

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



**Direct Support Organizations Committee Meeting**

**Date: Wednesday, September 10, 2014**

**Time: 11:15AM**

**Location: Grand Ballroom**

**Committee Members:** Belinda Shannon, Chair  
Kelvin Lawson, Rufus Montgomery, Kimberly Moore, Marjorie Turnbull

**AGENDA**

- I. Call to Order Chair Belinda Shannon
- II. Roll Call

**ACTION ITEMS**

- III. Approval of March 5, 2014, Committee Minutes Chair Belinda Shannon
- IV. Approval of Changes to Spending Policy Dr. Thomas Haynes
- V. Use of the Tookes Center for the President's Inaugural Gala Dr. Thomas Haynes
- VI. Approval of DSO Budgets Dr. Thomas Haynes
  - A. FAMU Foundation, Inc.
  - B. FAMU National Alumni Association
  - C. Rattler Boosters, Inc.
- VII. Approval of Recommended Changes to Naming Policy Dr. Thomas Haynes

**INFORMATION ITEMS**

- VIII. Update on Divisional Activities Dr. Thomas Haynes
  - A. University Advancement & BOT Goals
  - B. FAMU Foundation, Inc.
    - 1. DRAFT MOU
    - 2. Foundation Operations
    - 3. FAMU Collegiate License Plate Revenue
    - 4. Investments
  - C. Alumni Affairs
  - D. Rattler Boosters, Inc.
- IX. New Business Chair Belinda Shannon
- X. Adjournment



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

**Direct Support Organizations Committee**

**Date: Thursday, September 11, 2014**

**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Approved _____	Approved w/ Conditions _____	Disapproved _____	Continued _____	Withdrawn _____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 5, 2014)**

**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 5, 2014)

**Recommendation:**    Approve the minutes of March 5, 2014.

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



**Direct Support Organizations Committee Minutes  
Trustee Belinda Shannon, Chair**

The meeting was called to order at 2:00p.m. by Committee Chair Belinda R. Shannon (*telephonically*). Ms. Angie Wiggins called the roll, and the following committee members were present: Committee Vice Chair Kelvin Lawson, Trustee Glen Gilzean (*telephonically*), Trustee Kimberly Moore, and Trustee Marjorie Turnbull. A quorum was established.

***Review and Approval of the October 2, 2013, Committee Minutes***

The Committee reviewed the minutes from the October 2, 2013, Direct Support Organization (DSO) Committee Meeting. Vice Chair Lawson moved approval of the minutes, and the motion was seconded by Trustee Moore. The motion carried.

***Review and Approval of Recommended Changes to Naming Policy***

The Vice President for University Advancement, Dr. Thomas Haynes, presented recommended changes to the Board of Trustees Policy Number 2008-05, Naming Opportunities. The goal is to update the policy to provide more flexibility for naming facilities, programs and space; to take advantage of new opportunities the old policy did not provide, and to provide additional clarity around naming conditions and the removal of names.

After discussions, and concerns regarding the policy, part VI., Duration and Modification of Namings, B. Term Naming, the Committee agreed not to vote on this section at that time, but to place it under advisement to allow the FAMU Foundation Board an opportunity to respond. Part VI. will be brought back to the DSO Committee upon receiving feedback from the Foundation Board.

The Committee voted unanimously to accept the recommended changes to the Naming Opportunities Policy, up to part VI. Changes accepted by the Committee will be recommended to the Board of Trustees for approval at the Thursday, March 6, 2014 meeting.

***Update on Divisional Activities***

Vice President Haynes provided the Committee with an update on the division's progress on the BOT Goals, as well as several updates and items of interest within the division of University Advancement. These include:

- In regard to Strategic Initiative 4: Enable Excellence in University Relations and Development, Dr. Haynes reported that the University recently received a landmark academic grant from the Siemens Corporation

# Florida Agricultural and Mechanical University Board of Trustees



with a value of more than \$85 million. Dr. Tarik Dickens, a FAMU-FSU College of Engineering Professor, the project's principal investigator, shared with the Committee how the software grant will assist their department and students.

Dr. Dickens stated that the in-kind contributions of **Siemens PLM Software suite** will help their department transform their curricula, provide a state-of-the-art training program for future entry into the workforce and help bring awareness to the school and surrounding community concerning the advancement of manufacturing. This is at the core of the **Industrial Manufacturing Engineering (IME)** departmental mission and will be implemented in several classes and made available to the entire college over the next 4 semesters.

- Regarding the progress on the strategies outlined under BOT Goal 4.1: Enhance Institutional Fundraising, the University fundraising performance as of February 21, 2014 shows FAMU 7.4% ahead of last year this time (FY 2012-13: \$2,212,015 as compared to FY 2013-14: \$2,376,355). Dr. Haynes reported that there is an encouraging increase in donors up to this quarter. The Alumni giving has set an encouraging pace and is well within reach of meeting the \$750,000 goal for this quarter with the year-to-date total of approximately \$736,000 given by 1,746 alums. That performance is more than double last year's year-to-date of \$350,418 given by 1,391 alums.
- The division, in relation to Strategy 4.1.1: Institute the University's Capital Campaign, is working with schools, colleges, institutes and centers on priorities and goals; the Priority Naming Opportunities Inventory is in the works, and the FAMU Foundation has awarded scholarships to almost 1200 students totaling \$2.21 million. The Planned Giving Program is working, and \$775,000 currently pending probate.
- In regard to Strategy 4.1.2: Enhance the Relationships and Involvements with the Industry Cluster Partners, almost 40 corporations were visited or hosted on campus; Career Expo Companies stayed over an extra day due to bad weather to see students; and the Industry Cluster will hold its Annual Black Executives Exchange Program (BEEP) on campus, March 18-20. Corporate funding is strong this quarter; received over \$904,000.
- Dr. Haynes presented several Foundation updates:
  - The FAMU Foundation Board of Directors will meet in Tallahassee, April 23-25.
  - Completed a Request for Proposals and selected S. Davis & Associates as its operational auditors.
  - Completed a Request for Proposals and selected CBRE as its commercial real estate consultant. CBRE will provide real estate optimization planning.
- Good news was reported regarding the Investment portfolio. Returns for the Quarter, and Fiscal Year-to-Date, outperformed both portfolio's composite benchmark returns, and the portfolio's investment goals. It was also reported that an investment manager who was underperforming was replaced.
- Several updates were presented for the office of Alumni Affairs (OAA):

## Florida Agricultural and Mechanical University Board of Trustees



- Staff assisted with the President's Student/Alumni Recruitment Program at Andrew Jackson High School in January. Nearly \$225,000 in scholarships was given out; over 830 students participated.
  - Assistance is being provided for the upcoming President's Road Tour, March 8-11, to include Tampa, Fort Myers, Fort Lauderdale and Miami.
  - OAA coordinated the first alumni welcome reception in honor of incoming FAMU president, Dr. Elmira Mangum. More than \$32,000 was raised in about 10 minutes to support a scholarship in the name of Dr. Larry Robinson.
- The FAMU Rattler Boosters' 2014 Snake Bites Magazine was released to membership; the membership drive kick-off started with early bird special ending March 1; Booster contributions were made to the softball program game shoes, and men's track team for Notre Dame Mayo Invitational Travel.
  - On March 18<sup>th</sup> a reception will be hosted in honor of Dr. Larry Robinson. Donations will support students.

### ***Update on Anti-Hazing & University Marketing Campaign***

An update on anti-hazing efforts was presented by Interim President, Dr. Larry Robinson, and his team. Dr. Robinson advised that they are working to implement the FAMU Anti-Hazing Plan; evidence has been seen that the message of the University's changes is reaching students and stakeholders; and, they continue to work with the University's division of Audit and Compliance for improvements.

Bryan Smith, Special Assistant to the President for Anti-hazing, provided an update on hazing initiatives relating to the Anti-Hazing Plan. Mr. Smith advised that four allegations of hazing were reported in February: investigations are underway, but for one of the reports, it was determined that no further adjudication of hazing allegations was warranted at that time. He informed the Committee of Anti-Hazing workshops, music department compliance updates, and upcoming events and initiatives.

In regard to the music department compliance updates, after completion of the Fall 2013 semester, the marching band had 50 of the 148 members to make a 3.0 GPA or better. Mr. Smith also advised that the students are dedicated to what they came to FAMU for.

Mr. Smith informed the Committee they are wrapping up plans to host an Anti-Hazing Symposium; tentative dates are May 27-28, 2014.

Alonda Thomas, Interim Executive Assistant to the President for Communications, provided an update regarding the Marketing and Communications Plan. Public forums and receptions were hosted for the Presidential Candidate Search, and a press conference was coordinated to announce the selection of FAMU's next president.

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



Ms. Thomas advised the Department of Music's Anti-Hazing tours to Chicago in December and South Florida in February were well received by the media; promotion of the Chicago trip generated media coverage in Divers Issues in Higher Education.

The Communications office will promote the President's Recruitment Tour, March 8-10; and, will coordinate events and media opportunities to welcome Dr. Elmira Mangum to campus.

There being no further business, the meeting adjourned at 3:13 p.m.

Submitted by,

Trustee Belinda Shannon, Chair



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

**Direct Support Organizations Committee  
Date: Thursday, September 11, 2014  
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: Approval of Changes to the Florida A&M University Foundation’s Spending Policy**

**Rationale: Current Policy:**  
At the present time, the Foundation calculates the annual distribution and administrative fee as a percentage of the contributed value of the endowment accounts on deposit with the Foundation. The current spending rate is 3.5% and the administrative fee is 2%.

**Proposed Policy:**  
The Foundation will use 12 quarters of market value as a basis for calculating the annual endowment distribution which is the most common method among Florida’s state university foundations. The proposed spending rate is 4% and the administrative fee is 1.75%

	FAU	FGCU	FIU	FSU	UCF	UF	UNF	USF	UWF	FAMU
Endowment 12/31/2013	\$201M	\$70M	\$172M	\$598M	\$147M	\$1.463B	\$88M	\$403M	\$61M	\$124M
Administrative Fee	1.70%	1.50%	2.00%	2.20%	2.25%	1.20%	0.00%	2.00%	1.89%	2.00%
Spending Rate	3.90%	4.00%	3.00%	4.00%	4.00%	4.00%	4.35%	4.00%	4.00%	3.50%
Total Annual Rate	5.60%	5.50%	5.00%	6.20%	6.25%	5.20%	4.35%	6.00%	5.89%	5.50%
Valuation Method	5YR AVG	3YR AVG	N/A	3YR AVG	Formula	N/A	3YR AVG	5YR AVG	3YR AVG	HCV

ADMIN FEE	ENDOWMENT VALUE ALTERNATIVES FOR CALCULATING DISTRIBUTION		
	MARKET	3YR AVG	4YR AVG
	110,585,495	97,189,861	95,095,642
1.00%	1,105,855	971,899	950,956
1.50%	1,658,782	1,457,848	1,426,435
1.75%	1,935,246	1,700,823	1,664,174
2.00%	2,211,710	1,943,797	1,901,913



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

A 1.75% administrative fee and 4% spending rate would certainly be more appealing to potential donors than our current profile and should enhance fundraising effectiveness. A decision to increase our spending rate to 4% would raise the total annual distribution to 5.75% of a three-year (12 quarters) rolling average market value.

**Recommendation:** To be effective July 1, 2014:

- (1) Adopt a three-year rolling quarterly average market value approach to calculating annual endowment distributions.
- (2) Reduce the Foundation's administrative fee from 2.00% to 1.75%.
- (3) Increase the annual distribution (spending) rate from 3.50% to 4.00%





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

**Direct Support Organizations Committee  
Date: Thursday, September 11, 2014  
Agenda Item: V**

Item Origination and Authorization			
Policy _____	Award of Bid _____	Budget Amendment _____	Change Order _____
Resolution _____	Contract _____	Grant _____	Other <input checked="" type="checkbox"/> _____

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

**Subject:** Use of the Tookes Center for the President’s Inaugural Gala.

**Rationale:** Pursuant to FAMU Board of Trustees Regulation 3.021, no alcoholic beverages may be possessed, served, sold, consumed or distributed at the University except the following FAMU Designated Areas: President’s Box (Bragg Stadium); Alumni House; Faculty Club House; Center for Viticultural Sciences & Small Fruit Research Center for Water Quality; Alfred Lawson Multipurpose Teaching Gymnasium, Grand Ballroom/Student Union; Black Archives; President’s Club (located at the northern end zone of the stadium during football games and other stadium events); Bragg Stadium; and the College of Law. In light of the President’s Inaugural Gala on October 3, 2014, at the Tookes Center, which is not a FAMU Designated Area, the FAMU Board of Trustees is requested to approve the serving of alcoholic beverages at this event consistent with the requirements set forth in the Regulation.

**Recommendation:** Approve the request to serve alcoholic beverages at the President’s Inaugural Gala that will be held at the Tookes Center.



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

**Direct Support Organizations Committee  
Date: Thursday, September 11, 2014  
Agenda Item: VI. A.**

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 Budget: Florida A&M University Foundation, Inc.

**Rationale:** The DSO Budgets are submitted for approval in accordance with FAMU Internal Management Memorandum (IMM) Number 2003-01, 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 no later than sixty (60) days after the first day of the fiscal year for which the budget pertains.

**Material Changes from FY2013-14**

- Projected Real Estate income
- Salary increase (filling two positions: Accounting Coordinator, and Senior Accountant for Scholarship Accounting and Donor Reporting)
- President’s support

**FY2014-15**

- Provide maximum scholarship support
- Provide President with resources to use for expenses in place of E&G funds
- Provide fundraising dollars in support of the strategic plan

**Attachment:** Foundation Operating Budget

**Recommendation:** Approve the Foundation Operating Budget

## Florida A&M University Foundation Inc.

*Operating Budget for Fiscal Year 2014-2015*

	2013-2014			FY-14/15	Net Change
	Original Budget	Amended Budget	6/30/14 Actual	Proposed Budget	
<b>REVENUE AND SUPPORT</b>					
Operating Revenue	1,806,000	1,856,000	1,859,320	1,897,095	41,095
License Tags Revenue	500,000	450,000	467,986	470,000	20,000
Rents & Fees 625 E TN ST	50,000	-	-	283,500	283,500
Contingent Withdrawal from Reserves	-	75,000	-	100,000	25,000
<b>TOTAL REVENUE AND SUPPORT</b>	<b>2,356,000</b>	<b>2,381,000</b>	<b>2,327,306</b>	<b>2,750,595</b>	<b>369,595</b>
<b>EXPENDITURES</b>					
<b>Salaries and Benefits</b>					
Staff Salaries & Benefits	831,498	735,000	717,485	862,265	127,265
Student Employees	10,000	8,000	12,274	43,330	35,330
<b>Total Salaries and Benefits</b>	<b>841,498</b>	<b>743,000</b>	<b>729,759</b>	<b>905,595</b>	<b>162,595</b>
<b>Foundation Operations</b>					
Contractual Services	30,000	65,000	26,592	40,000	(25,000)
General Counsel & Legal Services	50,000	50,000	54,167	50,000	-
Auditing Services	45,667	80,334	27,143	52,500	(27,834)
Property Management	40,000	-	-	8,000	8,000
Foundation Board Meetings	65,000	81,000	79,625	90,000	9,000
Staff Travel	17,860	15,000	14,680	20,000	5,000
Memberships & Subscriptions	2,750	3,750	597	3,750	-
Insurance	41,000	56,500	16,462	19,500	(37,000)
Janitorial Services	9,000	14,000	12,313	24,000	10,000
Office Security Monitoring	5,000	4,035	4,075	7,500	3,465
Office Utilities	40,000	33,000	31,341	45,000	12,000
Pest Control	1,200	1,300	1,392	2,500	1,200
Grounds Maintenance	2,000	3,000	3,000	15,000	12,000
Off-Site Storage	3,000	4,200	4,964	-	(4,200)
Software Maintenance	10,000	5,626	5,626	12,500	6,874
Software Acquisition	22,000	-	-	17,500	17,500
Telephone	6,000	250	282	2,500	2,250
Office Equipment/Furniture	10,000	30,000	15,169	17,500	(12,500)
Materials, Printing & Postage	25,550	15,000	25,385	30,000	15,000
625 E TN Street Renovations	75,000	65,000	51,429	40,000	(25,000)
Bank Fees	5,000	4,000	3,853	5,500	1,500
Operating Contingency	40,000	10,000	6,295	140,000	130,000
<b>Total Foundation Operations</b>	<b>546,027</b>	<b>540,995</b>	<b>384,390</b>	<b>643,250</b>	<b>102,255</b>
<b>Office of University Advancement</b>					
Advancement Operations	243,750	231,750	246,649	270,000	38,250
Fundraising Activities	247,500	228,750	235,494	270,000	41,250
<b>Total Office of University Advancement</b>	<b>491,250</b>	<b>460,500</b>	<b>482,143</b>	<b>540,000</b>	<b>79,500</b>
<b>University Support</b>					
University President Compensation	187,725	286,669	103,551	341,000	54,331
President Bonus	-	75,000	-	-	(75,000)
Office of the President	137,500	137,500	137,500	175,000	37,500
Board of Trustees Assessment	12,000	12,000	12,000	13,000	1,000
Board of Governors Assessment	15,000	12,836	12,836	14,000	1,164
License Tags Scholarships	125,000	112,500	116,997	118,750	6,250
<b>Total University Support</b>	<b>477,225</b>	<b>636,505</b>	<b>382,884</b>	<b>661,750</b>	<b>25,245</b>
<b>TOTAL EXPENDITURES</b>	<b>2,356,000</b>	<b>2,381,000</b>	<b>1,979,176</b>	<b>2,750,595</b>	<b>369,595</b>



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

**Direct Support Organizations Committee**

**Date: Thursday, September 11, 2014**

**Agenda Item: VI. B.**

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 Budget: National Alumni Association**

**Rationale:**                The National Alumni Association (NAA) Budget is tied to the following objectives:

- Student Recruitment
- Alumni Chapter Development and Stewardship
- Fundraising
- Government Relations

**Attachment:**              National Alumni Association Budget

**Recommendation:**      Approve the National Alumni Association Budget

			2013-2014	2014-2015				
<u>EXPENDITURES CATEGORIES</u>			<u>FUND</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>NOTES</u>		
			6/30/2014	6/30/2015				
<b>2000- Operating Expense - Alumni Operations</b>								
2004	NAA Printing	211	\$1,000	\$1,000				
2009	Website Upgrading & Maintenance	211	\$2,400	\$2,400		\$3,600 setup and \$2,400 yearly Maintenance		
2010	Annual NAA Audit/990 Report	211	\$12,500	\$12,500				
2013	Membership Packets (Pins, etc)	211	\$14,000	\$14,000		Regular & Life Membership		
2021	Travel - Executive Board Annual Meeting	211	\$7,100	\$7,100		National Elected Officers (8 officers + 6 appointed)		
2022	Travel - Alumni Affairs/University Office / NAA Annual Meeting	211	\$1,014	\$1,014		Two representatives from OAA (travel and hotel expense)		
2023	Travel - President Special Meeting & Events	211	\$3,000	\$3,000		For president, or his desinated represtative per EB approval		
2024	NAA Teleconferences/Phone	211	\$100	\$100				
2025	NAA Homecoming	211	\$1,600	\$1,600				
2025.1	Regional and Chapter Support - Alumni Village	211	\$3,000	\$3,000				
2025.2	Regional and Chapter Support - MEAC Basketball Tournament	211	\$800	\$800				
2025.3	Hospitality - Alumni, Supporters and Friends - Atlanta & Florida Classic	211	\$3,400	\$3,400				
2025.4	Hospitality - Alumni, Supporters and Friends	211	\$1,200	\$1,200				
2026	Governmental Relations/Legislative Reception	211	\$500	\$500				
2028	Check Charges / Bank Fee / Merchant Fee	211	\$1,500	\$1,500				
2029	NAA Document Update	211	\$0	\$0				
2030	New Student Preview (Fall & Spring)	211	\$1,500	\$1,500				
2031	State Licenses	211	\$75	\$75				
2032	NAA President's Expense Account	211	\$500	\$500				
2039	NAA Membership Committee Expenses	211	\$1,250	\$18,000		Membership (\$8,000) Retention & Recruitment (\$10,000)		
2039.1	Scholarship Committee	211	\$1,600	\$1,600				
2040	NAA Publicity Expenses/Gala, Reception, Meetings, etc.	211	\$1,750	\$3,000				
2040.1	FAMU Day @ Capitol	211	\$3,250	\$3,250				
2042	Fundraising Committee	211	\$1,500	\$3,000				
2044	NAA Contingencies (Contract Services, etc.)	211	\$500	\$500				
2049	NAA Postage	211	\$1,500	\$1,500				
2050	NAA Liability Insurance-Finanical Officer's Bonding	211	\$300	\$300				
5000	Election - 2012 Election	211	\$0	\$0				
3010	Contributions to University - Restricted Scholarships - NAA	211	\$50,000	\$50,000				
3050	Contributions to the University - Student NAA Chapter	211	\$3,000	\$3,000		\$2,000 towards CASE conference budget and \$1,000 towards 2014 National Convention Regist		
<b>Total Operating Expenses</b>			<b>\$119,839</b>	<b>\$139,339</b>				
<u>Contributions to University</u>								
3010	Contributions to University - Restricted Scholarships - Chapters	204	\$78,397	\$78,397				
<b>Total Contributions to University</b>			<b>\$78,397</b>	<b>\$78,397</b>				
<u>4000 Restricted Expense - Annual Meeting</u>								
4010	Contract Services (Food, Rooms, etc.)	208/213	\$50,000	\$50,000				
4020	Printing (Souvenir Booklets, Programs, etc.)	208/213	\$3,500	\$3,500				
4030	Bags & Badges	208/213	\$1,000	\$1,000				
4040	Hospitality	208/213	\$2,500	\$2,500				
4050	Travel (Negotiations, etc.)/University/Guest Speaker Hotel	208/213	\$12,000	\$12,000				
4060	Postage & Telephone	208/213	\$2,500	\$2,500				
4070	Miscellaneous	208/213	\$700	\$700				
4080	Materials & Supplies (Trophies/Awards, etc.)	208/213	\$700	\$700				
4085	Advertising/Website Development	208/213	\$5,000	\$5,000				
4090	Event Planner	208/213	\$0	\$0				
	Media & Technology		\$0	\$5,000				
<b>Total Restricted Expense - Annual Meeting Expenses</b>			<b>\$77,900</b>	<b>\$82,900</b>				

		<u>2013-2014</u>	<u>2014-2015</u>				
<u>EXPENDITURES CATEGORIES</u>	<u>FUND</u>	<u>BUDGET</u>	<u>BUDGET</u>		<u>NOTES</u>		
		6/30/2014	6/30/2015				
<b><u>Restricted Expense - Contributions to NAA Restricted Accounts</u></b>							
National Alumni Life Membership	197	\$37,500	\$75,000				
Scholarships (Unrestricted)	206	\$9,033	\$9,033				
Scholarships (Restricted)	204	\$0	\$25,000				
Million Dollars Campaign Earnings	1405	\$9,018	\$7,014				
<b>Total Restricted Contributions to NAA Endowment/Restricted Accounts</b>		<b>\$55,551</b>	<b>\$116,047</b>				
<b>Total Projected Expenditures/Contributions</b>		<b>\$331,687</b>	<b>\$416,683</b>				
<b>Total Projected Revenue/Other Source</b>		<b>\$331,687</b>	<b>\$416,683</b>				
<b>Total Projected Expenditures/Contributions</b>		<b>\$331,687</b>	<b>\$416,683</b>				
<b>Revenue/Other Source Less Expenditures/Contributions</b>		<b>\$0</b>	<b>\$0</b>				
<b>Tommy Mitchell, Sr.</b>							
<b>President, National Alumni Association</b>							
<b>James L. Moran, Jr., Treasurer</b>							
<b>Andrew Lawyer, Financial Secretary</b>							
<b>Johnny Session, Chairman, Budget Committee</b>							

FAMU NAA FY 2014  
PROPOSED OPERATING BUDGET (July 1, 2013 - June 30, 2014)

			<b>2013-2014</b>	<b>Unaudited</b>		
			<b>2013-2014</b>	<b>2013-2014</b>	<b>2014-2015</b>	
<b>REVENUE CATEGORIES</b>		<b>FUND</b>	<b>BUDGET</b>	<b>Actual</b>	<b>BUDGET</b>	<b>NOTES</b>
			6/30/2014	4/25/2014	6/30/2015	
<b><u>1000-Operating Income</u></b>						
1010	Regular & Associates Memberships	211	\$46,550	\$40,502	\$46,550	1330 members @ \$35
1020	Life Endowment Earnings- Ea	198	43,570	\$35,626	35,626	(5.5%-1.0%) * (Life Membership Endowment)
1145	Fundraising & Miscellaneous Activities	211	\$29,719	\$17,284	\$30,063	
<b>Total Operating Income</b>			<b>\$119,839</b>	<b>\$93,412</b>	<b>\$112,239</b>	
<b><u>1100-Restricted Income - Other Revenue</u></b>						
1120	New Life Members	197	\$37,500	\$300	\$37,500	50 members @ \$750
1160	Million Dollars Campaign Earnings	1405	\$9,018	\$11,022	\$7,014	(5.5%-1.0%) * (Million \$ Endowment)
<b>Total Restricted Income - Other Revenue</b>			<b>\$46,518</b>	<b>\$11,322</b>	<b>\$44,514</b>	
<b><u>1200-Restricted Income - Scholarships</u></b>						
1210	Restricted Scholarships	204	\$78,397	\$0	\$78,397	Chapters and Individuals
1220	Unrestricted Scholarships	206	\$9,033	\$2,550	\$9,033	Alumni and Individuals
<b>Total Restricted Income - Scholarships</b>			<b>\$87,430</b>	<b>\$2,550</b>	<b>\$87,430</b>	
<b><u>1300-Restricted Income - Annual/General Meeting/May</u></b>						
1310	Meeting Full Registration Fees	208/213	\$50,000	\$15,789	\$50,000	200 Registrants @ \$250
1320	Meeting Single Day Registrations	208/213	\$1,000	\$0	\$1,000	10 Registrants @ \$100 a day
1330	Souvenir Booklet Ads	208/213	\$3,000	\$0	\$3,000	30 Chapters @ \$100 each
1340	Contributions (Chapters, Alumni & Individuals)	208/213	\$0	\$0	\$0	
1360	Contributions ( Corporate)	208/213	\$22,900	\$40,000	\$40,000	
1370	Vendors	208/213	\$1,000	\$0	\$1,000	8 vendors @ \$125 each
<b>Total Restricted Income - Annual Meeting Revenue</b>			<b>\$77,900</b>	<b>\$55,789</b>	<b>\$95,000</b>	
<b>Total Projected Revenue/Other Source</b>			<b>\$331,687</b>	<b>\$163,073</b>	<b>\$339,183</b>	



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

**Direct Support Organizations Committee  
Date: Thursday, September 11, 2014  
Agenda Item: VI.C.**

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 Budgets: Rattler Boosters Budget**

**Rationale:** The DSO Budgets are submitted for approval in accordance with FAMU Internal Management Memorandum (IMM) Number 2003-01, 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 no later than sixty (60) days after the first day of the fiscal year for which the budget pertains.

**Attachment:** Rattler Boosters Budget

**Recommendation:** Approval of the Rattler Boosters Budget





## Rattler Boosters Inc. Budget 2014-15 Operating Budget

Projected Revenue	2013-14	Actual	2014-15	Net Change
Membership	\$300,000	\$522,083	\$379,500	\$79,500
Marketing	\$10,000	\$39,310	\$15,000	\$5,000
Tailgating	\$10,000	\$1,600	\$3,000	-\$7,000
Parking (RV)	\$5,000	\$20,460	\$11,500	\$6,500
Special Events	\$5,000	\$5,815	\$5,000	\$0.00
<b>TOTAL PROJECTED REVENUE</b>	<b>\$330,000</b>	\$589,268	<b>\$409,500</b>	<b>\$79,500</b>
<b>Expenses</b>				
Athletic Donations *	\$90,000	\$195,810	\$125,000	\$35,000
Payments on JumboTron & Scoreboard (for Athletics)	\$84,000	\$84,000	\$84,000	\$0.00
Accounting/Audit Fees	\$20,000	\$10,689	\$20,000	\$0.00
Bank Service Charges/Credit Card Machines & Usage	\$5,000	\$5,379	\$5,000	\$0.00
Fundraising Expenses	\$5,000	\$3,255	\$2,500	-\$2,500
Gifts/Membership Upgrades	\$7,500	\$14,890	\$10,000	\$2,500
Hosting Expenses	\$1,500	\$4,420	\$1,000	-\$500
Membership Tags	\$7,500	\$4,661	\$8,000	\$500
Office Expenses/Supplies	\$7,500	\$8,880	\$6,500	\$1,000
Postage	\$1,000	\$1,665	\$1,000	\$0.00
Printing	\$2,500	\$10,979	\$5,000	\$2,500
Repairs/Maintenance	\$2,500	\$3,407	\$2,500	\$0.00
Salaries/Taxes	\$70,000	\$53,972	\$121,500	\$51,500
Security	\$4,000	\$6,790	\$3,000	-\$1,000
Telephone	\$7,000	\$1,412	\$4,000	-\$3,000
Travel Boosters/Athletics	\$15,000	\$8,099	\$15,000	\$0.00
<b>TOTAL PROJECTED EXPENSES</b>	<b>\$330,000</b>	\$418,308	\$409,500	\$79,500

Approved by Rattler Booster Board of Directors  
August 6, 2014



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

**Direct Support Organizations Committee  
Date: Thursday, September 11, 2014  
Agenda Item: VII.**

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 Recommended Changes to Naming Policy**

**Rationale:**                During the March 2014 Board of Trustees DSO Meeting, Vice President Thomas Haynes presented recommendations for changes to the Board of Trustees Policy Number 2008-05, Naming Opportunities. The rationale for the recommendation was to update the policy to do the following:

- provide more flexibility in negotiating the naming of facilities, programs and spaces;
- to take advantage of new and potential opportunities for which the old policy did not provide; and
- provide additional clarity around naming conditions and the removal of names.

Upon the recommendation of the DSO Committee, the Board of Trustees approved the policy up to Item VI: Duration and Modification of Namings. The Board requested that Vice President Haynes present Section VI to the FAMU Foundation Board for advisement and an opportunity to respond.

**Attachment:**              Final Revision: Board of Trustees Policy Number: 2008-05 – NAMING OPPORTUNITIES. The attached document, which includes comments and revisions to Section VI provided by the FAMU General Counsel’s Office, was approved as presented by the FAMU Board during its Spring General Session on Friday, April 25, 2014.

**Recommendation:**      The FAMU Foundation Board voted unanimously to accept the revised copy of the Board of Trustees Policy Number: 2008-05 - NAMING OPPORTUNITIES Section VI, and recommended that the section be approved by the Board of Trustees as presented in the Attachment.

**The DSO Committee recommends that the Board of Trustees approve the recommendations to the Naming Opportunities Policy as presented.**

# Florida Agricultural and Mechanical University



## Board of Trustee Policy

<b>Board of Trustees Policy Number:</b>  2008-05	<b>Date of Adoption/Revision</b>  June 12, 2008; Rev. _____, 2014
--------------------------------------------------------	-------------------------------------------------------------------------

<b>Subject</b>	Naming Opportunities
<b>Authority</b>	Board of Governors Regulation 9.005, Naming of Buildings and Facilities  Section 7 (d), Article IX, Florida Constitution
<b>Applicability</b>	To establish guidelines for naming of a FAMU building, road, bridge, park, recreation complex, college, center, or other facility or Program

### I. Policy Statement and Purpose

The Florida Agricultural and Mechanical University (FAMU or University) Board of Trustees establishes the following Policy and Procedures by which any building, structure, road, bridge, park, recreational complex or any tangible property, or any component thereof (hereafter "Facility") or, college, school, department, institute, center, or program (hereafter "Program") or any other property or property right under the control of the Board of Trustees may be named for an individual or other entity

#### A. Meeting Requirement:

The naming of any Facility or Program requires the recommendation of the President of the University and the approval of the Board of Trustees as a noticed, non-consent agenda item at a meeting of the Board of Trustees.

#### B. Names Prohibited:

No Facility may be named on an honorary basis for any active State University System member, including, but not limited to, staff, faculty, students or trustees. However, a Program may be named for such an active member of the State University System without the approval of the Board of Governors as set forth in sub-paragraph A above.

## **II. Honorary Naming**

Non-gift related, or “Honorary”, naming of any Facility or Program is reserved for individuals who have been duly recognized for achievements of extraordinary and lasting distinction and who have made a significant contribution to the State of Florida and/or to the University or to the fields of education, government, law, science or the welfare of the human race. The integrity of the individual should exemplify outstanding virtues.

### **A. Establishment of an Advisory Committee on Honorary Naming of Facilities and Programs**

The President shall appoint an Advisory Committee on Honorary Naming Facilities and Programs which will review and make recommendations to the President for consideration. Membership shall include the Vice President for University Advancement, who shall Chair the Committee, the Vice President of Administrative and Fiscal Affairs or his/her designee, a representative of the Faculty Senate (but not its president) and a representative of the Student Government Association (but not its president). The President may appoint other members to the Committee as deem appropriate.

### **B. Committee Function**

The Committee shall be an advisory body to the President and shall have no policy-making or administrative authority. The Committee shall advise the President with respect to proposals to name or change the name of University Facilities and Programs, consistent with the policy and procedures set forth herein. The Committee shall meet at such times and places required to efficiently perform its duties.

## **III. Gift Related Naming**

Gift related naming of a Facility or Program requires a donation to the University or the Florida A&M University Foundation, Inc. (the “Foundation”) which makes a significant contribution to the cost of building the Facility or implementing the Program housed in the facility approved by the Board of Trustees.

Specific naming opportunities and corresponding minimum gift levels are determined by the President, Dean, Vice President of University Advancement, and Vice President of Administrative and Fiscal Affairs or their designee. Naming may be affixed when accompanied by gifts equivalent to at least fifty percent (50%) of the fundraising target.

Naming requests must be accompanied by supporting documentation in the form of a gift agreement which outlines the terms and expectations of the donor.

In all cases, State matching funds may be added to the donor’s endowment for purposes of meeting the minimum naming requirement. Such naming recognition will reflect not only the donor’s endowment, but also the donor’s commitment to the mission, vision and objectives of the University.

#### **IV. Matching Gifts**

Based on the Alec P. Courtelis University Facility Enhancement Challenge Grant Program, Section 1013.79, Florida Statutes, when the naming opportunity concerns construction of a new building or renovation of an existing building, a donor will be required to provide 100 percent of the private portion of the building or renovation cost. The private portion would be 50 percent of the total construction or renovation cost. If the University chooses to conduct a campaign, which raises the needed private funds from numerous donors, the minimum donation required from an individual for a naming opportunity is 60 percent of the private portion (or, under the existing Alec P. Courtelis University Facility Enhancement Challenge Grant Program, 30 percent of the total cost). These provisions apply only as funding is available.

#### **V. Removal, Revocation or Renaming**

##### **A. Honorary:**

At any time, the Board of Trustees may remove a name from and/or rename any Facility or Program named on an honorary basis upon the recommendation of the President of the University and the approval of the Board of Trustees as a noticed, non-consent agenda item at a public meeting of the Board of Trustees. The removal of any name previously requiring the approval of the Board of Governors of the State University System shall likewise require the approval of the Board of Governors.

##### **B. Gift Related:**

As stated in the gift agreement, at any time, the Board of Trustees may remove a name and or rename a Facility or Program named on a gift related basis when doing so would be in the best interest of the University. The Board of Trustees may consider whether the donor continues to exemplify a commitment to the mission, vision and objectives of the University and whether the donor maintains the integrity consistent with the honor of such naming opportunity. Any altering of previously named Facilities or Programs shall occur in consultation with the donor or his/her designee.

##### **C. Revocation:**

Revocation of naming approval or conferral – In certain circumstances, the University reserves the right, on reasonable grounds, to revoke and terminate its obligations regarding a naming with no financial responsibility for returning any received contributions to the donor. These actions, and the circumstances that prompt them, may apply to an approved naming that has not yet been acted upon or to a conferred naming and must be outlined in the gift agreement. Following are some (but not all) examples of circumstances warranting renaming, removal or revocation of the naming honor:

- 1) In situations where University facilities, or any part thereof, has been dedicated to or named for any person, family, or organization, the University reserves the right to withdraw the designation or name if, in the sole opinion of the University, the person,

- family, or organization has come into disrepute in the University or in the general community so as to reflect negatively or adversely upon the University.
- 2) If the donor fails to maintain payments on a pledge upon which the naming was bestowed, the naming may be revoked or any other agreed upon obligation..
  - 3) If a planned gift upon which the naming was bestowed does not result in the value agreed upon, the naming may be revoked.
  - 4) If the name of a corporate or individual donor has been changed.
  - 5) The donor's actions no longer align with the mission of the University and its fundamental values, or such actions bring disrepute to the University

**THIS SECTION HAS BEEN APPROVED BY THE FAMU FOUNDATION  
BOARD OF DIRECTORS**

## VI. Duration and Modification of Namings

A. The duration of a donor's or honoree's name on any Facility or Program ordinarily continues for as long as the facility or unit is used in the same manner or for the same purpose for which the naming occurred. Any naming made pursuant to this Policy shall remain in effect until such time as the University determines the facility has exceeded its useful life or the facility's continued use has become impossible or impractical or until removed as set forth in Section V above. Upon demolition, replacement, substantial renovation, redesignation of purpose, or similar modification of a named Facility or Program, the University may deem that the naming period has concluded.

- 1) The appropriate University representative will make all reasonable efforts to inform in advance the original donors or honorees or their surviving family members when the naming period is deemed to have concluded.
- 4)2) The University may, but is not required to, provide for the appropriate perpetuation of the previous name. Perpetuation of the original name in an equivalent naming-manner is not required. Appropriate perpetuation of previous names may include, for instance, a plaque in or adjacent to new and renovated facilities.

B. Term Naming – In appropriate instances, a naming may be granted for a pre-determined fixed term, usually 3-10 years. At the end of the term, the name of the Facility or Program shall expire but may be renewed with the same or a new name. The gift agreement should clearly specify the period of time for which the facility or unit will be named.

C. Joint or Hyphenated Naming – Additional names may be added to a Facility or Program unless prohibited by the original donor's gift agreement, in recognition of an additional gift even if the

prior donor's or honoree's naming period has not concluded. Hyphenation of names is one method for jointly naming a facility or program.

~~—————Revocation of naming approval or conferral — In certain circumstances, the University reserves the right, on reasonable grounds, to revoke and terminate its obligations regarding a naming with no financial responsibility for returning any received contributions to the donor. These actions, and the circumstances that prompt them, may apply to an approved naming that has not yet been acted upon or to a conferred naming and must be outlined in the gift agreement.~~

- ~~—————In situations where University facilities, or any part thereof, has been dedicated to or named for any person, family, or organization, the University reserves the right to withdraw the designation or name if, in the sole opinion of the University, the person, family, or organization has come into disrepute in the University or in the general community so as to reflect negatively or adversely upon the University.~~
- ~~—————If the donor fails to maintain payments on a pledge upon which the naming was bestowed, the naming may be revoked.~~
- 6) ~~—————If a planned gift upon which the naming was bestowed does not result in the value agreed upon, the naming may be revoked.~~



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

**Direct Support Organizations Committee**

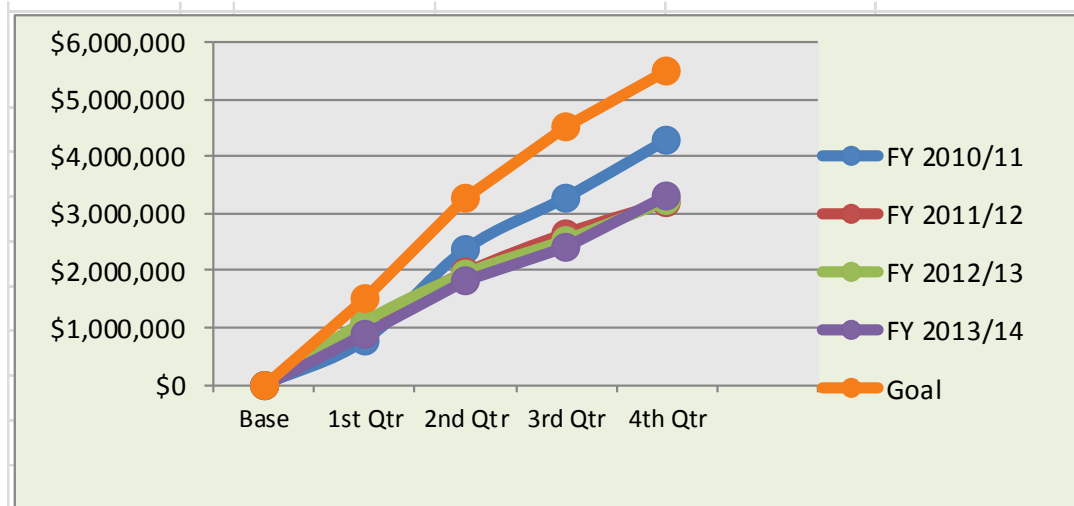
Date: Thursday, September 11, 2014

Agenda Item: VIII. A.

**Subject: Update on Divisional Activities:  
University Advancement & BOT Goals (First Quarter Fundraising Update)**

**Summary:** Continuing to focus efforts on the Division’s Strategic Goal: Enhance Institutional Fundraising and its assigned goal of \$5.5MM, University Advancement will build on the FY2013-14 fundraising performance of \$3,315,699.41 to move Annual Fundraising to \$4MM by the end of the fiscal year.

**Four Year Fundraising Comparison**



		First Quarter	Second Quarter	Third Quarter	Fourth Quarter
<b>FY 2010/11</b>	<b>0</b>	<b>\$777,745</b>	<b>\$2,371,537</b>	<b>\$3,282,540</b>	<b>\$4,290,971</b>
<b>FY 2011/12</b>	<b>0</b>	<b>\$1,082,635</b>	<b>\$1,965,763</b>	<b>\$2,652,702</b>	<b>\$3,197,820</b>
<b>FY 2012/13</b>	<b>0</b>	<b>\$1,106,635</b>	<b>\$1,947,765</b>	<b>\$2,541,044</b>	<b>\$3,226,011</b>
<b>FY 2013/14</b>	<b>0</b>	<b>\$885,810</b>	<b>\$1,822,062</b>	<b>\$2,403,437</b>	<b>\$3,315,699</b>
<b>Goal</b>	<b>0</b>	<b>\$1,250,000</b>	<b>\$3,250,000</b>	<b>\$4,500,000</b>	<b>\$5,500,000</b>

**Strategies:**

- Hire a Director of Annual Giving to provide more focused oversight of the Annual Giving Programs.
- Deploy a Comprehensive Annual Fund Plan engaging the National Alumni Association, corporations and foundations, fans, friends and major gift prospects in an integrated/multi-channel campaign to effectively engage and cultivate constituents to give.





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

- Establish University-wide development participation by implementing fundraising strategies tailored to the unique priorities and needs of each school, college and athletics with targeted goals.
- Provide to each school, college and athletics a fundraising appropriation to supplement efforts.
- Identify and acknowledge specialty license plate owners.
- Reengineer the phon-a-thon program to support segmented fundraising of alumni for all units.
- Continue to encourage and coordinate web-based micro campaigns.

The Committee update will summarize the progress so far in meeting the first quarter’s financial objectives and introduce the activities that will shape and help drive the FY2014-15 fundraising strategies.

**Funding Commitment Summary Report  
FY 2014-15 - (7/1/14 to 8/27/14)**

Source	Purpose	Status			Total Commitments to Date (Solicitations and Pending)	Notes
		Cultivation	Solicitations	Pending		
Faculty/Staff Payroll Pledges	Endowment and SCI Funding	n/a	n/a	n/a	\$169,000	Campaign continues through October 31, 2014
Foundation Grants	SCI and Special Projects Funding	\$350,000	\$125,000	\$578,000*	\$988,000	
Sponsorships	President’s Inauguration Activities	\$200,000	\$870,000	\$102,500	\$972,500	
Donor Proposals	Scholarships			\$125,000 \$100,000 \$ 30,000	\$255,000	Inauguration Scholarships
<b>TOTAL</b>		\$550,000	\$995,000	\$935,500	\$2,384,500	

\*20MM pending from FY2013-14



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

Comparison of Gifts by Purpose - Fiscal 2013-14 and 2014-15					
	1st Quarter Financial Objectives	Giving as of August 25, 2013	Donors as of August 25, 2013	Giving as of August 25, 2014	Donors as of August 25, 2014
<b>Endowed Scholarships</b>	\$250,000.00	\$65,804.35	305	\$54,324.12	293
<b>Expendable Scholarships</b>	\$250,000.00	\$118,974.94	39	\$234,559.93	61
<b>Temp. Restricted Funds</b>	\$250,000.00	\$117,897.78	75	\$246,537.48	76
<b>SCI Discretionary</b>	\$250,000.00	\$10,712.51	58	\$19,993.72	90
<b>Unrestricted</b>	\$250,000.00	\$12,315.54	148	\$25,849.03	129
<b>Purpose Total:</b>	<b>\$1,250,000.00</b>	<b>\$325,705.12</b>	<b>625</b>	<b>\$581,264.28</b>	<b>649</b>
<b>1st Quarter Financial Objective Attainment</b>		<b>26.06%</b>		<b>46.50%</b>	

Comparison of Gifts by Constituency - Fiscal 2013-14 and 2014-15					
	1st Quarter Financial Objectives	Giving as of August 25, 2013	Donors as of August 25, 2013	Giving as of August 25, 2014	Donors as of August 25, 2014
Alumni	\$250,000.00	\$61,105.71	373	\$167,701.78	394
Non Alumni (Other Individuals)	\$100,000.00	\$44,904.13	184	\$64,496.63	180
Corporate/ Foundation and Organizations (Including Alumni Chapters)	\$600,000.00	\$136,174.69	51	\$273,122.74	46
License Tag Revenue	\$150,000.00	\$83,520.59	N/A	\$75,940.13	N/A
<b>Constituency Total:</b>	<b>\$1,100,000.00</b>	<b>\$325,705.12</b>	<b>608</b>	<b>\$581,261.28</b>	<b>620</b>
<b>1st Quarter Financial Objective Attainment</b>		<b>29.61%</b>		<b>52.84%</b>	



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

**Direct Support Organizations Committee**

**Date: Thursday, September 11, 2014**

**Agenda Item: VIII. B.1.**

**Subject: Update on Divisional Activities:  
Florida A&M University Foundation – DRAFT MOU (Memorandum of Understanding)**

**Summary:** Since dissolution, the University has used the IMM (Internal Management Memorandum) as the sole document governing the relationship between the FAMU Foundation and the University. Last year, Trustee Marjorie Turnbull requested that the Vice President of University Advancement with the assistance of the FAMU Foundation Board of Directors, put together a more detailed MOU.

A draft MOU has been developed, reviewed by the FAMU Foundation General Counsel, University President's Special Assistant, and University General Counsel.

**Goal:** Add more structure to clearly define the role and relationship of the Foundation and the University.

**Next Steps:**

- Forward MOU to the By-Laws and Executive Committees of the Foundation, and the FAMU Board of Trustees for review.
- The division of University Advancement along with the President's Special Assistant will collect all comments and recommendations, and make appropriate changes to update MOU document.
- Once the MOU has been fully vetted, it will be sent back to the full Board of the Foundation for a vote either through a called meeting, or during the regular Fall 2014 Board Meeting, November 2014.
- The MOU will then come to the FAMU Board of Trustees for final approval.

**Attachment:** DRAFT MOU

**MEMORANDUM OF UNDERSTANDING**  
**between**  
**FLORIDA A&M UNIVERSITY**  
**and**  
**FLORIDA A&M UNIVERSITY FOUNDATION, INC.**

**This Memorandum of Understanding (hereinafter the “Agreement”) is made between The Florida A&M University Board of Trustees (hereinafter the University) and the Florida A&M University Foundation, Incorporated (hereinafter the Foundation).**

**RECITALS**

- A. The Foundation is a Florida nonprofit corporation under the provisions of Chapter 617, Florida Statutes, qualified under Section 501(c)(3) of the Internal Revenue Code and exists for the purposes of stimulating voluntary private support from alumni, parents, corporations, foundations, and others for the benefit of Florida A&M University; and,
- B. The University has officially certified the Foundation as satisfying the standards and eligibility requirements as a direct support organization set forth in 1004.28, Florida Statutes; and,
- C. The Foundation exists as an independent corporate fiduciary to raise, manage and administer private resources to support the mission and priorities of the University, as established by the Board of Trustees and the President of the University; and,
- D. The Foundation is dedicated to assisting the University by fostering a culture of philanthropy, growing the endowment and in addressing, through financial support, the long-term academic and other priorities of the University and to provide opportunities for students and a margin of institutional excellence unavailable with state funds; and,
- E. The parties desire to formalize the relationship between the University and the Foundation by setting forth the manner in which the University is to provide support to the Foundation and in which the Foundation is to provide support for the University.

**TERMS**

In consideration of the mutual covenants, promises and conditions herein contained, and for good and valuable consideration the adequacy of which is hereby acknowledged, the University and the Foundation, agree that the foregoing recitals are true and correct and are incorporated herein by this reference as though set forth fully. The University and the Foundation further agree as follows:

## 1.0 The Foundation Support of the University.

- 1.1 The Foundation's sole purpose is to provide support to the University, including its associated entities. In accordance with the Foundation's governing documents that support includes, but is not limited to:
  - 1.1.1 Raising, receiving, investing, acknowledging, accounting for and administering funds and real and intellectual property on behalf of the University to use for its charitable, scientific, research, and educational purposes;
  - 1.1.2 Assisting the University in its fundraising, marketing, public relations and alumni outreach activities and development programs with individuals, corporations, foundations, and other organizations;
  - 1.1.3 Soliciting cash, securities, real and intellectual property, and other private resources for student scholarships, faculty support, facilities, programs, endowments, and supporting other educational, research, cultural, scientific, public service, charitable activities and any lawful purposes of the University;
  - 1.1.4 Promoting the welfare and development of the University;
  - 1.1.5 Performing other acts as may be deemed appropriate in carrying out the purposes or mission of the University.

## 2.0 Use of the University Name.

- 2.1 The Foundation may, in connection with its lawful business and activities, use the name of Florida A&M University as well as the University's logos, acronyms, seal, and other symbols and marks of the University ("University Marks"), provided that, the Foundation clearly communicates that it is conducting business in its own name for the benefit of the University. All correspondence, advertisements, and other communications by the Foundation must clearly indicate that the communication is by the Foundation and not from the University. The Foundation may use University Marks only in connection with the services rendered for the benefit of the University and in accordance with the guidance and directions furnished to the Foundation by the University, or its representatives or agents, from time to time, and only if the nature and quality of the services in connection with which the University Marks are used shall be satisfactory to the University. The University shall exercise control over and be the sole judge of whether or not the Foundation has met or is meeting the established standards of quality.

- 2.2 The Foundation shall not delegate the authority to use any University Marks to any person or entity and agrees that no transfer or ownership of University Mark is granted.
- 2.3 The Foundation agrees to cease using the University Marks if:
- 2.3.1 The Foundation dissolves;
  - 2.3.2 This Agreement is terminated; or,
  - 2.3.3 The Foundation ceases to be a nonprofit corporation or ceases to be recognized by the Internal Revenue Service as described in section 501(c)(3) of the Internal Revenue Code.
  - 2.3.4 The University revokes such authority for failure to conform with the requirements of section 2.1, above, such revocation shall not occur until after the Foundation is provided written notice of its failure to conform and a reasonable opportunity to cure such non-conformance.
- 2.4 Notwithstanding the provisions of section 2.1, the Foundation agrees that it will not offer any course or seminar using the University's name.
- 3.0 Relationship between the Foundation and the University.
- 3.1 The University agrees to encourage and maintain the independence of the Foundation and, at the same time, foster the cooperative relationship between the University and the Foundation.
  - 3.2 The Chairman of the Florida A&M University's Board of Trustees or a designee and the President of the University or a designee and the Vice President for Administrative and Financial Services/Chief Financial Officer of the University, President of the National Alumni Association and Director of Alumni Affairs shall be voting members of the Foundation's governing board.
  - 3.3 The Board of Directors of the Foundation shall be responsible for control and management of all assets of the Foundation, including prudent management of all gifts to the Foundation consistent with the donor's intent.
  - 3.4 The Executive Director of the Foundation shall be selected by the President of the University in accordance with Florida law and University policy. The Executive Director reports to the President or a designee reporting directly to the President of the University. The Executive Director shall advise, inform, and serve as the key liaison to the Foundation governing board, especially with respect to business

and fiduciary matters. The Executive Director is responsible for implementing Foundation policies and actions taken by the Foundation Board of Directors.

- 3.5 The Foundation will maintain an audit committee which does not have any employees of the University or the Foundation as a member. This committee will receive and review the annual audit of the Foundation and relevant annual tax forms to be submitted by the Foundation in accordance with section 7.1

#### 4.0 The Foundation's Obligation to the University.

- 4.1 The Foundation agrees to solicit and accept gifts in accordance with established University policy.
- 4.2 The Foundation agrees to advise prospective donors of restricted gifts that acceptance of such gifts is conditioned upon the University's approval under section 4.1, if required.
- 4.3 The Foundation agrees to coordinate with the University Office of Institutional Advancement or other appropriate University Office(s) regarding funding goals, programs, and campaigns.
- 4.4 The University and the Foundation agree to annually review existing guidelines regarding fund labeling and identification, so that the intended beneficiary, whether the University or the Foundation, receives the appropriate funds.
- 4.5 The Foundation shall obtain, operate, and maintain its accounting, development activities, alumni records, and other information on the University-compatible data processing equipment, peripheral hardware and software and shall make its data reasonably available to the University in accordance with existing University guidelines and regulations and as otherwise required by applicable law. Notwithstanding the foregoing, the Foundation shall maintain ownership of and control access to any prospect and donor information it collects that constitutes a trade secret. The Foundation agrees that it will establish and maintain a policy governing the retention and destruction of documents including electronic files and which prohibits destruction of documents if an investigation into wrongdoing or litigation is anticipated or underway.
- 4.6 The Foundation shall administer its funds and make distributions to the University and its associated entities in accordance with policies and procedures established by the Foundation from time to time, with advice and counsel from the University. The Foundation agrees that all transfers of funds from the Foundation to the University must be documented in writing or electronically in a form that has a retrievable transaction trail.

- 4.7 The Foundation will provide services to the University as may be agreed to in writing before the services are provided. The University will reimburse the Foundation for these services in an amount that is agreed to in writing before the services are provided.
- 4.8 The Foundation shall promptly notify the University if the Foundation: (a) materially breaches any provision in this Agreement; (b) fails to properly receive, apply, manage or disburse funds; (c) engages in conduct prohibited or subject to sanction under state or federal law; (d) or its officers fail to comply with the conflicts of interest policies; and (e) is being investigated by any state or federal regulatory body and such investigation may have a significant impact on the Foundation or its status as a tax exempt entity.

5.0 Limitations on the Foundation.

- 5.1 The Foundation agrees to operate using sound fiscal and business principles, to ensure that sound internal control structures are in place, and to follow generally accepted accounting procedures.
- 5.2 The Foundation will create an annual operations and capital budget.
- 5.3 The Foundation agrees not to make any payments to a University employee, except for approved expense reimbursements without prior written approval from the President of the University. All salary and non-salary compensation of employees of the Foundation will be approved in advance by the Board of Directors of the Foundation.
- 5.4 The Foundation officers and employees who have check signing authority or who handle cash or negotiable instruments must be bonded in an amount determined to be reasonable by the Foundation board and the University.
- 5.5 The Board of Directors of the Foundation shall obtain general liability and directors/officers insurance in an amount determined to be reasonable by the Foundation board, including bonding of its officers and other appropriate persons.
- 5.6 The Foundation must not engage in substantial lobbying activities and may not engage in any political activities.
- 5.7 The Foundation may not incur debt in excess of \$500,000.

6.0 The University Support of and Obligations to the Foundation.

- 6.1 The University will provide services to the Foundation as may be agreed to in writing before the services are provided. The Foundation will reimburse the



University for these services in an amount that is agreed to in writing before the services are provided.

- 6.2 The University may provide reasonable support to the Foundation including personnel services consistent with the support outlined above and based upon an annual budget plan agreed to by the parties, as measured by staff hours, space, equipment and supplies.
- 6.3 When the University receives funds from the Foundation for a specified purpose, the University agrees to use such funds received for the specific purpose.
- 6.4 The Foundation agrees that when the University personnel provide services for the Foundation and there arises a conflict between the University and the Foundation, the University employee must comply with the policies, regulations, and directives of the University; provided that said employee shall notify the Foundation in ample time to remedy the conflict or approve the intended action when feasible. If prior notification is not feasible, the Foundation shall be promptly notified in writing of the conflict and action taken.

#### 7.0 The Foundation Audits and Reporting.

- 7.1 The Foundation agrees to select a certified public accounting firm, to serve as the Foundation's independent auditor and to complete a full and complete annual audit of its finances and operations. The Foundation agrees to notify the University in writing within thirty (30) days if it selects a different auditor.
- 7.2 The Foundation agrees to provide to the University, annually on or before January 1 of the following year:
  - 7.2.1 The annual audit report, management letters and responses to management letters, and the publicly disclosed portion of the Foundation's IRS Form 990;
  - 7.2.2 The list of the members of the Foundation governing board, officers, and employees;
  - 7.2.3 The names of the officers and governing board members of all the Foundation associated or affiliated entities.
  - 7.2.4 An annual report of operations that shows actual versus budgeted revenues and expenditures.
- 7.3 The Foundation agrees to allow the University to inspect and audit all foundation books and records at reasonable times, and to provide timely such other reports of

and information on its financial status and operations as required by the Chancellor of the State University System of Florida.

8.0 Conflicts of Interest.

The Foundation will establish and maintain conflicts of interest policies pertaining to its relationship with the University, members of the governing board and persons doing business with the Foundation. Such policies shall provide that (a) all transactions (other than expense reimbursements set forth in 5.3), between the Foundation and an officer, director, or employee of the Foundation, must be approved by the Foundation Board; (b) no Foundation officer, director, or employee having a private business interest in the Foundation's business transaction may be involved in the decision with respect to whether the Foundation should enter into such transaction; (c) no Foundation scholarship or fellowship award may be made to an officer, director, or employee of the Foundation or to a family member of such person.

9.0 Compliance with Board of Governors and University Policies and Regulations and the Foundation Bylaws.

The University and the Foundation agree to comply with the policies and regulations of the Board of Governors pertaining to the relationship between the University and associated entities, including amendments thereto. The University shall provide the Foundation with proposed amendments to such policies and regulations not less than fifteen days prior to their effective date. The Foundation agrees to provide the University with a copy of its Bylaws and shall provide any proposed amendments not less than fifteen days prior to the meeting of the Foundation at which they are considered for adoption.

10.0 Effect of Agreement; Modification.

This Agreement (and its attachments, if any) contains all the terms between the parties and may be amended only in writing signed by an authorized representative of both parties.

11.0 Confidentiality.

Neither the Foundation nor the University shall disclose or use any private, confidential, proprietary, or trade secret information provided from one to the other except as required in and by the terms of this Agreement or as required by law. The Foundation recognizes the obligation of the University to comply with Florida Public Records laws.

12.0 Term and Termination.

The initial term of this Agreement shall be three years and shall be automatically renewed

for successive one year terms, unless and until either party gives notice in writing to the other party of its intent not to renew the Agreement at least 30 days prior to the beginning of a new term. Either party shall have the continuing right to terminate this Agreement at any time without cause upon 90 days written notice to the other party. The University may terminate this Agreement at any time if the Foundation fails to abide by the policies or regulations of the University, the Board of Governors or Florida law which govern the relationship between the University and the Foundation.

13.0 Dissolution.

In the event of dissolution of the Foundation, either voluntary or involuntary, all assets and property which remain after the discharge of the Foundation's liabilities and unless otherwise designated by the donor of an asset shall be paid over or distributed by the University or to any other nonprofit corporation or corporations organized to support the University or any of its Colleges, Schools, Departments, or affiliated organizations as determined by the University in its sole discretion, and shall be used or distributed for no other object or purpose whatsoever; provided, however, that any such organization must be exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, as amended and be an associated entity approved by the University pursuant to regulations of the University of Florida .

14.0 Compliance with Applicable Law and Non-Discrimination.

14.1 The Foundation agrees to comply with all executive orders, federal, state and local rules, regulations, and laws, applicable to the Foundation as currently in effect and as may be amended from time to time, including applicable provisions of Florida's public records and public meeting laws. The Foundation further agrees not to discriminate in any manner on the basis or sex, race, creed, age, color, national origin, religious belief or disability and to comply with all non-discriminatory laws and policies that the University promulgates and to which the Foundation is subject.

14.2 The Foundation will maintain a confidential and anonymous mechanism to encourage employees to report any inappropriateness within the entity's financial management and will not punish or retaliate against any employee for recording problems.

15.0 Notice.

Any notice to either party hereunder must be in writing signed by the party giving it, and shall be deemed given when mailed postage prepaid by U.S. Postal Services first class, certified, or express mail, or other overnight mail service, or hand delivered, when addressed as follows:

To the University:  
Florida A&M University  
Office of the President  
Lee Hall, Suite 400  
Tallahassee, FL 32307

Attn: University President

To the Foundation:  
Florida A&M University Foundation, Inc.  
Executive Director

Attn: Chair of Board of Directors

Or to such other addressee as may be hereafter designated by written notice. All such notices shall be effective only when received by the addressee.

#### 16.0 General Provisions.

16.1 This Agreement shall not be assigned or otherwise transferred by the Foundation without the prior written consent of the University.

16.2 The delay or failure of either Party to exercise any of its rights under this Agreement for a breach thereof shall not be deemed to be a waiver of any subsequent breach either of the same provision or otherwise.

16.3 The terms of this Agreement are severable such that if any term or provision is declared by a court of competent jurisdiction to be illegal, void, or unenforceable, the remainder of the provisions shall continue to be valid and enforceable.

16.4 This Agreement shall be construed, governed, and interpreted in accordance with Florida law.

IN WITNESS WHEREOF, the authorized representative(s) of the University and the authorized representative(s) of the Foundation have executed this Agreement on this \_\_\_\_\_ day of \_\_\_\_\_ 2014.

\_\_\_\_\_  
Chair  
Florida A&M University Board of Trustees

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

\_\_\_\_\_  
Chair  
Florida A&M University Foundation, Inc.  
Board of Directors

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

\_\_\_\_\_  
President  
Florida A&M University Board of Trustees

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

\_\_\_\_\_  
Executive Director  
Florida A&M University Foundation, Inc.

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

Approved as to form.

Approved as to form.

\_\_\_\_\_  
University Attorney

\_\_\_\_\_  
Foundation Attorney



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

**Direct Support Organizations Committee**

**Date: Thursday, September 11, 2014**

**Agenda Item: VIII. B.2.**

**Subject: Update on Divisional Activities:  
Florida A&M University Foundation – Foundation Operations**

**Summary:** The Fall 2014 FAMU Foundation Board of Directors Meeting will be held Thursday, November 20<sup>th</sup> through Saturday, November 22<sup>nd</sup> in Orlando.

The annual financial audit with BCA Watson Rice is complete and financial statements have been submitted to the University.

The S. Davis & Associates accounting firm of Hollywood, Florida, completed the onsite portion of the Foundation's operational audit in early August. The firm's report is due in September.

The Foundation hired Ms. Gena Palmberg as the Assistant Director of Accounting. Ms. Palmberg began work in May, and contributed to the timely completion of this year's financial audit.

Foundation staff continue to work with CBRE, Inc. to build out and market commercial space in the Foundation building. Currently there are eleven prospective tenants in various stages of evaluating the Foundation's facilities.



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

**Direct Support Organizations Committee**

**Date: Thursday, September 11, 2014**

**Agenda Item: VIII. B.3.**

**Subject: Update on Divisional Activities:  
FAMU Foundation, Inc. - FAMU Collegiate License Plate Revenue**

**Summary: The following information provides a history and status report of the specialty license plate program.**

**FAMU Collegiate License Plate Revenues Split**

*(75%-Fundraising / 25%-Scholarships)*

**Approval Timeline:**

1. FAMU Foundation Board of Directors: January 25, 2011
2. FAMU Board of Trustees (DSO Committee): February 9, 2011
3. FAMU Board of Trustees (Full Board): February 10, 2011
4. Florida Board of Governors (Full Board): June 23, 2011

**How are funds used?**

Funds are used to support First Generation Scholarships & Presidential Scholars Scholarships.

**Tag Revenues:**

<b>Year</b>	<b>Fundraising 75% (A)</b>	<b>Scholarships 25% (B)</b>	<b>Tax Revenue Total (C)</b>	<b>Scholarships Raised (D)</b>	<b>Total Scholarship Pool (B+D)</b>
<b>2011-12</b>	\$343,943	\$114,647	\$458,590	\$1,282,822	\$1,397,469
<b>2012-13</b>	\$335,316.99	\$111,772.33	\$447,089.32	\$1,075,949	\$1,187,721.33
<b>2013-14</b>	\$328,627.94	\$109,542.65	\$438,170.59	\$1,394,261	\$1,503,803.65
<b>Total</b>	\$1,007,887.93	\$335,961.98	\$1,343,849.91	\$3,753,032	\$4,088,993.98

**Note:** Total scholarship pool represents the 25% tag revenue plus scholarship dollars raised from the 75% investment (tag revenue) to support fundraising.



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

**Direct Support Organizations Committee**

**Date: Thursday, September 11, 2014**

**Agenda Item: VIII. B.4.**

**Subject: Update on Divisional Activities: FAMU Foundation, Inc. - Investments**

**Summary: Investment Returns for the Period Ended June 30, 2014:**

	<b>FYTD – 7/1/13 – 6/30/14</b>	<b>12 Months – 7/1/13 - 6/30/14</b>
Investment Returns	16.14%	16.14%
Composite Benchmark	15.35%	15.35%
Investment Goal	8.50%	8.50%

Fiscal Year to Date (FYTD) total investment portfolio returns of 16.14% for the 12 months ended June 30, 2014 outperformed both the portfolio’s composite benchmark returns of 15.35%, and the portfolio’s investment goal of 8.50%. The outperformance of total portfolio returns against the composite benchmark is primarily the result of U.S. equity investments with returns of 26.86% that outpaced benchmark returns of 25.22%. Hedge fund returns of 9.82% outperformed benchmark returns of 7.52%, and fixed income returns of 7.19% exceeded benchmark returns of 6.03%. Also, real asset returns of 14.69% underperformed against their benchmark returns of 16.71%.

**Comparison of Investment Returns for Trailing 12 Months to Prior Years:**

<b>For the Trailing Twelve Months Ending:</b>	<b>6/30/14</b>	<b>6/30/13</b>	<b>6/30/12</b>
Investment Returns	16.14%	9.72%	-0.50
Composite Benchmark	15.35%	11.41%	-1.60
Investment Goal	8.50%	8.50%	8.50

The returns for the trailing twelve months ended 6/30/12 were much lower than the other two years in the table due to high negative returns during the last two calendar quarters of 2011 that were the result of extreme market volatility following the credit downgrade of U.S. Government Debt in August 2011.





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

**Direct Support Organizations Committee**

**Date: Wednesday, September 10, 2014**

**Agenda Item: VIII. C.**

**Subject: Update on Divisional Activities: Alumni Affairs**

**Summary:** Participated in the National Alumni Association (NAA) Annual Conference, May 2014, Louisville, Kentucky.

- \$100,000 generated in cash and pledges

Participated in the NAA Northeast Region's 50th Anniversary Regional Conference, August 2014, Elizabeth, New Jersey.

Conducted a series of welcome receptions to introduce President Elmira Mangum.



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

**Direct Support Organizations Committee**

**Date: Thursday, September 11, 2014**

**Agenda Item: VIII.D.**

**Subject: Update on Divisional Activities: Rattler Boosters**

**Summary:** The Florida A&M University Rattler Boosters have successfully completed their audit for the 2013 - 2014 fiscal year. The Boosters continue to show an increase in revenue and contributions to the Athletic Department. 2007 was our first full year in the Booster Office and we have shown steady increases from the 2006 athletic contribution of \$31,121 and 2005 of \$1,350. with lone exception being the year after our football team shared the MEAC Championship with two other institutions.

<b>Year</b>	<b>Membership</b>	<b>Total Revenue</b>	<b>Contributions</b> (not including payments for the boards)	<b>Payments for Boards</b>
2014	\$522,083	\$628,355	\$195,810	\$84,000
2013	\$405,206	\$483,821	\$165,986	\$84,000
2012	\$318,148	\$467,164	\$149,461	\$84,000
2011*	\$384,350	\$511,569	\$132,018	\$84,000
2010	\$311,105	\$463,009	\$591,505 **	
2009	\$278,367	\$381,670	\$149,192	
2008	\$258,442	\$335,187	\$142,802	
2007	\$192,613	\$256,808	\$100,100	
2006	\$165,889	\$241,933	\$31,121	
2005	\$178,784	\$266,333	\$1,350	

\* Year after winning the football MEAC Tri-Champions

\*\* Year Jumbotron and basketball scoreboard were purchased, 2010



## **Florida Agricultural and Mechanical University Board of Trustees INFORMATION ITEM**

Contributions are comprised of cash payments made on behalf of the Florida A&M University athletic department for assorted expenses. With the athletic department assuming the cost of the Rattler Football Sports Network and the Football Coaches Show, it will allow us to make a cash contribution to the Athletic department.

The Rattler Boosters presented the FAMU football team and the Marching 100 to the public at the annual Florida A&M University Football Kick-off in a spirited gathering to prepare the team for the upcoming season.

The Rattler Boosters assisted with July recruitment for the men and women's basketball teams. The women's team signed all of their early signees from this time period.

The Rattler Boosters have started discussions with several entities that would be able to partner with us to grow the Rattler Sports Football Network into larger radio markets. This would bring added value to the broadcasts and allow for greater revenue and enhanced marketing opportunities.