

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



**Budget and Finance Committee  
Crestview Healthcare Center  
Crestview, Florida  
June 04, 2014  
8:30 a.m.**

Budget and Finance Committee Members:

Trustee Rufus Montgomery, Chair  
Trustee Kelvin Lawson  
Trustee Kimberly Moore  
Trustee Narayan Persaud  
Trustee Cleve Warren  
Trustee Karl White

**Agenda**

I. Call to Order Chairman Rufus Montgomery

**Action Items**

II. Approval of Minutes – March 05, 2014 Chairman Rufus Montgomery

III. Approval of the Preliminary Operating Budget FY 2014-15 Joseph Bakker

**Information Items**

IV. Business Auxiliaries at the Law School Mr. Joseph Bakker

V. Updates

- (a) Contracts over \$100,000 Mr. Joseph Bakker
- (b) Quarterly Financial Report Mr. Joseph Bakker
- (c) Updates from the Budget and Finance Committee Workshop
  - Governmental Relations Mr. Tola Thompson
  - Athletics Mr. Kellen Winslow
  - Salary Adjustments for Colleges of Pharmacy and Engineering Provost Wright
  - Direct Support Organizations Dr. Thomas Haynes
  - Enrollment Trends and Plan Dr. William Hudson
  - University Compensation Mr. Joseph Bakker
  - University Training Mr. Joseph Bakker

# **II. Approval of March 5, 2014 Minutes**

**FLORIDA A&M UNIVERSITY  
BOARD OF TRUSTEES  
BUDGET & FINANCE COMMITTEE  
GRAND BALLROOM  
SUMMARY MINUTES**

**March 5, 2014**

**Committee Members Present:** Trustee Rufus Montgomery (Chair); Trustee Kelvin Lawson; Trustee Narayan Persaud; Trustee Cleve Warren (via telephone); and, Trustee Karl White (via telephone).

**Others Attending:** Trustee Solomon Badger; Trustee Anthony Siders; Trustee Spurgeon McWilliams; Trustee Marjorie Turnbull; Interim President Larry Robinson; Provost Rodner Wright; Vice President Ken Redda; Interim Vice President Joe Bakker; Vice President William Hudson, Jr.; Interim Vice President Richard Givens; General Counsel Avery McKnight; Attorney Linda Barge-Miles; Attorney David Self; Attorney Shira Thompson; Chief Information Officer Alanda Thomas; Interim Assistant Vice President W. Rebecca Brown; Budget Director Ronica Mathis; Interim CIO Michael James; Interim Athletic Director Michael Smith; and, Mr. Tola Thompson, Director of Governmental Relations.

Chairman Montgomery called the meeting to order at 11:10 A.M. Ms. Darlene Garcia was recognized to call the roll. A quorum was established.

**Action Items**

**Approval of Minutes – January 8, 2014**

Chairman Montgomery asked for approval of the minutes for January 8, 2014. Trustee Warren made a motion to approve the minutes and the motion was seconded by Trustee Lawson. The motion carried.

**Approval of 4-Day Work Week**

Chairman Montgomery recognized Mr. Joseph Bakker, Interim CFO and Vice President for Administrative and Financial Services to present this item.

The University is requesting approval to implement a 4-Day Work Week Schedule for the period beginning **Friday, May 9, 2014, through Thursday, July 31, 2014**. During this period, employees will work four 10-hour days from Monday through Thursday. Friday through Sunday will be observed as regular days off. The University's daily hours of operation will be from 7:30 a.m. until 6:00 p.m. All offices will be operational during these regular business hours.

The 4-day work week results in approximately \$250,000 in energy savings and supplies. Employees overwhelmingly support the 4-day work week schedule which provides a boost to employee morale.

Exceptions to the 4-Day Work Schedule will include areas with 24-hour operations as follows: Police Department; Heating Plant; buildings with research activities occurring in Research Laboratories; University Housing; Student Health Clinic; New Beginnings Childcare

which provides external services to the local areas outside the University; and other areas as determined by the appropriate authorities.

Chairman Montgomery asked for a motion to approve of the 4-Day Work Week. A motion was made by Trustee Lawson for approval and the motion was seconded by Trustee Warren. The motion carried.

### **Approval of Early Redemption of Student Services Center Bonds – Series 1997**

Chairman Montgomery recognized Mr. Joseph Bakker to present information on this item.

The University's Student Services Center bond was issued in 1997 against pledged revenues from Dining Services, the Copy Center and the Bookstore.

The outstanding principal on the bond is currently \$1,850,000 with the next payment on the principal, \$425,000, due on July 1, 2014. This \$425,000 payment was included in the University's Fiscal Year 2013-14 budget. The bonds will mature in 2017. The payoff schedule for the bonds was included in the meeting materials.

Since 1998, the operations from these services have generated a current cash balance of over \$4 million. Of this amount, \$1.0 million is being held in reserve for repair and replacement purposes. The remaining \$3 million is unrestricted. The University is requesting a budget amendment that would allow the use of \$1.4 million from the Student Services Center's reserve to pay off the principal on the bonds. The payoff would result in savings of \$156,150 in interest payments (rates for the bonds are 5.3% and 5.4%). In addition, the early redemption of the bonds would relieve the University from restrictive bond covenants and external reporting requirements. This will allow more flexibility in the use of the resources made available from the operations of the Student Services Center. No adverse impacts are expected to result from the proposed early redemption action.

The actual bond redemption process is handled by the state's Division of Bond Financing. A Resolution from the Board of Trustees requesting the redemption of the bonds is required to trigger the bond redemption action by the Division of Bond Financing. The Resolution was included in the meeting materials.

Board approval was requested for:

- An amendment to add \$1.4 million to the Operating Budget for the Auxiliary Trust Fund for the purpose of redeeming the Student Services Center Revenue Bonds - Series 1997; and,
- The Resolution requesting the Division of Bond Financing to redeem the Student Services Center Revenue Bonds – Series 1997.

Chairman Montgomery asked for a motion to approve the Early Redemption of Student Services Center Bonds – Series 1997. Trustee Warren made a motion for approval and the motion was seconded by Trustee Lawson. The motion carried.

## Approval of Budget Amendments to the FY 2013-14 Housing Operating Budget

Chairman Montgomery recognized Mr. Joseph Bakker to present information on this item.

Two amendments to the FY 2013-14 Operating Budget for Housing were requested:

1. **Housing Repair and Replacement (Fund 601) \$986,950** – These funds are required to complete necessary repairs at the following dorms: Paddyfote, Palmetto South, Phase III, and Sampson Hall. The dollars will come from the Housing Repair and Replacement Reserve Fund which is set aside for such purposes. These repairs are required before the start of the 2014 Fall semester. A list of the projects was included in the meeting materials.
2. **Housing Trust Fund (Fund 110) \$883,950** – This additional budget authority was requested to cover Interest and Administrative Fees associated with the 800-bed Revenue Bonds. This amount was incorrectly quoted in the submission of the FY 2013-14 Operating Budget.

The following is discussion regarding this item:

Trustee Lawson asked if there was a need to add other facilities to this list of residence halls needing to be repaired. Mr. Bakker responded that the list had all the priorities.

Trustee Warren asked where the money was coming from to accommodate these repairs. Mr. Bakker responded that the Housing account has a repair and replacement fund that is established for this purpose and that funds from this account will be allocated to the Operating Budget.

Chairman Montgomery asked for clarification as to why the second item was incorrectly quoted in the Operating Budget. Mr. Bakker stated that it was due to a paperwork error. For Housing Dormitory bonds, approximately \$1 million in interest was erroneously left out in the recording of the approved Operating Budget. The actual funding was available, but in the recording of the amount, the figure from last year was recorded instead of the current year amount. Chairman Montgomery stated that he just wanted the Trustees to understand that close to \$1 million in new money had to be found but that a paperwork error had occurred.

Trustee Persaud asked if the University was in the process of doing temporary fixes on the buildings identified for repairs. Mr. Bakker responded that Sampson Hall was fully renovated a few years ago. Paddyfote, Palmetto South, and Phase III are all very old buildings that need to be renovated. The fixes for these three buildings will be temporary. Trustee Persaud followed up by stating his concern that the University continues doing temporary fixes that do not work. More care and diligence is needed in assessing which repairs need to be made and make sure guarantees are in place when repairs are undertaken.

Chairman Montgomery added that Trustee Persaud's comments were valid to the Budget and Finance Committee; however, the issue should also be addressed in the Facilities and Student Affairs Committees as well.

Dr. Robinson stated that a Housing Study had been done and the identified buildings were recommended for repair. There are several buildings that are recommended to come off-line and they will come off-line prior to the 2014 Fall semester. Mr. Bakker stated that the

buildings that will be coming off-line are Cropper, Diamond, Wheatley, and McGuinn. The Housing Study deemed that repair of these facilities would not be a worthwhile investment.

Chairman Montgomery asked for a motion to approve the Amendments to the FY 2013-14 Housing Operating Budget. Trustee Warren made a motion for approval and the motion was seconded by Trustee Lawson. The motion carried.

### **Approval of University Auxiliaries Facilities Income and Expenditure Statements**

Chairman Montgomery recognized Mr. Joseph Bakker to present information on this item.

The Board of Governors requires the University to annually collect and submit fiscal information on auxiliaries with revenue bonds. Board of Trustees approval is required prior to the submittal to the Board of Governors. The required income and expenditure statements for the Student Services Center, Parking Services and Housing bonds are included in the meeting materials.

Chairman Montgomery asked Mr. Bakker to clarify for the Committee how much money was generated by the operations associated with the bonds. Mr. Bakker replied that \$4 million was generated by Dining Services. Of that amount, \$1.4 million is being used to pay off the Student Service Center Bonds Series in the previous agenda item.

Chairman Montgomery asked for a motion to approve the University Auxiliaries Facilities Income and Expenditure Statements for Student Services Center, Parking Services and Housing bonds. Trustee Warren made a motion for approval and the motion was seconded by Trustee Lawson. The motion carried.

### **Approval of Authorized Signatories for University Checks**

Chairman Montgomery recognized Mr. Joseph Bakker to present information on this item.

Florida Statutes and University Regulations require the Board of Trustees to designate and record the legal name and position title of any University employee authorized to sign University checks. The Resolution included in the meeting materials modified the existing Resolution to add Dr. Mangum as an authorized signatory effective April 1, 2014.

It was recommended that the Board of Trustees:

- Designate the following as the University employees that are authorized to sign checks on behalf of the University:
  - President Elmira Mangum;
  - Interim Vice President, Administrative and Financial Services – Joseph Bakker;
  - Assistant Vice President/Controller- William Featherstone; and,
- Require that each such check be signed by the President and at least one of the authorized signatories listed above.

Trustee Lawson stated for point of clarification that the only change would be Dr. Robinson being removed as a signatory and Dr. Mangum being added as a signatory. Mr. Bakker responded in the affirmative.

Chairman Montgomery asked for motion to approve the requested Authorized Signatories for University Checks.

Trustee Lawson made a motion for approval and the motion was seconded by Trustee Warren. The motion carried.

## **Information Items**

### **Quarterly Financial Reports**

The Committee heard from Mr. Bakker who reported that the University's financial position remains sound. Expenditures continue to be well within budget and our cash and investment balances are healthy. The University will continue to prudently manage our budget.

Trustee Persaud asked why faculty raises have not been addressed if the University is in sound financial condition. Also, what was done with the \$19.85 million that was returned to the reserve fund by the Legislature and why can it not be used for raises? Chairman Montgomery opted to answer Trustee Persaud's question. He stated that the question was appreciated and there has been some discussion with Mr. Bakker and Dr. Robinson on this subject. We will not seek to set policy with regard to whether raises will be granted. Our responsibility as a Committee is to determine if money is available and then present that to the Full Board.

The Chairman asked Dr. Robinson if he had any additional comments. Dr. Robinson began by stating that he needed to be very careful when discussing collective bargaining issues. He assured Trustee Persaud that the best interests of the Board and University would be taken forward as communications continue.

Trustee Warren stated that this issue should be discussed in a closed venue.

Trustee Persaud stated that he represents the faculty and he hopes that this does not mean that he cannot voice the desires of the faculty. These issues are of concern.

In response to Trustee Persaud's last question, Chairman Montgomery asked that Mr. Bakker explain what happened to the \$19.85 million that was returned by the Legislature. Mr. Bakker explained that the \$19.85 million was restored to the recurring appropriation from the state.

### **Contracts over \$100,000**

The Committee heard from Mr. Joseph Bakker who stated that there were no contracts over \$100,000 to be considered since the last meeting and that there is nothing on the horizon at this point.

At this point the Chairman asked what the pleasure of the Committee was for receiving updates on the Financial Condition of the University and Contracts over \$100,000 at future meetings. The consensus was to continue receiving updates on these items.

### **Discussion on Performance-Based Budgeting**

Trustee Lawson asked for an update on performance-based budget funding and how it will play out this session. Chairman Montgomery asked Dr. Robinson to respond. Dr. Robinson stated that as it stands in the Board of Governors (BOG) model, the University would receive \$2.9 million. We are above the threshold of 25, which allows you to be in the realm to receive monies. This will be broken out in two pieces. The largest piece would be approximately \$2.7 million out of the \$50 million which comes out of the BOG proposal. Approximately \$200K comes from the 1% that everyone else puts in, but it would be from the 3 institutions that did meet the threshold. With the tweaking that we did today with the graduation rates, this moves us from 27 to 28 points, which will not give us more money, but it will move us farther away from the threshold of 25.

The Chairman asked Dr. Robinson if we had taken a position as a Board with regards to the performance-based issue. President Robinson responded that we included a letter with our metrics, which Trustee Persaud was instrumental in developing, that stated we appreciate the concept of performance-based budgeting and other metrics, but there was no consideration taken as to the real impact that FAMU has on economic development and particularly in the lives of the students that attend FAMU. We looked at the average income of most of our students before, which is less than \$40K, and when they leave FAMU they make more than \$40K. The letter stated that there is really no metric that captures this impact. What this letter also has done is open up an opportunity to have this discussion with other colleagues who have issues with this socio-economic demographic.

The Chairman stated, from a Board posture, that we appreciate the additional funds; however, we continue to be concerned about the possible negative impact this policy could have on FAMU.

### **Draft Amendment to BOT Policy 2005-13 – Benefits and Leave**

The Committee heard from Mr. Joseph Bakker on this item.

Earlier in this meeting the Board approved the 4-day work week for this summer and have done so for the past five years. We provided, in your Board materials, a draft amendment to the BOT Policy on Benefits and Leave. The amendment incorporates the 4-day work week into the Policy with a requirement for BOT renewal every three years. This Policy amendment will be requested at a later BOT meeting, but was submitted at this time for Board review.

The Chairman requested that Mr. Bakker provide a list of recurring policies at the Budget & Finance Committee Workshop in May. We need to take a look at policies that we are required to approve every year and look at recommendations for multi-year approvals.

### **Governmental Relations**

The Committee heard from Mr. Tola Thompson, Director of Governmental Relations who gave an update.

Mr. Thompson stated that Governmental Relations has:

- Provided six informational updates on the Legislative Session (key bills and issues)
- Held meetings with key legislators to discuss FAMU's key priorities



(Senate President, House Speaker, Appropriations Chairs, Education Appropriation Chairs, Senate Majority Leader and Members of our Delegation)

Chairman Montgomery asked, "What is the total amount requested for priorities this year?"

Mr. Thompson answered \$9 million in E&G and \$25 million in PECO (Public Education Capital Outlay) for Pharmacy Phase II and Engineering Phase III.

Chairman Montgomery asked for clarification as to why the amount was \$18.2 million in January and now it is \$34.6 million. Mr. Thompson stated that he did not recall giving the amount of \$18.2 million. The Chairman stated that he was looking at the minutes and maybe the January minutes need to be corrected. We need to make sure the Board is clear on what our priorities are and how much we are requesting.

Chairman Montgomery asked the following:

- Are you engaging the Board members to assist you in this process?  
Mr. Thompson stated that they would welcome that.
- What is the dollar amount of the request?

Chairman Montgomery asked Dr. Robinson to respond. Dr. Robinson stated that they have a Board member that has volunteered to help and a meeting is being scheduled with our contracted lobbyist within the next week. He also encouraged all Trustees to let them know if they would like to be involved.

Trustee Turnbull stated that there had been discussions about a sub-committee on Governmental Relations, but she does not know what the status at this time. In regards to our \$25 million PECO request, Trustee Turnbull was under the impression that there was not very much PECO available and asked what was the status of PECO.

Dr. Robinson responded that the Governor has included approximately \$50 million in his recommended budget. The Senate and House are saying it will be more than \$50 million, but it may be a combination of PECO and General Revenue. The scenario is not as bad as it was 3 years ago. Trustee Turnbull then asked if our request in the BOG budget request to the Legislature? The Engineering Building is in the BOG budget request because but the Pharmacy Building it is not in the BOG budget request.

There was a BOG meeting this year that made it very clear that they want to fund items that will receive a good return on investment.

So as a follow-up, is this in the budget this year? Engineering is in the budget, but Pharmacy Phase II is not in the budget this year.

It would be extremely helpful if we had a list of requests and the progression of our requests.

Trustee Persaud supported Trustee Turnbull's request and agreed that is very important to make our priorities clear.

Chairman Montgomery expressed his disappointment in the lack of response from Governmental Relations. He expressed that it is time to look seriously at the funding for this

area. If we are not getting a return, we need to address this, possibly at our Budget Workshop.

The Chairman asked the following questions of Mr. Thompson:

- Is there any pass through money being requested this year? No.
- Is Crestview included in the recurring money? Yes.

### **Athletics**

The Committee heard from Interim Athletic Director Michael Smith on this item.

Mr. Smith requested time during the May Budget Workshop to discuss the Athletics Department Plan in more detail. The current year's projections show that we will exceed our budget by \$1.1 million. While this is a \$900,000 improvement over last year, it is still unacceptable.

Chairman Montgomery interrupted to clarify that the deficit amount is \$1.1 million not \$900,000 and stated with our new President coming on board, there needs to be some discussion on the deficit. He asked that the Athletics Department be prepared to brief the new President on our position in Athletics prior to her arrival. For this Committee, please reconcile the difference between the deficit last year and this year. Provide a one page summary by our meeting tomorrow.

Members of the Committee agreed that it was important to have conversations on this topic with the new President now as opposed to waiting until after she begins her tenure. They also agreed that a scripted action plan is needed for the budget workshop in May.

Trustee McWilliams stated he was impressed with the consultant's report. He also stated that there are 3 prongs to this initiative:

- Reduce Deficit
- Capital Improvements
- Restoration of the Program

Mr. Smith agreed.

Trustee Persaud stated that a report is as good as its implementation.

Chairman Montgomery voiced that he was not disparaging the consultant that put the report together, but he felt like the Athletics Department could have done the same thing.

Chairman Montgomery reminded the Committee of the Budget & Finance Committee Workshop scheduled for May 5, 2014. All Trustees are invited to attend. If you have any topics you would like discussed, please provide to staff 2 weeks prior to the meeting.

The Chairman then talked about moving forward with the special Sub-Committees on Governmental Relations and Athletics that were discussed in previous meetings.

Trustee Lawson voiced that Interim Athletic Director Smith has done a fine job in a difficult situation. I would like to see our Committee have more interaction with Mr. Smith and his team on the Athletics Department discussions as he moves forward.

Chairman Montgomery stated that he is prepared to appoint a sub-committee of this Committee to act directly with the Athletics Department in this capacity. He will confer with the Chair, appoint a sub-committee and notify the Committee. Trustee Lawson voiced his support of the appointment of a sub-committee.

Chair Solomon-Badger requested that the Governmental Relations sub-committee that was appointed some time ago to activate itself. Trustees Moore, Gilzean and Turnbull are the Committee members.

Being no further business to come before this Committee, this meeting is adjourned.

The meeting adjourned at 12:14 P.M.

Rufus Montgomery  
Committee Chairman

Transcribed by:  
Darlene W. Garcia

# **III. Approval of the FY 2014-15 Preliminary Operating Budget**



Florida Agricultural and Mechanical University  
Board of Trustees Action Item

Meeting Date June 4, 2014

Agenda Item

Item Origination and Authorization

Policy \_\_\_\_\_  
Resolution \_\_\_\_\_

Award of Bid \_\_\_\_\_  
Contract \_\_\_\_\_

Budget Amendment \_\_\_\_\_  
Grant \_\_\_\_\_

Change Order \_\_\_\_\_  
Other X

Action of Board

Approved \_\_\_\_\_

Approved w/ Conditions \_\_\_\_\_

Disapproved \_\_\_\_\_

Continued \_\_\_\_\_

Withdrawn \_\_\_\_\_

**Subject: Approval of Fiscal Year 2014-15 Preliminary Operating Budget**

**Rationale:** Pursuant to Board of Governor's Regulation 9.007 State University Operating Budgets, the FY 2013-14 preliminary operating budget must be approved by the University Board of Trustees (BOT) prior to submission to the Board of Governors. The preliminary budget is due to the Board of Governors June 10, 2014. The Board of Governors must submit the approved budgets to the State Comptroller's Office before July 1, 2014 to have cash releases processed from the State Treasury for the university's operations.

A final budget will be presented to the BOT for approval in August, 2014.

**Recommendation:** It is recommended that the Board of Trustees approves the 2014-15 Preliminary Operating Budget

**Supporting Documents Included:** FY 2014-15 Preliminary Operating Budget

**Prepared By:** Ronica Mathis

**Approved By:** Interim Vice President Joseph Bakker

**FLORIDA A&M UNIVERSITY**  
**2014-2015 Operating Budget**  
**Summary**

-----Local Funds<sup>4</sup>-----

	Educational & General <sup>1</sup>	Capital Improvement TF	Contracts & Grants <sup>2</sup>	Auxiliaries <sup>3</sup>	Board Approved Fee	Student Activities	Financial Aid	Concessions	Athletics	Technology Fee	Summary Totals
2											
3	<b>Receipts/Revenues</b>										
4	<b>Lottery</b>	\$14,834,223									\$14,834,223
5	General Revenue	\$86,707,615									\$86,707,615
6	Tuition	\$72,446,932									\$72,446,932
7	U.S. Grants		\$46,715,014	\$432,000			\$63,798,797				\$110,945,811
8	City or County Grants			\$40,000							\$40,000
9	State Grants		\$3,593,042	\$76,000							\$3,669,042
10	Other Grants and Donations										\$0
11	Donations / Contrib. Given to the State										\$0
12	Transfer In										\$0
13	Sales of Goods / Services			\$10,408,454				\$180,000	\$3,709,970		\$14,298,424
14	Sales of Data			\$2,016,326							\$2,016,326
15	Processing Services			\$19,212,588	\$360,000	\$3,418,434	\$939,120		\$4,480,201	\$2,352,734	\$33,013,077
16	Fees		\$2,250,000								\$2,250,000
17	Miscellaneous Receipts			\$10,501,498			\$2,228,313		\$1,200,000		\$13,929,811
18	Rent										\$0
19	Concessions										\$0
20	Interest										\$0
21	Federal Loans "Pass Thru" Funds										\$0
22	Fines			\$500,000							\$500,000
23	Total Receipts / Revenues :	\$173,988,770	\$2,250,000	\$50,308,056	\$43,186,866	\$3,418,434	\$66,966,230	\$180,000	\$9,390,171	\$2,352,734	\$352,401,261
24	Operating Expenditures										
25	Salaries and Benefits	\$119,514,669		\$21,883,472	\$8,713,035	\$559,618	\$350,787		\$3,611,941	\$445,578	\$155,079,100
26	Other Personal Services	\$7,754,150		\$5,598,137	\$3,223,041	\$228,492	\$1,064,556		\$130,066	\$98,000	\$18,456,442
27	Expenses	\$37,623,915		\$22,753,049	\$19,537,250	\$982,040	\$65,540,887	\$180,000	\$4,181,831	\$2,870,381	\$153,669,353

**FLORIDA A&M UNIVERSITY**  
**2014-2015 Operating Budget**  
**Summary**

-----Local Funds<sup>5</sup>-----

	Educational & Improvement General <sup>1</sup>	Capital TF	Contracts & Grants <sup>2</sup>	Auxiliaries <sup>3</sup>	Board Approved Fee	Student Activities	Financial Aid	Concessions	Athletics	Technology Fee	Summary Totals
Operating Capital											
28 Outlay											\$487,053
29 Waiters	\$130,838			\$422,000			\$10,000		\$55,053		\$130,838
30 Library Resources											\$0
31 Risk Management	\$1,265,683										\$1,265,683
Salary Incentive											
32 Payments											\$0
33 Financial Aid	\$3,277,321										\$3,277,321
34 Scholarships	\$3,203,572								\$1,411,280		\$4,614,852
Regional Data Centers -											
35 SUS											\$0
Black Male Explorers											
36 Program	\$198,000										\$198,000
Law Enforcement											
37 Incentive Payments	\$14,799										\$14,799
Electronic Data											
38 Processing											\$0
39 Special Category											\$0
40 Debt Service	\$1,005,823			\$6,148,264							\$7,154,087
Total Operating	\$173,988,770	\$0	\$50,234,658	\$38,043,590	\$360,000	\$1,770,150	\$66,966,230	\$180,000	\$9,390,171	\$3,413,959	\$344,347,528
41 Expenditures :											
42											

**FLORIDA A&M UNIVERSITY**  
**2014-2015 Operating Budget**  
**Summary**

Local Funds<sup>5</sup>

	Educational & Improvement General <sup>1</sup>	Capital Improvement TF	Contracts & Grants <sup>2</sup>	Auxiliaries <sup>3</sup>	Board Approved Fee	Student Activities	Financial Aid	Concessions	Athletics	Technology Fee	Summary Totals
<b>Non-Operating Expenditures</b>											
<b>44 Transfers:</b>											
45 Administrative Expense			\$71,829	\$1,000,636		\$106,267				\$204,838	\$1,383,570
Facility & Equipment Reserve				\$1,403,618							\$1,403,618
46 Reserve				\$33,375							\$33,375
47 Scholarships				\$671,388		\$1,627,329					\$4,548,717
48 Other Transfers		\$2,250,000									
Total Non-Operating Expenditures:	\$0	\$2,250,000	\$71,829	\$3,109,017	\$0	\$1,733,596	\$0	\$0	\$0	\$204,838	\$7,369,280
Fed. Fam. Educ. Loan Prg. "Pass Thru"											\$0
E&G Carryforward	\$0										\$0
<b>Grand Total Expenditures incl. "Pass Thru"</b>	\$173,986,770	\$2,250,000	\$50,306,487	\$41,152,607	\$360,000	\$3,503,746	\$66,966,230	\$180,000	\$9,390,171	\$3,618,797	\$351,716,808

1. The Educational and General budget funds the general instruction, research and public service operations of the universities. In the 2009-10 fiscal year, two new Trust Funds will be established to house the funding received under the State Fiscal Stabilization program authorized in Title XIV of Division A of the American Recovery and Reinvestment Act of 2009, which President Obama signed into law on February 17, 2009.

2. The Contracts and Grants budget contains activities in support of research, public service and training. Also included in this budget entity is funding received from the Florida Department of Education for the Developmental Research School.

3. Auxiliaries are ancillary support units on each university campus. Some of the major activities include housing, food services, book stores, student health centers, facilities management, and computer support.

4. Local funds include the following university activities:

a. Student Activities - Supported primarily by the student activity and service fee and funds operations of the student government, cultural events, organizations, and intramural/club sports.

b. Financial Aid - This activity represents the financial aid amounts for which the university is fiscally responsible. Examples include: scholarships, student financial aid fee, bright futures and, federal grants.

c. Concessions - These resources are generated from various vending machines located on the university campuses.



**FLORIDA A&M UNIVERSITY**  
**2014-2015 Operating Budget**  
**Summary**

Local Funds <sup>5</sup>	Capital Improvement	Contracts & Grants <sup>2</sup>	Auxiliaries <sup>3</sup>	Board Approved Fee	Student Activities	Financial Aid	Concessions	Athletics	Technology Fee	Summary Totals

d. Athletics - Revenues are primarily derived from the student athletic fee, ticket sales, and sales of goods.  
e. Technology Fee- These resources are generated from the five percent of the tuition per credit hour authorized by Florida Statutes 1009.24(13)(s) to be used to enhance instructional technology resources for students and faculty.  
f. Board Approve Fee - Special fees approved by the Board of Governors. This is the Law School Bar Prep Fee.

# **IV. Business Auxiliaries at the Law School**



Florida Agricultural and Mechanical University  
Board of Trustees Information Item

Meeting Date June 4, 2014

Agenda Item IV

Committee

Budget and Finance

**Subject:** College of Law – Business & Auxiliaries Summary

**Short Summary:**

The Business & Auxiliaries Department operates four operations at the College of Law in Orlando, Florida. The operations include the Bookstore, Snack Vending, Beverage Vending, and Parking Services.

**Bookstore**

- Services are provided by Barnes & Noble for 4-5 hours per day as a convenience to the College of Law. Items sold include textbooks and a limited selection of clothing, snacks, emblematics, books, and miscellaneous items.
- 75% of annual revenue is generated during the first month of the Fall semester.
- Sales were \$163,882 in FY 2012-13 and \$160,342 in FY 2013-14.

**Snack Vending**

Snacks are provided by Gilly Vending through two machines located on the ground floor. Items include chips, candy, cookies, ice cream, frozen burritos, etc.

**Beverage Vending**

Beverages are provided by Coca Cola through three machines located on the ground and 3<sup>rd</sup> floors. Items include water, soft drinks, energy drinks, PowerAde, and minute maid juices. Sales at the Law School were \$12,682 in FY 2012-13 and \$13,973 in FY 2013-14.

**Parking Services**

- Parking is provided to staff and students. Students may park in a garage operated by the City of Orlando or one operated by the Department of Management Services. The garages are located within two blocks of the College of Law.
- Revenue is derived from Student Transportation Access Fees and average \$73,450 over the past two years.
- Expenses consist of Garage Fees to the City of Orlando and the Department of Management Services and total approximately \$103,000.

# V. Updates

**V. (a) Contracts over \$100,000**



Florida Agricultural and Mechanical University  
Board of Trustees Information Item

Meeting Date 6/4/14

Agenda Item

Committee

Budget and Finance

**Summaries for Contracts over \$100,000**

**Contract Name: Perceptive Software**

Contract #: C-4094

Contract Start Date: 4/23/2014

Contract Original Expiration Date: 3/25/2015

Contract Amount: \$276,870.25

Perceptive Software and FAMU will work together to implement an Enterprise Content Management solution. Perceptive Software professional services will design and implement a solution for the following areas:

- Travel receipts process
- Admissions—advising process and access for Registrar and Admissions
- Facilities Project Management process
- Title III Process
- Student Financial Services
- Accounts payable Pcard receipts
- College of Law Admissions

**Contract Name: Digital Architecture**

Contract #: C-4045

Contract Start Date: 2/27/2014

Contract Original Expiration Date: Active until terminated

Contract Amount: \$100,651.00

Digital Architecture is a higher education solutions provider that hosts, implements, integrates, and supports an Web-based Service, using Acalog Gateway that provides academic Institutions with the ability to host and manage their online academic catalog. It is estimated that the project will be 16 weeks in duration. This agreement will transition the FAMU academic Catalog into an online academic catalog management system.

Prepared by: Stephany Fall

**V. (b) Quarterly Financial  
Report**

**FLORIDA A&M UNIVERSITY  
FINANCIAL REPORT  
For Board of Trustees Meeting – Wednesday, June 4, 2014**

*This report is submitted in accordance with the requirements of BOT Policy 2005-02 which requires the University to submit the following quarterly reports:*

- *Statement of Net Position (Balance Sheet) and Statement Revenues, Expenses, and Changes in Net Position.*
- *Report of the investment and cash balances of University funds.*
- *Budget Status Report by Division showing salaries and other expenditure activities for the quarter and year-to-date totals by object of expenditure.*

**1. STATEMENT OF NET POSITION (BALANCE SHEET) AND STATEMENT REVENUES, EXPENSES, AND CHANGES IN NET POSITION.**

The following overview provides the financial position of the University for the 3rd quarter of FY2013-2014 that ended March 31, 2014. The summary includes a comparative analysis of quarterly financial activity beginning March 31, 2013 through March 31, 2014. The Statements of Net Position, and Statements of Revenues, Expenses and Changes in Net Position are presented. The statement of net position shows the assets, liabilities, and net position of the University. Net position equals assets less liabilities, which is one indicator of the University's current financial condition. The statement of revenues, expenses and changes in net position presents the University's revenue and expense activity.

During the period January 1, 2014 through March 31, 2014, the University's total assets increased \$4 million (\$694,960,240 - \$690,920,497) while total liabilities increased \$1.9 million (\$130,194,926 - \$128,258,885). Total cash plus investments decreased \$12.8 million (\$108,008,728 - \$120,821,458). The \$12.8 million decrease happened primarily in the investment account. The funds were used to continue funding ongoing construction projects, primarily the new student residence facility, pharmacy project, and energy efficiency infrastructure upgrades.



**FLORIDA A&M UNIVERSITY**  
**FINANCIAL REPORT**  
**For Board of Trustees Meeting – Wednesday, June 4, 2014**

Total net position or fund balance increased \$2.1 million (\$564,765,314 - \$562,661,612) during the same period. The net increase is comprised of an increase in capital assets and capital projects of \$7.5 million (\$486,035,581 + \$17,652,051 - \$470,992,114 - \$25,163,183) and decrease in unrestricted fund balance of \$5.4 million (\$54,175,518 - \$59,530,349). The decrease in unrestricted fund balance is largely attributed to the return of \$4.8 million to the U.S. Department of Education for ineligible Title IV funds awarded to the University. Overall, the unrestricted fund balance decreased \$8.5 million (\$54,175,518 - \$62,677,948) for the first 9 months of the fiscal year, FY2013-2014.

Revenues for the period ending March 31, 2014 totaled \$247 million. For the same period, March 31, 2013, revenues totaled \$238.8 million, representing an \$8.2 million or 3.4% increase. The increase is largely comprised of two components: a \$10 million **decrease** in student tuition and fees and a \$17.3 million **increase** in State appropriations. The decrease in student tuition and fees is related to a decline in enrollment and the increase in State appropriations is attributed to the restoration of funds that were cut from the FY2012-2013 base budget by the Florida Legislature.

Expenses totaled \$253.6 million for the period ending March 31, 2014 and \$238.4 million at March 31, 2013, an increase of \$15.2 million. The increase in expense is primarily due to an increase in compensation and employee benefits, return of Title IV funds, and acquisition of the Centennial property. The increase in compensation and employee benefits is primarily due to salary increases, bonuses, leave payouts, and hiring replacements for vacant positions.

**FLORIDA A&M UNIVERSITY**  
**FINANCIAL REPORT**  
**For Board of Trustees Meeting – Wednesday, June 4, 2014**

In conclusion, return of State appropriations in FY2013-2014 softened the impact of the downturn in enrollment. The changing dynamics affecting enrollment will be a significant factor in shaping budget planning for the upcoming fiscal year, FY2014-2015.

**FLORIDA A&M UNIVERSITY**  
**FINANCIAL REPORT**  
**For Board of Trustees Meeting – Wednesday, June 4, 2014**

FLORIDA A&M UNIVERSITY  
STATEMENT OF NET POSITION  
AS OF MARCH 31, 2014

	UNAUDITED As Of March 31, 2014	UNAUDITED As Of March 31, 2013	AUDITED As Of June 30, 2013	UNAUDITED As Of December 31, 2013
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and Cash Equivalents	\$ 23,668,438	\$ 44,224,933	\$ 12,033,642	\$ 9,327,332
Investments	57,417,997	67,583,736	75,337,531	64,736,063
Accounts Receivable, Net	19,717,283	24,393,208	20,231,302	15,986,059
Loans and Notes Receivable, Net	28,354	27,818	28,901	27,101
Due From State	28,371,985	31,601,663	28,199,421	31,525,270
Due From Component Unit	3,416,192	4,522,139	-	2,061,596
Inventories <sup>1</sup>	447,751	481,457	447,751	447,751
Other Current Assets	601,060	-	601,060	601,060
<b>Total Current Assets</b>	<b>133,669,061</b>	<b>172,834,954</b>	<b>136,879,608</b>	<b>124,712,232</b>
<b>Noncurrent Assets:</b>				
Restricted Cash and Cash Equivalents	1,324,265	5,881,015	1,703,893	17,820,558
Restricted Investments	25,598,028	49,465,946	58,829,860	28,937,506
Loans and Notes Receivable, Net	2,136,982	2,320,647	2,200,534	2,315,988
Depreciable Capital Assets, Net	458,254,140	453,114,316	468,059,744	461,606,930
Nondepreciable Capital Assets	73,977,764	44,768,533	44,065,298	55,527,283
<b>Total Noncurrent Assets</b>	<b>561,291,179</b>	<b>555,550,457</b>	<b>574,859,329</b>	<b>566,208,265</b>
<b>TOTAL ASSETS</b>	<b>694,960,240</b>	<b>728,385,411</b>	<b>711,738,937</b>	<b>690,920,497</b>
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts Payable	3,895,329	4,063,496	5,799,730	2,226,033
Construction Contracts Payable <sup>1</sup>	-	-	3,825,890	-
Accrued Salaries and Wages Payable	4,401,764	3,961,487	2,187,974	2,586,394
Deposits Payable	103,071	5,538,385	1,261,863	1,244,263
Due to State <sup>1</sup>	110,486	118,188	110,486	110,486
Unearned Revenue <sup>1</sup>	802,601	391,979	5,007,179	913,166
Long-Term Liabilities - Current Portion:				
Capital Improvement Debt Payable	2,650,000	1,185,000	3,289,000	2,650,000
Loan and Notes Payable	-	-	83,334	-
Capital Leases Payable	221,687	27,314	753,164	518,064
Compensated Absences Payable <sup>1</sup>	1,424,400	1,410,763	1,424,400	1,424,400
<b>Total Current Liabilities</b>	<b>13,609,339</b>	<b>16,696,611</b>	<b>23,743,020</b>	<b>11,672,806</b>
<b>Noncurrent Liabilities:</b>				
Capital Improvement Debt Payable	71,609,324	71,202,420	71,609,324	71,609,324
Loans and Notes Payable <sup>1</sup>	-	83,334	-	-
Capital Leases Payable <sup>1</sup>	13,909,160	14,714,014	13,909,652	13,909,652
Compensated Absences Payable <sup>1</sup>	19,070,575	18,078,674	19,070,575	19,070,575
Postemployment Health Care Benefits Payable <sup>1</sup>	9,747,000	7,231,000	9,747,000	9,747,000
Other Noncurrent Liabilities <sup>1</sup>	2,249,528	2,260,668	2,249,528	2,249,528
<b>Total Noncurrent Liabilities</b>	<b>116,585,587</b>	<b>113,570,110</b>	<b>116,586,079</b>	<b>116,586,079</b>
<b>TOTAL LIABILITIES</b>	<b>130,194,926</b>	<b>130,266,721</b>	<b>140,329,099</b>	<b>128,258,885</b>

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FINANCIAL REPORT  
For Board of Trustees Meeting – Wednesday, June 4, 2014**

<b>NET POSITION</b>				
Invested in Capital Assets, Net of Related Debt	486,035,581	485,615,722	465,108,843	470,992,114
Restricted:				
Expendable:				
Debt Service	4,677,258	1,202,406	4,677,258	4,677,258
Loans	2,224,906	2,175,379	2,136,447	2,298,708
Capital Projects	17,652,051	25,018,886	36,809,342	25,163,183
Other	-	643,294	-	-
Unrestricted	<u>54,175,518</u>	<u>83,463,003</u>	<u>62,677,948</u>	<u>59,530,349</u>
<b>Total Net POSITION</b>	<u>564,765,314</u>	<u>598,118,691</u>	<u>571,409,838</u>	<u>562,661,612</u>
 <b>TOTAL LIABILITIES AND NET POSITION</b>	 <u>\$ 694,960,240</u>	 <u>\$ 728,385,411</u>	 <u>\$ 711,738,937</u>	 <u>\$ 690,920,497</u>

**NOTES:**

<sup>1</sup> Balances are adjusted annually as part of the year-end audit process.

**FLORIDA A&M UNIVERSITY**  
**FINANCIAL REPORT**  
**For Board of Trustees Meeting – Wednesday, June 4, 2014**

**FLORIDA A&M UNIVERSITY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR PERIOD ENDING MARCH 31, 2014**

	UNAUDITED For the Period March 31, 2014	UNAUDITED For the Period March 31, 2013	AUDITED For the Period June 30, 2013	UNAUDITED For the Period December 31, 2013
<b>OPERATING REVENUES</b>				
Student Tuition and Fees	\$ 75,013,154	\$ 85,027,571	\$ 94,411,330	\$ 39,635,555
Less: Scholarship Allowances	<u>(25,910,782)</u>	<u>(24,597,533)</u>	<u>(34,547,709)</u>	<u>(17,273,855)</u>
Student Tuition and Fees, Net of Scholarship Allowances	49,102,372	60,430,038	59,863,621	22,361,700
Federal Grants and Contracts	29,136,762	29,238,962	37,367,711	17,307,675
State and Local Grants and Contracts	4,063,523	4,216,007	5,456,257	3,278,342
Nongovernmental Grants and Contracts	1,458,547	1,271,322	1,323,297	894,663
Sales and Services of Auxiliary Enterprises	17,917,284	17,641,563	20,904,241	9,560,256
Interest on Loans and Notes Receivable	49,646	41,733	77,688	-
Other Operating Revenues	<u>4,411,047</u>	<u>4,446,890</u>	<u>3,472,582</u>	<u>3,807,377</u>
<b>Total Operating Revenues</b>	<u>106,139,180</u>	<u>117,286,516</u>	<u>128,465,397</u>	<u>57,210,013</u>
<b>OPERATING EXPENSES</b>				
Compensation and Employee Benefits	128,536,812	119,682,848	159,824,837	83,822,682
Services and Supplies	39,151,008	35,800,705	54,922,333	25,451,999
Utilities and Communications	8,770,858	9,391,516	12,759,318	6,930,921
Scholarships, Fellowships and Waivers, Net	31,241,696	34,151,622	28,450,102	9,811,723
Depreciation	<u>13,387,934</u>	<u>13,098,815</u>	<u>17,850,578</u>	<u>8,925,301</u>
<b>Total Operating Expenses</b>	<u>221,088,308</u>	<u>212,125,506</u>	<u>273,807,168</u>	<u>134,942,626</u>
<b>Operating (Loss)</b>	<u>(114,949,128)</u>	<u>(94,838,990)</u>	<u>(145,341,771)</u>	<u>(77,732,613)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
State Appropriations	71,997,372	54,702,160	77,458,589	48,743,256
Federal and State Student Financial Aid	35,725,944	35,471,447	38,778,392	19,452,607
Noncapital Grant, Contracts, and Gifts	4,291,584	4,522,139	2,604,353	2,061,596
Investment Income	632,695	1,581,964	1,931,898	456,357
Unrealized Gains (Losses) on Investments	-	-	(1,438,491)	-
Other Nonoperating Revenues	-	-	3,359,004	-
Gain (Loss) on Disposal of Capital Assets <sup>1</sup>	-	-	16,444	-
Interest on Capital Asset-Related Debt	(1,919,923)	(1,720,143)	(3,238,648)	(1,793,626)
Other Nonoperating Revenues (Expenses)	<u>(4,709,230)</u>	<u>145,184</u>	<u>(1,467,318)</u>	<u>64,197</u>
<b>Net Nonoperating Revenues (Expenses)</b>	<u>106,018,442</u>	<u>94,702,752</u>	<u>118,004,223</u>	<u>68,984,387</u>

**FLORIDA A&M UNIVERSITY  
FINANCIAL REPORT  
For Board of Trustees Meeting – Wednesday, June 4, 2014**

<b>Income (Loss) Before Other Revenues, Expenses, Gains or Losses</b>	(8,930,686)	(136,238)	(27,337,548)	(8,748,226)
Capital Appropriations	2,286,162	-	783,023	-
Capital Grants, Contracts Donations and Student Fees	-	453,179	162,612	-
<b>Total Other Revenues, Expenses, Gains, or Losses</b>	<u>2,286,162</u>	<u>453,179</u>	<u>945,635</u>	<u>-</u>
<b>Increase (Decrease) in Net Position</b>	(6,644,524)	316,940	(26,391,913)	(8,748,226)
<b>Net Position, Beginning of Period</b>	<u>571,409,838</u>	<u>597,801,751</u>	<u>597,801,751</u>	<u>571,409,838</u>
<b>Net Position, End of Period</b>	<u>\$ 564,765,314</u>	<u>\$ 598,118,691</u>	<u>\$ 571,409,838</u>	<u>\$ 562,661,612</u>

NOTES:

<sup>1</sup>Balances are adjusted annually as part of the year-end audit process.

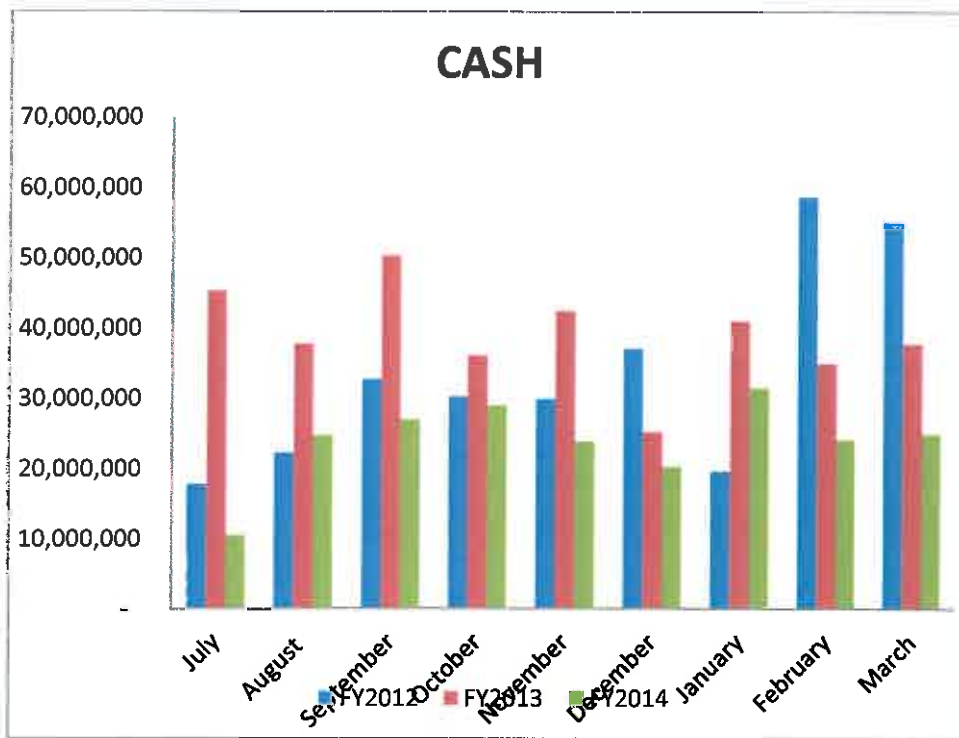
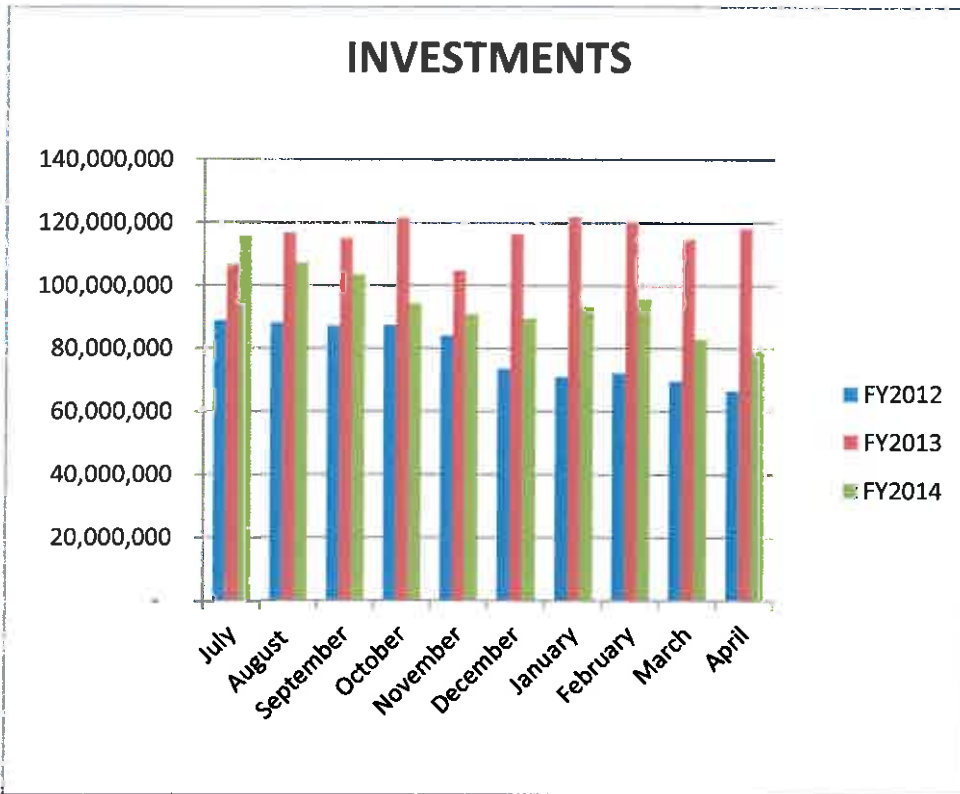
**FLORIDA A&M UNIVERSITY  
FINANCIAL REPORT**  
For Board of Trustees Meeting – Wednesday, June 4, 2014

**2. REPORT OF THE INVESTMENT AND CASH BALANCES  
OF UNIVERSITY FUNDS**

<b>INVESTMENTS</b>			
	FY2012	FY2013	FY2014
July	88,974,757	106,788,798	115,572,069
August	88,328,797	116,843,941	107,162,528
September	87,292,052	115,081,332	103,572,463
October	87,451,200	121,537,355	94,280,438
November	84,153,356	104,789,452	90,872,860
December	73,645,657	116,474,495	89,647,977
January	71,025,089	121,788,336	93,368,442
February	72,212,451	120,216,929	95,730,464
March	69,677,656	114,722,068	83,016,025
April	66,679,104	118,278,257	79,077,962

<b>CASH</b>			
	FY2012	FY2013	FY2014
July	17,697,535	45,314,103	10,474,079
August	22,201,242	37,751,526	24,674,178
September	32,687,671	50,287,596	26,961,961
October	30,266,434	36,103,431	28,916,159
November	29,896,252	42,456,262	23,866,807
December	37,083,040	25,163,454	20,284,683
January	19,659,616	40,993,302	31,510,661
February	58,757,068	34,992,196	24,116,626
March	55,180,620	37,801,943	24,992,703

**FLORIDA A&M UNIVERSITY  
FINANCIAL REPORT  
For Board of Trustees Meeting – Wednesday, June 4, 2014**





**FLORIDA A&M UNIVERSITY  
FINANCIAL REPORT  
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**NON E&G BUDGET STATUS-Continued**

**NON E&G Budget Status  
As of April 30, 2014**

	Fund	07/01/2013 Beginning Fund Balance	Budgeted Revenue	13-14 Revenue Collected YTD	Available Revenue	2013-2014 Budget	13-14 Expenditures & Encumbrances as of 04/30/14	Notes
<b>Student Affairs</b>								
Fin Aid Adm Exp Fund 117	117	206,769	250,000	250,000	456,769	293,069	204,925	
Orientation Fee (Fund 117)	117	(28,273)	319,080	260,343	232,072	325,981	314,829	G
Rattler Aquatics	116	72,476	53,795	53,795	126,271	117,062	82,445	
Student Union	116	(30,731)	746,105	895,099	864,368	924,455	864,368	
Student Union Bowling Alley	116	32,074	10,000	11,499	43,573	11,280	10,082	
Rattler Express	116	(2,691)	220,226	218,704	216,013	258,115	235,720	H
Campus Recreation	116	-	543,578	640,594	640,594	691,094	640,594	
Famuan Fund 117	117	(154,742)	162,052	59,211	(95,531)	85,625	85,608	I
FAMU DPS Alarm Monitor	116	33,599	18,774	-	33,599	40,260	26,849	
FAMU Child Care Center	116	75,894	668,584	521,493	597,387	820,924	639,676	J
Hosp O&M Student Hlth	116	2,298,578	2,037,934	2,181,423	4,480,001	2,415,051	2,286,525	
Counseling Services	116	41,987	330,388	330,388	372,375	372,375	361,954	
LifeScan Finger Printing	116	40,513	30,000	40,633	81,146	33,716	29,013	
Housing Fund 110	110	5,174,821	12,997,614	10,634,050	15,808,871	15,151,323	9,063,946	
A&S Fees	117	750,000	2,968,084	3,273,502	3,718,084	3,407,981	3,186,031	
<b>E.I.T</b>								
Technology Fee	117	2,962,560	1,969,913	2,002,733	4,965,293	4,204,640	2,103,981	
Telecommunications	116	(772,206)	1,977,884	1,988,406	1,216,200	1,935,965	1,543,077	K
<b>President</b>								
Athletics	115	(7,800,291)	9,175,161	8,949,637	1,149,346	9,164,768	9,915,686	L
Concessions	117	186,504	180,630	256,016	442,520	193,512	127,299	
<b>NOTES:</b>								
A Revenues are generated from fees that are assessed each semester when fees are paid late.								
B The Item Types for this department are being researched and will be corrected so that revenue collections will go the correct department.								
C Revenues are generated from fees that are assessed at the beginning of each semester.								
D A debt reduction plan has been developed by the Continuing Education department, spending has been restricted to adhere to the submitted plan.								
E Revenue will continue to be collected as seminars take place throughout the fiscal year. All Salaries and OPS have been encumbered for the entire fiscal year.								
F It has been indicated that the majority of funds are collected during the Spring and Summer.								
G Revenues for Orientation Fee are generated during summer orientation programs which will eliminate the projected negative balance								
H Rattler Express is continuously generating revenue throughout the fiscal year.								
I FAMUAN deficit is attributed to continued increases in printing costs and lack of advertising revenue collections. FAMUAN spending has been restricted until the issue of their deficit has been addressed.								
J Revenue is collected continuously throughout the year for each child on a per month basis.								
K A debt reduction plan has been implemented to reduce the deficit in Telecommunications.								
L A debt reduction plan is being developed to address the deficit in Athletics.								

**FLORIDA A&M UNIVERSITY**  
**FINANCIAL REPORT**  
For Board of Trustees Meeting – Wednesday, June 4, 2014

**NON E&G Budget Status**  
As of April 30, 2014

	Fund	07/01/2013 Beginning Fund Balance	Budgeted Revenue	13-14 Revenue Collected YTD	Available Revenue	2013-2014 Budget	13-14 Expenditures & Encumbrances as of 04/30/14	Notes
<b>Academic Affairs</b>								
DRS Fund 118	118	33,760	3,421,105	3,450,190	3,483,950	3,428,369	3,420,605	
Late Registration (Fund 117)	117	165,821	150,000	45,100	210,921	273,231	266,022	A
Law School Bar Prep Fee	116	20,501	480,000	355,200	375,701	493,381	80,501	
Law School Library Coin Oper	116	25,684	17,000	12,544	38,228	27,250	647	
Journalism Lab Fee	116	(5,003)	17,640	5,070	67	100	100	B
Graphic Arts Lab Fee	116	(64,723)	19,890	3,165	(61,558)	2,976	2,976	B
Nursing Lab Fees	116	19,701	18,225	17,635	37,336	28,499	24,383	
Nursing ATI Fees	116	29,286	36,810	36,706	65,992	50,348	33,405	
FAMU/Leon Cty Pharmacy	116	318,087	313,723	255,130	573,217	427,048	281,882	
Pharmacy Lab Fees	116	55,692	36,900	35,457	91,149	47,212	17,938	
Allied Health Lab Fees	116	15,907	15,400	14,800	30,707	15,921	14,600	
Music Lab Fees	116	(1,745)	10,000	4,250	2,505	2,668	-	
Biology Material Supplies Fee	116	62,888	65,000	36,998	99,886	118,779	118,367	C
Chemistry Lab Fee	116	63,982	31,000	19,077	83,059	74,624	23,012	
CIS Lab Fees	116	12,376	31,000	15,447	27,823	23,644	19,000	
Continuing Education	116	(459,338)	119,420	302,100	(157,238)	89,517	87,832	D
Marching 100 Summer Camp	116	13,131	-	-	13,131	-	-	
Entomology Field Day	116	42,032	23,690	27,238	69,270	27,144	25,472	
Edmonds Youth theatre	116	14,517	26,500	27,796	42,313	34,155	20,760	
Office of Inst Tech - Support	116	(9,645)	205,000	205,781	196,136	169,355	138,462	
Distance Learning- SBI	116	246,960	587,664	243,044	490,004	591,891	487,367	
Distance Learning- Nursing	116	11,190	218,082	194,712	205,902	194,731	125,523	
Distance Learning- Public Health	116	23,929	338,650	226,850	250,779	196,365	188,917	
Pharmacy Seminars	116	(85,542)	140,000	72,192	(13,350)	90,205	87,469	E
Challenger Learning Center	116	329,232	802,000	609,194	938,426	1,065,977	1,044,779	F
Univ. Library Copy/Print Services	116	74,871	32,000	37,765	112,636	69,466	69,280	
Transcript Fee	116	20,659	152,402	144,435	165,094	158,632	163,901	
Student Hlth Ctr Pharmacy	116	57,128	270,000	208,686	265,814	204,576	202,116	
Orange County		(94,329)	275,000	55,905	180,671	282,867	86,249	
<b>Administrative &amp; Financial</b>								
<b>Controller's Office</b>								
Surplus Property	116	69,039	35,000	38,530	107,569	83,288	61,287	
Auxiliary Overhead	116	1,558,368	1,207,102	643,117	2,201,485	1,752,340	876,453	
Late Payment Fund 117	117	1,807,195	265,550	298,950	2,106,145	287,522	168,556	
Fin Aid Adm Exp ControllerFund 11	117	1,172,754	225,000	225,000	1,397,754	244,515	157,083	
<b>Business and Aux Services</b>								
Bookstore	116	441,766	320,000	259,341	701,107	305,138	172,465	
University Commons	116	3,278,058	775,000	451,059	3,729,117	3,682,455	2,957,904	
University Parking	116	1,689,781	2,269,375	2,077,983	3,767,764	2,654,702	2,044,225	
Bus & Aux. Services	116	48,370	110,000	110,000	158,370	120,714	113,191	
Post Office	116	96,774	279,378	282,892	379,666	294,015	276,173	
Procurement Contracts	116	88,415	80,000	121,724	210,139	112,280	89,672	
Rattler Card	116	184,777	229,700	242,941	427,718	243,977	222,852	
Copy Center	116	80,600	366,981	267,286	347,886	367,111	333,565	
Meal Plan		(132,226)	7,641,900	7,641,900	7,509,674	7,182,609	6,320,519	
<b>Construction &amp; Facilities Planning</b>								
Building Code	116	57,916	180,000	193,507	251,423	148,093	145,734	
Events department	116	187,538	90,000	69,886	257,424	145,825	86,115	
Events department-Ticket Sales	116	-	50,000	31,308	31,308	50,000	16,714	

**FLORIDA A&M UNIVERSITY  
FINANCIAL REPORT  
For Board of Trustees Meeting – Wednesday, June 4, 2014**

**NON E&G BUDGET STATUS-Continued**

**NON E&G Budget Status  
As of April 30, 2014**

	Fund	07/01/2013 Beginning Fund Balance	Budgeted Revenue	13-14 Revenue Collected YTD	Available Revenue	2013-2014 Budget	13-14 Expenditures & Encumbrances as of 04/30/14	Notes
<b>Student Affairs</b>								
Fin Aid Adm Exp Fund 117	117	206,769	250,000	250,000	456,769	293,069	204,925	
Orientation Fee (Fund 117)	117	(28,271)	319,080	260,343	232,072	325,981	314,829	G
Rattler Aquatics	116	72,476	53,795	53,795	126,271	117,062	82,445	
Student Union	116	(30,731)	746,105	895,099	864,368	924,455	864,368	
Student Union Bowling Alley	116	32,074	10,000	11,499	43,573	11,280	10,082	
Rattler Express	116	(2,691)	220,226	218,704	216,013	258,115	235,720	H
Campus Recreation	116	-	543,578	640,594	640,594	691,094	640,594	
Famuan Fund 117	117	(154,742)	162,052	59,211	(95,531)	85,625	85,608	I
FAMU DPS Alarm Monitor	116	33,599	18,774	-	33,599	40,260	26,849	
FAMU Child Care Center	116	75,894	668,584	521,493	597,387	820,924	639,676	J
Hosp O&M Student Hlth	116	2,298,578	2,037,934	2,181,423	4,480,001	2,415,051	2,286,525	
Counseling Services	116	41,987	330,388	330,388	372,375	372,375	361,954	
LifeScan Finger Printing	116	40,513	30,000	40,633	81,146	33,716	29,013	
Housing Fund 110	110	5,174,821	12,997,614	10,634,050	15,808,871	15,151,323	9,063,946	
A&S Fees	117	750,000	2,968,084	3,273,502	3,718,084	3,407,981	3,186,031	
<b>E.I.T</b>								
Technology Fee	117	2,962,560	1,969,913	2,002,733	4,965,293	4,204,640	2,103,981	
Telecommunications	116	(772,206)	1,977,884	1,988,406	1,216,200	1,935,965	1,543,077	K
<b>President</b>								
Athletics	115	(7,800,291)	9,175,161	8,949,637	1,149,346	9,164,768	9,915,686	L
Concessions	117	186,504	180,630	256,016	442,520	193,512	127,299	
<b>NOTES:</b>								
A) Revenues are generated from fees that are assessed each semester when fees are paid late.								
B) The Item Types for this department are being researched and will be corrected so that revenue collections will go the correct department.								
C) Revenues are generated from fees that are assessed at the beginning of each semester.								
D) A debt reduction plan has been developed by the Continuing Education department, spending has been restricted to adhere to the submitted plan.								
E) Revenue will continue to be collected as seminars take place throughout the fiscal year. All Salaries and OPS have been encumbered for the entire fiscal year.								
F) It has been indicated that the majority of funds are collected during the Spring and Summer.								
G) Revenues for Orientation Fee are generated during summer orientation programs which will eliminate the projected negative balance								
H) Rattler Express is continuously generating revenue throughout the fiscal year.								
I) FAMUAN deficit is attributed to continued increases in printing costs and lack of advertising revenue collections. FAMUAN spending has been restricted until the issue of their deficit has been addressed.								
J) Revenue is collected continuously throughout the year for each child on a per month basis.								
K) A debt reduction plan has been implemented to reduce the deficit in								
L) A debt reduction plan is being developed to address the deficit in Athletics.								

**V. (c) Updates from the Budget  
& Finance Committee  
Workshop**

# **Governmental Relations**



Florida Agricultural and Mechanical University  
Board of Trustees Information Item

Meeting Date June 4, 2014

Agenda Item

**Committee**

**Budget and Finance**

**Subject:** Governmental Relations

**Short Summary:**

See attached.

# **Government Relations Report**

## **FAMU Funded Issues**

- \$10.8 million Performance Funding
- \$10 million for Pharmacy Building Phase II (construction/completion)
- \$10 million for FAMU-FSU College of Engineering Building III (construction)
- \$2.5 million for STEM Enhancement (R)
- \$1.5 million for FAMU Crestview Operational Support
- \$1 million FAMU Distance Learning/Online
- \$700,000 for Pharmacy Faculty Salary Adjustment (R)

Key (R)= recurring dollars

## **Major Policy Issues that Passed**

- **9-month study on the future of the FAMU-FSU College of Engineering** (That bid solicitation is here: [http://www.myflorida.com/apps/vbs/vbs\\_www.ad.view\\_ad?advertisement\\_key\\_num=113321](http://www.myflorida.com/apps/vbs/vbs_www.ad.view_ad?advertisement_key_num=113321))
- **In-State Tuition for Military Veterans**
- **In-State Tuition for certain undocumented immigrants**
- **Differential & Cost of Living Tuition Increases gone**



# **Athletics**



Florida Agricultural and Mechanical University  
Board of Trustees Information Item

Meeting Date June 4, 2014

Agenda Item

Committee
Budget and Finance

**Subject:** Athletics

**Short Summary:**

See attached.

# DEPARTMENT OF ATHLETICS

## CURRENT YEAR PROJECTIONS (UPDATED BY BUDGET OFFICE)

<b>Projected Revenue</b>	<b>Athletics</b>
Salary	8,904,695
OPS	3,430,210
Expense	764,937
Mandatory	3,301,591
OCO	277,450
Debt Service	-
<hr/>	
<b>Projected Total Operating Expense</b>	<b>7,774,188</b>
Admin Expense	-
Facility & Equip Reserve	-
Scholarships	2,416,318
Other Transfers	-
<hr/>	
<b>Projected Total Non-Operating Expense</b>	<b>2,416,318</b>
<hr/>	
<b>Total Non E&amp;G Operating &amp; Non-Operating Expense</b>	<b>10,190,506</b>
<b>Projected Net Income (Loss)</b>	<b>(1,285,811)</b>

# DEPARTMENT OF ATHLETICS

## 2014-15 BUDGET REQUEST

	<b>Athletics</b>
Proposed Revenue	9,390,171
Salary	3,611,941
OPS	130,066
Expense	4,181,831
OCO	55,053
Debt Service	-
Proposed Total Operating Expense	7,978,891
Admin Expense	-
Facility & Equip Reserve	-
Scholarships	1,411,280
Other Transfers	-
Proposed Total Non-Operating Expense	1,411,280
Total Non E&G Operating & Non-Operating Expense	9,390,171
Proposed Net Income (Loss)	-

## **ATHLETICS DEFICIT REDUCTION PLAN**

**As reported in the 2013/14 Operational Audit, a revised deficit reduction plan will be developed by September 30, 2014.**

## **Response to Questions – Budget Workshop, May 5, 2014**

**The following are responses to inquiries made of the Board during the May Budget Workshop.**

- **The contract with Metz does not directly allocate funds to the Athletics department.**
- **The Foundation did not provide \$700K to Athletics.**
- **These were funds from the President’s discretionary account, which were housed at the Foundation.**

## **Response to Questions – Budget Workshop, May 5, 2014**

- **Expenses in FY14/15 are greater than the expenses in FY13/14 because Athletics will assume specific expenditures from the Boosters. Subsequently, there should be additional revenue generation opportunities.**
- **Effective July 1<sup>st</sup>, the Boosters will report to the Athletics Department.**
- **The true deficit for FY13/14 is approximately \$1.2 million.**

**Response to Questions – Budget Workshop,  
May 5, 2014**

**Additional Dollars Provided for Athletics  
Fiscal Year 2013-14**

<b>FAMU Foundation</b>	<b>700,000</b>
<b>Auxiliary Investment Earnings</b>	<b>300,000</b>
<b>Additional E&amp;G Dollars to Title IX</b>	<b>300,000</b>
	<hr/>
	<b>1,300,000</b>



**Salary Adjustments for  
Colleges of Pharmacy &  
Engineering**



Florida Agricultural and Mechanical University  
Board of Trustees Information Item

Meeting Date June 4, 2014

Agenda Item

**Committee**

**Budget and Finance**

**Subject:** Salary Adjustments for Colleges of Pharmacy & Engineering

**Short Summary:**

- The University will use existing resources to make salary adjustments to meet accreditation requirements.
- The University will return to the Board when resources from tuition are required.

# **Direct Support Organizations**



Florida Agricultural and Mechanical University  
Board of Trustees Information Item

Meeting Date June 4, 2014

Agenda Item V.

**Committee**

**Budget and Finance**

**Subject: Direct Support Organizations (DSO)**

**Short Summary:** The 2014-2015 DSO Budgets will not be submitted to the FAMU Board of Trustees until after the DSOs' Board of Directors complete their budget processes. The DSOs shall submit an annual operating budget, which has been approved by the DSO's governing board and recommended by the President 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, according to FAMU IMM Number 2003-01.

Attached is an overview of the 2013-2014 DSO Budgets to-date.

**FOUNDATION OPERATING BUDGET**

	2012-2013 Actual	2013-2014 Original Budget	2013-2014 Projected Actual	2014-2015 Draft Budget
<b>REVENUE AND SUPPORT</b>				
Operating Revenue	\$1,822,620	\$1,806,000	\$1,856,000	\$2,001,400
License Tags Revenue	447,089	500,000	450,000	477,050
Rental Income 625 E TN ST	-	50,000	-	-
Withdrawal from Reserves	-	-	75,000	-
<b>TOTAL REVENUE AND SUPPORT</b>	<b>\$2,269,709</b>	<b>\$2,356,000</b>	<b>\$2,381,000</b>	<b>\$2,478,450</b>
<b>EXPENDITURES</b>				
Salaries and Benefits	\$710,950	\$841,498	\$743,000	\$854,450
Foundation Operations	439,520	546,027	540,995	419,250
Advancement Operations	207,665	243,750	231,750	270,000
Fundraising Activities	247,500	247,500	228,750	270,000
University Support	463,278	352,225	524,005	546,000
License Tags Scholarships	111,772	125,000	112,500	118,750
<b>TOTAL EXPENDITURES</b>	<b>\$2,180,685</b>	<b>\$2,356,000</b>	<b>\$2,381,000</b>	<b>\$2,478,450</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>\$89,024</b>	<b>-</b>	<b>-</b>	<b>-</b>

**UNIVERSITY SUPPORT DETAIL**

	<b>2012-2013 Actual</b>	<b>2013-2014 Projected Actual</b>	<b>2014-2015 Draft Budget</b>
<b>EXPENDITURES</b>			
President's Compensation	\$188,812	\$286,669	\$341,000
Office of the President	150,000	137,500	175,000
Board of Trustees Assessment	12,000	12,000	15,000
Board of Governors Assessment	12,728	12,836	15,000
Advancement Operations	207,665	231,750	270,000
Fundraising Activities	247,500	228,750	270,000
<b>TOTAL EXPENDITURES</b>	<b>\$818,705</b>	<b>\$909,505</b>	<b>\$1,086,000</b>

FOUNDATION SCHOLARSHIPS

<b>Semester/Year</b>	<b>Amount</b>
Fall 2012	\$1,119,616
Spring 2013	1,267,884
Summer 2013	137,669
<b>TOTAL 2012-2013</b>	<b>\$2,525,169</b>
Fall 2013	\$2,156,450
Spring 2014	1,633,929
Summer 2014 <i>(Projected)</i>	150,000
<b>TOTAL 2013-2014</b>	<b>\$3,940,379</b>

**RATTLER BOOSTERS OPERATING BUDGET**

	<b>2012-2013 Budget 6-30-2013</b>	<b>Unaudited 2012-2013 Actual</b>	<b>Variance</b>	<b>2013-2014 Budget 6-30-2014</b>
<b>REVENUE</b>				
Membership	\$339,500	\$405,206	\$65,706	\$300,000
Marketing	\$25,000	\$9,630	-\$15,370	\$10,000
Tailgating	\$10,000	\$14,150	-\$4,150	\$10,000
Parking (RV)	83,000	\$11,650	\$71,350	\$5,000
Special Events	\$5,000	\$8,919	\$3,919	\$5,000
<b>TOTAL Projected Revenue</b>	<b>\$462,500</b>	<b>\$449,555</b>	<b>-\$21,245</b>	<b>\$330,000</b>
<b>EXPENSES</b>				
Athletic Donations	\$184,000	\$181,178	-\$2,822	\$90,000
Payments on Jumbotron & Scoreboard (for Athletics)	\$84,000	\$84,000	0	\$84,000
Accounting/Audit Fees	\$20,000	\$19,470	\$530	\$20,000
Bank Service Charges/Credit Card Machines & Usage	\$5,000	\$4,628	\$372	\$5,000
Fundraising Expenses	\$5,000	\$3,594	\$1,406	\$5,000
Gifts/Membership Upgrades	\$7,500	\$15,908	\$8,408	\$7,500



**RATTLER BOOSTERS OPERATING BUDGET continued**

	2012-2013 Budget 6-30-2013	Unaudited 2012-2013 Actual	Variance	2013-2014 Budget 6-30-2014
<b>EXPENSES (CONTINUED)</b>				
Hosting Expenses	\$1,500	\$1,925	(\$425)	\$1,500
Membership Tags	\$7,500	\$10,266	(\$2,766)	\$7,500
Office Expenses/Supplies	\$7,500	\$9,522	-\$2,022	\$7,500
Postage	\$1,000	\$2,070	(\$1,070)	\$1,000
Printing	\$2,500	\$7,606	(\$5,106)	\$2,500
Repairs/Maintenance	\$2,500	\$5,068	(\$2,568)	\$2,500
Salaries/Taxes	\$110,000	\$58,030	(\$51,970)	70,000
Security	\$4,000	\$5,181	(\$1,181)	\$4,000
Telephone	\$5,500	\$4,790	\$710	\$7,000
Travel Boosters/Athletics	\$15,000	\$14,505	\$495	\$15,000
<b>TOTAL Projected Expenses</b>	<b>\$462,500</b>	<b>\$418,931</b>	<b>-\$54,409</b>	<b>\$330,000</b>

**FAMU NAA OPERATING BUDGET**

	2012-2013 Budget 6-30-2013	Unaudited 2012-2013 Actual	Variance Positive (Negative)	2013-2014 Budget 6-30-2014
<b>REVENUE</b>				
Total Operating Income	\$137,039	\$135,888	(\$1,151)	\$119,839
Total Restricted Income – Other Revenue	\$46,516	\$64,699	\$18,183	\$46,518
Total Restricted Income - Scholarships	\$87,430	\$155,009	\$67,579	\$87,430
Total Restricted Income – Annual Meeting	\$77,900	\$64,230	\$13,670	\$77,900
<b>TOTAL Projected Revenue/Other Source</b>	<b>\$348,885</b>	<b>\$419,825</b>	<b>\$70,940</b>	<b>\$331,687</b>
<b>EXPENDITURES</b>				
Total Operating Expenses	\$137,039	\$108,070	\$28,969	\$119,839
Total Contributions to University	\$78,397	\$108,540	(\$30,143)	\$78,397
Total Restricted Expense – Annual Meeting	\$77,900	\$45,971	\$31,929	\$77,900
Total Restricted Contributions to NAA Endowment/Restricted Accounts	\$55,549	\$111,168	(\$55,619)	\$55,551
<b>Total Projected Expenditures/ Contributions</b>	<b>\$348,885</b>	<b>\$373,749</b>	<b>(\$24,864)</b>	<b>\$331,687</b>
<b>Revenue/Other Source Less Expenditures/Contributions</b>	<b>0</b>	<b>\$46,076</b>	<b>\$46,076</b>	<b>\$0</b>

# **Enrollment Trends and Plan**



Florida Agricultural and Mechanical University  
Board of Trustees Information Item

Meeting Date: June 4, 2014

Agenda Item: V

Subject: Enrollment Plans

**ENROLLMENT PLANNING\***

**Planned Enrollment Growth** *(for all E&G students at all campuses)*

	Fall 2014 PLANNED HEADCOUNT	Fall 2015 PLANNED HEADCOUNT	Fall 2016 PLANNED HEADCOUNT
<b>TOTAL</b>	<b>10,532</b>	<b>11,128</b>	<b>11,647</b>

\*Source: 2014 – 15 University Work Plan

# **University Compensation**



Florida Agricultural and Mechanical University  
Board of Trustees Information Item

Meeting Date June 4, 2014

Agenda Item

<b>Committee</b>
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<b>Budget and Finance</b>
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**Subject:** University Compensation

**Short Summary:**

- Compensation Study for faculty and staff to be completed by December 2014

# **University Training**



Florida Agricultural and Mechanical University  
Board of Trustees Information Item

Meeting Date June 4, 2014

Agenda Item

Committee

Budget and Finance

**Subject:** University Training

**Short Summary:**

- The University spends approximately \$1.5 million annually on training classes, seminars and conferences.