and May 13, 2014 at 4:30 p.m.

The next Board of Trustees meeting is scheduled for Tuesday, December 17, 2013 at Full Sail University with dinner the evening before at The Alford Inn.

10. Closing Remarks & Adjournment

With no further business to discuss, the Finance & Audit Committee meeting adjourned at 4:13 p.m.