



FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY
Board of Trustees Policy

Board of Trustees Policy Number:
2018-01

Date of Adoption: June 7, 2018
Date of Revision: (Formerly IMM 2003-01)
June 24, 2003, May 22, 2003

Subject	FAMU Direct Support Organizations
Authority Authority	Sections 1001.706, 1004.06, 1004.28; 1010.09; 1013.171, 1013.78, Florida Statutes; Board of Governors Regulation 9.011; FAMU Regulation Chapter 11
Applicability	FAMU Direct Support Organizations

I. Rescinding of FAMU Internal Management Memorandum No. 2003-01

FAMU Internal Management Memorandum No. 2003-01, FAMU Direct Support Organizations adopted on May 22, 2003 and revised on June 24, 2003 is hereby repealed or rescinded effective at the time of adoption of this policy.

II. Policy Statement and Purpose

To establish uniform criteria for certifying FAMU Direct Support Organizations and uniform policies regarding the operation and oversight of FAMU Direct Support Organizations.

III. Procedures, Approvals/Responsibilities

A. Florida Agricultural and Mechanical University Direct Support Organizations (“DSO” or “organization”) are approved by the University President (the “President”) and the Florida Agricultural and Mechanical University Board of Trustees (the “Board”) for certification. If the President determines that the organization is no longer serving the best interests of the University, the President may request that the Board decertify a DSO. The Board has the authority to request that the President investigate any DSO that is acting inconsistently with the best interests of the University. The request for decertification shall include a plan for disposition of the organization’s assets and liabilities.

B. Certification as a DSO is required if the organization will:

1. Use the property, facilities, personal services, or name of the University; or
2. Receive, hold, invest, or administer assets or property or make expenditures for the benefit of the University.

C. A request for initial and continued certification of a DSO to the Board shall include:

1. The Articles of Incorporation.
2. The Bylaws, which shall describe the operating procedures and specific individual responsibilities of the organizations' boards, committees, and officers as related to the activities of the organization, and shall incorporate this policy and the Board of Trustees' Regulation 11.001 by reference.

D. The Articles of Incorporation and the Bylaws, together, shall:

1. Provide that the organization shall comply with the provisions of Section 1004.28, Florida Statutes.
2. Provide that any person employed by the organization shall not be considered to be a state or public employee of Florida by virtue of employment by the organization.
3. Provide that the chief executive officer, executive director or senior operating officer of the organization shall be selected and appointed by the governing board of the organization, with prior approval by the President. The chief executive officer, executive director or senior operating officer of the DSO shall report to the President.
4. Provide that the Board shall approve all appointments, including elected board members, to any DSO board.
5. Include or reference the organization's policy and procedures on public access to records and open meetings. The policy shall ensure public access to information in accordance with Section 1004.28(5), Florida Statutes, while also protecting the confidentiality of personal or financial information about donors or prospective donors, in accordance with Section 1004.28(5), Florida Statutes. The policy shall also include the organization's policy and procedures on access to meetings in accordance with Chapter 286, Florida Statutes.
6. Provide that any subsequent amendments to the Articles of Incorporation or Bylaws of the organization shall be approved by the President and the Board, prior to becoming effective.
7. Provide that the President shall have the following powers and duties:
 - a. Monitor and control the use of University resources by the DSO.
 - b. Control the use of the University name by the DSO.
 - c. Monitor compliance of the DSO with state and federal laws and rules of the Board.
 - d. Recommend to the Board an annual budget, pursuant to paragraph I.

- e. Review and approve expenditure plans, pursuant to paragraph K.
- f. Approve salary supplements and other compensation or benefits paid to the University faculty and staff from DSO assets and salaries, benefits, and other compensation paid to employees of the DSO, consistent with the Board’s policies provided in paragraph O. The President may designate an individual who shall be a vice president of the University or other senior officer of the University reporting directly to the President to serve in this capacity. Determination of compensation of athletic personnel from DSO assets may be made at the discretion of the President and may not be delegated.
- g. Approve contribution of funds or supplements to support intercollegiate athletics.
- 8. Provide that the organization shall provide equal employment opportunities for all persons regardless of race, color, religion, gender, age, or national origin.
- 9. Provide that personal services must comply with Section 1012.976, Florida Statutes.
- 10. Provide that state funds cannot be used for the organization’s travel expenses.
- 11. Provide that organizations shall comply with University set thresholds for approval of purchases, acquisitions, projects, and issuance of debt by DSOs.
- 12. Prohibit the giving, directly or indirectly, of any gift to a political committee or committee of continuous existence as defined in Section 106.011, Florida Statutes.
- E. The Chair of the Board shall appoint at least one representative to the board of directors and executive committee of the organization, and the President or the President’s designee will serve on the board of directors and executive committee of the organization.
- F. The DSO shall, immediately upon certification by the Board, file with the Department of State as a Florida not-for-profit corporation under the provisions of Chapter 617, Florida Statutes.
- G. The Board shall not transfer any funds to and/or allow any DSO to use the property, facilities, or personal services of the University if the organization violates D.8.
- H. The DSO shall conduct its financial operations observing a fiscal year ending on either June 30 of each year, unless otherwise approved by the Board.

Entity	Year-End	Report Due Date
1. FAMU Foundation, Inc.	June 30	Jan. 1 (following year)
2. FAMU National Alumni Association, Inc.	June 30	Jan. 1 (following year)
3. FAMU Rattler Boosters, Inc.	June 30	Jan. 1 (following year)
4. FAMU Research Foundation, Inc.	June 30	Jan. 1 (following year)

- I. The DSO shall submit an annual operating budget, which has been approved by the DSO's governing board and by the President and submitted to the Board for approval. The budget shall be submitted in the format of the Attachment no later than sixty (60) days after the first day of the fiscal year for which the budget pertains.
 1. The construction of physical facilities shall be set forth in the budget, including those on leased public property, as authorized and defined in Section 1013.171, Florida Statutes. The construction of facilities, although set forth in the budget, shall be consistent with the system wide strategic plan adopted by the State Board of Education if the project is to be constructed on state land or with state funds and consistent with Section 1013.78, Florida Statutes. Any other construction project shall require notification to the President prior to commencement of construction.
 2. Salary supplements, compensation, and benefits provided to the President, to University faculty, and to staff and to employees of the DSO with DSO assets shall be detailed in the budget.
 3. A schedule of the names of the organization's governing board members, their dates of service, and committee membership lists shall be submitted with the budget. The schedule of names shall include a statement signed by the President, or the President's designee, certifying that the composition of the organization's governing board is in accordance with its Bylaws. The individuals appointed by the Chair of the Board and by the President shall be clearly identified.
- J. A DSO shall have the authority to amend its budget. Budget amendment requests for less than 15%, but not to exceed \$40,000, of the total amount of the annual budget shall require the approval of the President, provided that no budget amendment affecting the President or the President's compensation, salary or other benefits shall be made without the approval of the Board. Other budget amendment requests shall require the approval of the President and the Board.
- K. As required by the President and University Regulations and Policies, the DSO shall prepare and submit to the President, an expenditure plan that separately delineates planned actions which will result in a commitment of University resources or which represent a significant commitment of the resources of the DSO, including but not limited to:
 1. Major fund-raising events and campaigns along with their purpose.
 2. Compensation and benefits to University employees and employees of the organization.
 3. Capital projects including land acquisition, construction, renovation, or repair.
 4. Other major commitments of the resources of the DSO as defined by the President.

- L. The DSO shall annually prepare an audit and related financial documents, in accordance with applicable laws and rules, which shall be submitted to the President and to the Audit Committee of the Board for Board review and approval.
1. Each DSO shall cause a financial audit of its accounts and records to be conducted by an independent certified public account, after the close of each fiscal year, in accordance with rules adopted by the Auditor General pursuant to Section 11.45(8), Florida Statutes, and University Regulations and Policies.
 2. The audit report shall be submitted by the President to the Board no later than the end of the sixth month following the close of the organization's fiscal year. The President shall submit the annual audit report to the Auditor General, the State Board of Education, and the Board of Governors no later than nine (9) months after the close of the organization's fiscal year.
- M. Beginning July 1, 2019, and annually thereafter, each DSO shall report to the Board of Trustees the amount of state appropriations transferred to the DSO during the previous fiscal year, the purpose for which the funds were transferred, and the remaining balance of any funds transferred.
- N. The DSO shall submit to the President, the State Board of Education, and the Board of Governors its federal Internal Revenue Service Application for Recognition of Exemption (Form 1023) and its annual federal Internal Revenue Service Return of Organization Exempt from Income Tax (Form 990).
- O. The following policies concerning salary supplements, compensations, and benefits provided to the President, to University faculty and staff, and to employees of the DSO with DSO assets are applicable:
1. Full or part-time employees of DSOs are not state or public employees of Florida and may not participate in State Retirement or other fringe benefits available to employees of the state or public employees.
 2. Any salary supplement provided by a DSO to the President shall be consistent with any applicable state law and rules and approved by the Board.
 3. Salary supplements and other compensation or benefits provided for University employees will be paid using the State of Florida payroll payment process or the University payroll system, and will not be subject to state retirement contributions nor included in salary averaging for the purpose of computing retirement benefits.
 - a. The President or the President's designee shall approve all supplemental compensation to be paid to University employees by DSOs. Determination of compensation of athletic personnel from DSO assets is to be made at the discretion of the President and may not be delegated.

- b. The list of approved payees shall be provided to the University payroll office for processing as prescribed by the Bureau of State Payrolls or University payroll procedures.
- c. The DSO, in coordination with the appropriate personnel of the University, shall transfer the appropriate funds from the DSO into a State Treasury account for disbursement in accordance with State Comptroller’s guidelines. These funds shall be sufficient to pay all federally required employer matching. The appropriate withholding taxes, as dictated by the State Comptroller, will also be applicable.
- d. Prior to increasing the salary or changing the salary source for an individual who receives compensation from a DSO fund source that does not contribute to the Florida Retirement System (FRS) and from a fund source that does contribute to FRS, the University shall request a written analysis from the Division of Retirement, Florida Department of Management Services, or other appropriate state agency, if the proposed change in salary increases the proportion of the total salary that is paid from state funds. This analysis, assessing the potential impact of such action on FRS, shall be provided prior to the President’s approval of the change in salary. If the change in salary results in a significant fiscal impact on the FRS, an assessment payable to the FRS may be required.

Attachment(s)	Florida Agricultural and Mechanical University Direct Support Organization Annual Budget and Expenditure Form
Hyperlink Addresses	N/A

ATTACHMENT

**FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY DIRECT SUPPORT ORGANIZATION
ANNUAL BUDGET AND EXPENDITURE REPORT**

For Period _____ Through _____

FILL IN EVERY BLANK. USE N/A IF NOT APPLICABLE

I. GENERAL DATA

Name of Direct Support Organization
 Address
 College/School Affiliation (if any)
 Name of Director (if any)
 Telephone Number
 Other Institutions or Agencies Involved
 Identify the following members on the Board of Trustees and Executive Committee:
 Designee of the President, Designee of the Board of Trustees Chairman
 The Board of Directors
 The Executive Council

II. FISCAL DATA

A. Revenues by Source

Source of Funds:	Prior Year:	Revenue Budget:
University		
Federal		
Private		
Sales & Licensing		
Other Revenues		

Totals

B. Operation of the Direct Support Organization

Expenditure Item/Category:	Prior Year:	Expenditures Budget:

Total DSO Operational Expenditures

C. Activities or Program*	Prior Year	Expenditures Budget

Total DSO Univ. Activity Expenditures

Signature of Senior Operating Officer

GRAND TOTAL OF ALL EXPENDITURES

*The Direct Support Organization's prior year expenditures and current year budget in support of University programs and activities may be summarized on a single line if desired; alternatively, the support of University programs and activities may be specified in considerable detail.