

**Florida Agricultural and Mechanical University  
Board of Trustees**



**Direct Support Organizations Committee Meeting  
Wednesday, June 6, 2018  
12:00 p.m. – 12:30 p.m.**

**Committee Members:** Thomas Dortch – Chair; Dave Lawrence – Vice Chair  
Bettye Grable, Devin Harrison, Kelvin Lawson

**AGENDA**

- |     |               |                      |
|-----|---------------|----------------------|
| I.  | Call to Order | Thomas Dortch, Chair |
| II. | Roll Call     | Ms. Angie Wiggins    |

**ACTION ITEMS**

- |      |  |   |
|------|--|---|
| III. | Approval of Minutes<br>March 7, 2018, DSO Committee Meeting  | Chair Dortch  |
| IV.  | Senate Bill 4 DSO Implementation -<br>Approve the Amended Policy: Converting FAMU IMM<br>No. 2003-01 to BOT Policy No. 2018-01 | Dr. Shawnta Friday-Stroud<br>Interim Vice President<br>University Advancement |

**INFORMATIONAL ITEMS**

- |      |   |                   |
|------|---|-------------------|
| V.   | Update on Divisional Activities<br>1. FY 2017-18 University Advancement Updates<br>2. DSO Updates<br>A. FAMU Foundation, Inc.<br>B. National Alumni Association<br>C. FAMU Rattler Boosters | Dr. Friday-Stroud |
| VI.  | New Business  | Chair Dortch      |
| VII. | Adjournment   | Chair Dortch      |

**Florida Agricultural and Mechanical University  
Board of Trustees**



**ACTION ITEM**

**Direct Support Organizations Committee  
Wednesday, June 6, 2018  
Agenda Item: III.**

Item Origination and Authorization				
Policy ____	Award of Bid ____	Budget Amendment ____	Change Order ____	
Resolution ____	Contract ____	Grant ____	Other ____	

Action of Board				
Approved ____	Approved w/ Conditions ____	Disapproved ____	Continued ____	Withdrawn ____

**Subject:**                    **Approval of DSO Committee Meeting Minutes (March 7, 2018)**

**Rationale:**                In accordance with the Florida Statutes, a governmental body shall prepare and keep minutes or make a tape recording of each open meeting of the body.

**Attachment:**             DSO Committee Meeting Minutes (March 7, 2018)

**Recommendation:**    Approve the minutes of the March 7, 2018, DSO Committee Meeting.

**Florida Agricultural and Mechanical University  
Board of Trustees**



Direct Support Organizations (DSO) Committee Meeting Minutes  
Wednesday, March 7, 2018

**Trustee Thomas Dortch, Chair**

The meeting was called to order 3:37 p.m. by Committee Chair Thomas Dortch. Ms. Angie Wiggins called the roll, and the following Committee members participated: Trustees Bettye Grable, Dave Lawrence, and Kelvin Lawson.

**Interim Vice President, Dr. Shawnta Friday-Stroud, provided updates on Divisional Activities:**

- **A snapshot was presented on fundraising, and upcoming activities:**
  - Current giving is approx. \$3M, compared to approx. \$5.3M this same period last year.
  - Historical trends were provided with a breakdown of cash and pledges dating back to FY2012-2013.
  - Dr. Friday-Stroud is putting systems in place for fundraising initiatives; hiring of fundraisers; corporate engagements; communicating effectively with donors; and is making preparations regarding the capital campaign.
  - Dr. Friday-Stroud will organize a 16-17 city tour starting this summer with small individual settings and solicit support from the FAMU Board of Trustees and FAMU Foundation Board to convert friends and prospects to donors. Trustee Dortch requested that she coordinate a joint effort for Atlanta.
  
- **Rattler Boosters:**
  - **Decertification of Rattler Boosters, Inc.**
    - ❖ In accordance with FAMU DSO IMM Number 2003-01, a decertification shall include a plan of disposition of the organization's assets and liabilities. Dr. Friday-Stroud shared details of the Plan of Disposition that was initiated and implemented for the Rattler Boosters, Inc.
    - ❖ Trustee Lawson moved that they formerly decertify what was previously known as the Rattler Boosters, Inc.; seconded by Trustee Lawrence. The motion was approved unanimously by the DSO Committee and will be recommended to the Board for decertification.
  - **Certification of Florida A&M University Rattler Boosters, Inc.**
    - ❖ In accordance with the FAMU DSO, IMM Number 2003-01, a request for certification of a DSO to the Board shall include The Articles of Incorporation and the Bylaws. Dr. Friday-Stroud advised that The Articles of Incorporation, and Bylaws were submitted to the FAMU Board of Trustees for review prior to the March 7<sup>th</sup>, 2018, DSO Committee Meeting.
    - ❖ Trustee Lawson moved that they officially charter the Florida A&M University Rattler Boosters, Inc.; seconded by Trustee Grable. The motion was approved unanimously by the DSO Committee and will be recommended to the Board for certification.

**Florida Agricultural and Mechanical University  
Board of Trustees**



- **Approval of DSO Budget: FY2017-2018, Florida A&M University Rattler Boosters, Inc.**
  - ❖ At the January 11, 2018 DSO Committee Meeting, the committee moved the Rattler Boosters Budget and Bylaws to this spring meeting with the expectation that the Bylaws would be approved prior to approving the Budget. After having approved the Bylaws for the newly established Florida A&M University Rattler Boosters, Inc., Dr. Friday-Stroud recommended to the Committee to accept the FY 2017-18 Budget.
  
  - ❖ Trustee Grable moved that they accept the Budget and recommend it to the Board of Trustees for acceptance; seconded by Trustee Lawson. The motion was approved unanimously by the DSO Committee and will be recommended to the Board for acceptance.

**DSO Updates:**

- **National Alumni Association (NAA)**  
**Alumni Engagement**
  - February 8<sup>th</sup>, FAMU DAY at the Capitol
  - February 9<sup>th</sup>-12<sup>th</sup>, HBCU Recruitment Caravan Los Angeles
  - March 8<sup>th</sup>, MEAC Tournament Enshrines FAMU Foundation Director, and FAMU Industry Cluster Chair, Mrs. Cheryl Harris Booker
  - March 9<sup>th</sup>-13<sup>th</sup>, FAMU President's Spring Recruitment Tour
  - May 23<sup>rd</sup>-27<sup>th</sup>, FAMU NAA National Convention
  
- **FAMU Foundation, Inc.**
  - Dr. Friday-Stroud has held introductory meetings with Directors on the Foundation Board.
  - The Board of Directors Meeting is May 24-25 in Orlando, FL, in conjunction with the FAMU NAA National Convention.
  - The endowment value stands at \$114M.
  
- **Florida A&M University Rattler Boosters, Inc.**
  - Dr. Friday-Stroud and AD John Eason have worked with the Florida A&M University Rattler Boosters Executive Director, Tommy Mitchell, to decertify the Rattler Boosters, and to certify the Florida A&M University Rattler Boosters.

There being no further business, the meeting adjourned 4:17 p.m.  
Thomas Dortch, Committee Chair

**Florida Agricultural and Mechanical University  
Board of Trustees**



**ACTION ITEM**

**Direct Support Organizations Committee**

**Wednesday, June 6, 2018**

**Agenda Item: IV.**

**Item Origination and Authorization**

Policy ____	Award of Bid ____	Budget Amendment ____	Change Order ____
Resolution ____	Contract ____	Grant ____	Other ____

**Action of Board**

Approved \_\_\_\_    Approved w/ Conditions \_\_\_\_    Disapproved \_\_\_\_    Continued \_\_\_\_    Withdrawn \_\_\_\_

**Subject:** Senate Bill 4 DSO Implementation -  
Approve the Amended Policy: Converting FAMU IMM No. 2003-01 to BOT Policy No. 2018-01

**Rationale:** The Florida Excellence in Higher Education Act 2018 (Senate Bill 4/2018-4 Laws of Florida) has amended Florida Statute 1004.28. The amendments address: board chair required appointments; travel expense prohibitions; purchasing and acquisition thresholds; state appropriated funds transfer prohibitions and annual reporting requirements; political contribution prohibitions; and changed public records exemptions. As a result of the passage of the statutory changes, the Direct Support Organization Policy is amended.

FAMU IMM No. 2003-01 is converted to Board of Trustees Policy No. 2018-01, as proposed.

**Attachment:** FAMU IMM No. 2003-01/BOT Policy No. 2018-01

**Recommendation:** It is recommended that the Board of Trustees approve the Amended Policy by converting FAMU IMM No. 2003-01 to BOT Policy No. 2018-01.



## Florida Agricultural and Mechanical University Board of Trustees Policy

<b>Board of Trustees Policy Number:</b> 2018-01	<b>Date of Adoption/Revision:</b> June __, 2018 Formerly IMM 2003-01
	<b>Revised:</b>

<b>Subject</b>	FAMU Direct Support Organization
<b>Authority</b>	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
<b>Applicability</b>	FAMU Direct Support Organizations

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

II. 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. Definitions**

### **IV. Procedures, Approvals/Responsibilities**

- 1) 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.
- 2) Certification as a DSO is required if the organization will:
  - a) Use the property, facilities, personal services, or name of the University; or
  - b) Receive, hold, invest, or administer assets or property or make expenditures for the benefit of the University.
- 3) A request for initial and continued certification of a DSO to the Board shall include:
  - a) The Articles of Incorporation.

b) 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.

4) The Articles of Incorporation and the Bylaws, together, shall:

a) Provide that the organization shall comply with the provisions of Section 1004.28, Florida Statutes.

~~a)b)~~ 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.

~~b)c)~~ 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.

d) Provide that the Board shall approve all appointments, including elected board members, to any DSO board.

~~e)e)~~ Include or reference the organization's ~~sa~~ 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, ~~or volunteers~~ 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.

~~e)f)~~ Provide that any subsequent amendments to the Articles of Incorporation or Bylaws of the organization shall be ~~submitted~~ approved, by the President and, to the Board ~~for approval~~, prior to becoming effective.

~~e)g)~~ Provide that the President shall have the following powers and duties:

i) Monitor and control the use of University resources by the DSO.

ii) Control the use of the University name by the DSO.

iii) Monitor compliance of the DSO with state and federal laws and rules of the Board.

iv) Recommend to the Board an annual budget, pursuant to paragraph ~~98~~.

v) Review and approve expenditure plans, pursuant to paragraph ~~110~~.

vi) 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 13. 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.

vii) Approve contribution of funds or supplements to support intercollegiate athletics.

h) Provide that the organization shall provide equal employment opportunities for all persons regardless of race, color, religion, gender, age, or national origin.

i) Provide that personal services must comply with Section 1012.976, Florida Statutes.

j) Provide that state funds cannot be used for the organization’s travel expenses.

f)k) Provide that organizations shall comply with University thresholds for approval of purchases, acquisitions, projects, and issuance of debt.

g)l) 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, ~~for any purpose other than those certified by a majority roll call vote of the organization’s governing board at a regularly scheduled meeting as being directly related to the educational mission of the University.~~

5) The Chair of the Board ~~may 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.

6) 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.

7) 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 4.g.

7)8) 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.

<b>Entity</b>	<b>Year-End</b>	<b>Report Due Date</b>
1. FAMU Foundation	June 30	Jan. 1 (following year)
2. FAMU National Alumni Association	June 30	Jan. 1 (following year)
3. FAMU Boosters	June 30	Jan. 1 (following year)

8)9) 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.

a) 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.

- b) 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.
- c) 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.

~~9)~~10) 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.

~~40)~~11) [As required by the President and University Regulations and Policies](#), ~~t~~The DSO shall prepare and submit to the President, ~~as required by 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:

- a) Major fund-raising events and campaigns along with their purpose.
- b) Compensation and benefits to University employees and employees of the organization.
- c) Capital projects including land acquisition, construction, renovation, or repair.
- d) Other major commitments of the resources of the DSO as defined by the President.

~~44)~~12) 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.

- a) 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 Board rules Regulations and Policies](#).
- b) 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.

13) 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.

~~42~~14) 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).

~~43~~15) 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:

- a) 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.
- b) 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.
- c) 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.
  - i) 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.
  - ii) 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.
  - iii) 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.
  - iv) 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.

<b>Contact</b>	Name/Office: Vice President for University Advancement Address: 625 East Tennessee Street, Tallahassee, FL 32308 Telephone No.: (850) 599-3491
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<b>BOT POLICY:</b> <u>Direct Support Organization</u>	<b>POLICY NO:</b> 2018-01	<b>PAGE:</b> 6 of 6
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<b>Attachment</b>	Florida Agricultural and Mechanical University Direct Support Organization Annual Budget and Expenditure Form
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<b>FLORIDA A&amp;M UNIVERSITY (FAMU) INTERNAL MANAGEMENT MEMORANDUM (IMM) TITLE:</b>	<b>Date Adopted by FAMU Board of Trustees:</b>
FAMU Direct Support Organizations	May 22, 2003
<b>FAMU IMM NUMBER: 2003-01</b>	<b>DATE OF LAST REVISION: June 24, 2003</b>

<b>DEPARTMENT:</b>	<b>Signature of President:</b>
Office of the President	<i>Fred Gairous</i>

<b>Authority</b>	Sections 1001.74(4), (37); 1001.75(6), (19); 1004.06, 1004.28; 1010.09; 1013.171, 1013.78, Florida Statutes Rule 6C3-11, Florida Administrative Code
<b>Purpose/ Policy</b>	To establish uniform criteria for certifying FAMU Direct Support Organizations and uniform policies regarding the operation and oversight of FAMU Direct Support Organizations.

- 1) 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.
- 2) Certification as a DSO is required if the organization will:
  - a) Use the property, facilities, personal services, or name of the University; or
  - b) Receive, hold, invest, or administer assets or property or make expenditures for the benefit of the University.
- 3) A request for certification of a DSO to the Board shall include:
  - a) The Articles of Incorporation.
  - b) The Bylaws, which shall describe the operating procedures and specific individual responsibilities of boards, committees, and officers as related to the activities of the organization.
- 4) The Articles of Incorporation and the Bylaws, together, shall:
  - a) 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.

<b>FAMU IMM TITLE:</b> FAMU Direct Support Organizations	<b>FAMU IMM NUMBER:</b> 2003-01	<b>PAGE:</b> 2 of 5
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- b) 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.
- c) Include or reference the organizational policy on public access to records and 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, prospective donors, or volunteers in accordance with Section 1004.28(5), Florida Statutes.
- d) Provide that any subsequent amendments to the Articles of Incorporation or Bylaws of the organization shall be submitted, by the President, to the Board for approval, prior to becoming effective.
- e) Provide that the President shall have the following powers and duties:
  - i) Monitor and control the use of University resources by the DSO.
  - ii) Control the use of the University name by the DSO.
  - iii) Monitor compliance of the DSO with state and federal laws and rules of the Board.
  - iv) Recommend to the Board an annual budget, pursuant to paragraph 8.
  - v) Review and approve expenditure plans, pursuant to paragraph 10.
  - vi) 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 13. 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.
  - vii) Approve contribution of funds or supplements to support intercollegiate athletics.
- f) Provide that the organization shall provide equal employment opportunities for all persons regardless of race, color, religion, gender, age, or national origin.
- g) 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, for any purpose other than those certified by a majority roll call vote of the organization's governing board at a regularly scheduled meeting as being directly related to the

educational mission of the University.

- 5) The Chair of the Board may appoint a 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.
- 6) 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.
- 7) 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.

<u>Entity</u>	<u>Year-End</u>	<u>Report Due Date</u>
1. FAMU Foundation	June 30	Jan. 1 (following year)
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- 8) 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.
  - a) 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.
  - b) 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.
  - c) A schedule of the names of the 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 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.
- 9) 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.

10) The DSO shall prepare and submit to the President, as required by 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:

- a) Major fund raising events and campaigns along with their purpose.
- b) Compensation and benefits to University employees and employees of the organization.
- c) Capital projects including land acquisition, construction, renovation, or repair.
- d) Other major commitments of the resources of the DSO as defined by the President.

11) 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.

- a) 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 Board rules.
- b) 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.

12) 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).

13) 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:

- a) 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.

- b) 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.
- c) 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.
  - i) 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.
  - ii) 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.
  - iii) 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.
  - iv) 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.

<b>Contact</b>	Name: Mr. Kent Taylor Interim Vice President for University Relations/Public Affairs Address: 200 Lee Hall Telephone No.: (850) 599-3491 E-mail Address: kent.taylor@fam.u.edu
<b>Attachment(s)</b>	Attachment: Florida Agricultural and Mechanical University Direct Support Organization Annual Budget and Expenditure Form



**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:
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**Total DSO Operational Expenditures**

**C. Activities or Program\***

Prior Year	Expenditures Budget
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**TOTAL DSO UNIV. ACTIVITY EXPEN.**

**GRAND TOTAL ALL EXPENDITURES**

\_\_\_\_\_  
Signature of Senior Operating Officer

<b>FAMU IMM TITLE:</b> AMU Direct Support Organizations	<b>FAMU IMM NUMBER:</b> 2003-01 Attachment	<b>PAGE:</b> 2 of 2
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\*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.

**Florida Agricultural and Mechanical University  
Board of Trustees**



**Direct Support Organizations Committee**

**Wednesday, June 6, 20178  
Agenda Item: V.**

**Subject: Update on Divisional Activities**

**Summary:** Update on Divisional Activities:  
1. FY 2017-18 University Advancement Updates  
2. DSO Updates  
A. FAMU Foundation, Inc.  
B. National Alumni Association  
C. Florida A&M University Rattler Boosters, Inc.

**Florida Agricultural and Mechanical University  
Board of Trustees**



**Direct Support Organizations Committee  
Overall Updates on Divisional Activities**

**V. Update on Divisional Activities**

**1. FY 2017-18 University Advancement Updates**

**Fundraising Updates:**

- As of May 29, 2018, \$3.77M in cash and pledges has been raised this fiscal year compared to \$5.3M this same period last year.
- Approximately \$1M pipeline gifts are anticipated to close before the end of this fiscal year.
- FY 2017-18 Fundraising summary provided below which includes total giving amounts; top 3 constituents by total giving; top 2 largest single gifts; and top 3 states gifts received from.

**Total Giving**

- \$3,779,389
- 51% decrease over previous fiscal year (\$7,455,759 received FY 2016-17)
- 3,949 donors compared to 3,601 this time last year
- Average gift amount is \$957.05 compared to \$2,070.68 in FY 2016-17

**Top 3 Constituents by Total Giving**

- Alumni: \$1.3M
- Corporate: \$943K
- Friends: \$417K

**Top 2 Largest Single Gifts**

- Alumni: \$100K
- Corporate: \$105K

**Top 3 States Gifts Received From**

- Florida
- Texas
- Maryland

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**2. DSO Updates**

**A. FAMU Foundation, Inc.**

- The FAMU Foundation Board of Directors held its spring 2018 Board Meeting, May 24-25, in Orlando, in conjunction with the FAMU NAA's 2018 National Convention.
- The FAMU Small Business Development Center moved into the FAMU Foundation building. The lease was signed May 31, 2018.
- At March 31, 2018, the Investment balance is \$123,781,957.18 and the Endowment balance is \$109,863,702.

**B. National Alumni Association (NAA)**

- The FAMU National Alumni Association (NAA) is celebrating the success of its annual conference generating more than \$444,000 at their fundraising Luncheon in support of the Save Our Student scholarships, FAMU Athletics initiatives, and the FAMU Marching 100's journey to Pasadena; funds are still being received.
  - One major highlight was a spirited call to giving by FAMU's 8th President, Dr Frederick Humphries. The convention was held in conjunction with the FAMU Foundation Board's Spring Meeting in Orlando.
  - Next year's FAMU NAA Annual Convention will be held in Birmingham, Alabama, May 16-19, 2019.

**C. Florida A&M University Rattler Boosters, Inc.**

**Reorganization of the FAMU Rattler Boosters included the following:**

- Florida A&M University Rattler Boosters, Inc., is the official new name of the recently certified Direct Support Organization (DSO), replacing the Rattler Boosters.
- The officers of the Executive Board of the FAMU Rattler Boosters include the following: Selvin Cobb-President; Ronald Joe-Vice President; Hattie Alexander-Recording Secretary; William Yeomans-Corresponding Secretary; Willie Woods-Treasury; Curtis Ford-Financial Secretary; Reginald Mitchell, Sr.-Legal Counsel; and Tommy Mitchell, Sr.-Executive Director (University Employee).
- The Executive Director of the FAMU Rattler Boosters serves as a liaison between the University, FAMU Rattler Boosters and all other boosters, and is responsible for providing service and soliciting support for the FAMU Athletic Department.
- FAMU Rattler Boosters Board Members' eligibility requirement is based on a minimum contribution of one thousand dollars (\$1,000) to the FAMU Athletic Department. Additional booster membership "levels" are determined by the total amount of funds contributed to the Athletic Department. To secure annual booster operational funds, a dues structure of \$100 (with benefits) was created for regular membership and a "Life Membership" of \$750 dollars was included for future financial security.
- To increase the amount of funds provided to the Athletic Department, The Annual Homecoming Campaign was initiated as the "Athletics Annual Giving Program". The Homecoming Campaign's Million Dollar goal is to solicit at least 10,000 supporters to

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contribute at least one hundred dollars (\$100). Donors deemed capable of contributing four figures or more (\$1,000 +) will be asked to do so. All donations are deposited in the FAMU Foundation Athletic Department Account #2001 for immediate use by the athletic department. Annual priorities will be determined by the athletic department for boosters, alumni and supporters to support. Unrestricted funds will be requested to ensure that adequate funds will be available to all sports programs and projects. However, donors will be given the option to contribute to any sport or the athletic project of their choice.

- The FAMU Athletic Department's annual fundraising programs also include The Investing In Champions Program, and The Tag Bragg Program.
- All funds will be used to support:
  - All team sports,
  - Year-round scholarships for student athletes (Fall, Spring, Summer), and
  - Enhancements to athletic facilities.

**Florida Agricultural and Mechanical University  
Board of Trustees**



**Direct Support Organizations Committee  
Wednesday, June 6, 2018  
Agenda Item: VI.**

**Subject:      New Business**