MEETING MINUTES
November 12, 2021
Attendees: Max Alvarez, Kathryn Ballard*, Peter Collins, Eric Chicken, Vivian de las Cuevas-Diaz, Jorge Gonzalez, Craig Mateer, Deborah Sargeant, John Thiel* and Drew Weatherford

Attended Via Zoom: Kathryn Ballard and John Thiel
Absent: Jim Henderson and Nastassia Janvier

I. CALL TO ORDER AND WELCOME

Mr. Peter Collins, Chair

Chair Collins called the meeting to order at 11:19 AM. Lynna Sands conducted the roll call and confirmed a quorum.

II. APPROVAL OF MINUTES (ACTION)

• September 24, 2021, Board of Trustees Meeting Minutes

Trustee Sargeant moved to approve the August 27, 2021, Board Meeting Minutes. Trustee de las Cuevas-Diaz seconded the motion and were approved unanimously.

III. PUBLIC COMMENTS

There were no public comments.

Chair Collins read the Ethics Conduct Policy.

IV. PRESIDENT’S REPORT

Dr. Richard McCullough, President

President McCullough began his report with congratulating Peter Collins, Ted Ostrander and John Rivers for being inducted in the College of Business Hall of Fame. Additionally, he congratulated Col. Billy Francis for the 10th Anniversary of the Student Veterans Centers.

President McCullough presented his goals to the Governance Committee.

President McCullough and the First Lady attended several Homecoming events and enjoyed celebrating our alumni with the various awards gala and recognitions.
Following President McCullough's report, Chair Collins asked that the Research Committee report be provided.

V. CONSENT ITEMS
A. Requesting Approval of the Naming Policy Revisions
B. Requesting Approval for Proposed BOT Regulation 2.027 – Fraud Prevention Detection, Reporting, and Investigation
C. Requesting Approval for Status Report on Construction Projects over $2.0 million and Change Orders
D. Requesting Approval of SUS Career Center Planning Guidance
E. Requesting Approval to Terminate Bachelors in Early Childhood Education
F. Requesting Approval to Terminate Masters in Nursing
G. Requesting Approval to Terminate Masters in History and Philosophy of Science
H. Requesting Approval to Terminate Masters in Interdisciplinary Humanities
I. Requesting Approval to Recommend BOG termination of Ph.D. in Interdisciplinary Humanities
J. Requesting Approval of FSU College of Medicine Graduate Medical Education Annual Institutional Review Executive Summary (AY 2020-21)
K. Requesting Approval of the Governance Committee Charter

Trustee Gonzalez moved to approve Consent Items A-K. Trustee Mateer seconded the motion and was approved unanimously.

VI. NEW BUSINESS AND UPDATES
A. University Advancement Committee
   Mr. Craig Mateer, Chair
   Mr. Andy Jhanji, Interim Vice President for University Advancement

Trustee Mateer, Chair of the University Advancement Committee, briefed the Trustees on the University Advancement Committee Meeting. He reviewed several FSU Foundation Targeted Campaigns including what has been raised and the current goals. Additionally, he reviewed the fundraising goals for FSU Alumni Association, Seminole Boosters and FSU Real Estate Foundation.

Looking forward, complete RFP for new campaign, identify low hanging fruit opportunities, fundraising and communication strategies that align with the University Strategic Plan, clarify goals and transparency of numbers/plans, review structure of the organization, and discuss continuity/structure DSO campaigns.

Interim Vice President Jhanji provide the Trustees with documents that indicate the named/unnamed spaces, and new endowments.
B. Finance and Business Committee

*Mr. Jim Henderson, Chair*

*Mr. Kyle Clark, Vice President for Finance & Administration*

Trustee Gonzalez reported on the Finance and Business Committee meeting that took place on October 26, 2021, on behalf of Trustee Henderson. Several items were reviewed and discussed during the meeting including one action item that was on the agenda related to the construction projects over $2 million the committee spent a considerable amount of time discussing the Student Union, the Interdisciplinary Research and Commercialization Building and Legacy Hall. The Student Union has had some challenges and the committee has requested Kyle to work with a contractor to reach a conclusion and find a resolution for the better of all parties involved. An update on the operating budget and collective bargaining was provided to the Committee. Regarding collective bargaining, the university has now closed out all of its major employment unions except for K through 12 teachers union at Florida High. During the August meeting, the Board encouraged administration to develop a multiyear agreement moving forward instead of negotiating one year agreement. We’re pleased to report that there’s a new multiyear contract has been executed with the police union and graduate assistant union. Finally, the committee heard of the report from the FSU PD interim chief Justin Malloy. The committee was provided background on the credit law enforcement agency crime prevention tactics and other matters.

Following Trustee Gonzalez’s Committee report, Vice President Clark provided a report on several major capital construction projects on campus and how they are managed.

Interim Chief Justin Malloy provided a report on the various areas of the FSU Police Department including the mission statement, FSUPD Facts, Citizen Programs, and safety & crime prevention efforts.

C. Academic Affairs Committee

*Ms. Vivian de las Cuevas-Diaz, Chair*

*Dr. Sally McRorie, Provost*

Ms. de las Cuevas-Diaz, Chair of the Academic Affairs Committee, reported on the discussions of the Committee including the items that were approved on the Consent Agendas. Additionally, discussions regarding how they choose to add or remove certain curriculums (degree programs). There is a thought-out process to terminate degrees and to add new degrees.

Also discussed in the Committee Meeting was faculty recruiting & retention and how does FSU compare with tenure track. She shared some important facts including 50% tenure track faculty, 20% teaching, 13% research faculty and 9% comprised of library, clinical and other faculty positions. Of the 25 benchmarks, FSU scored above most of our peers on 22 benchmarks.

Dr. Joe O’Shea, Dean of Undergraduate Studies, provided a report on behalf of Provost Sally McRorie. Florida State University is a finalist for the APLU 2021Degree Completion Award.

We are currently at over 55,000 undergraduate applications with final deadline approaching on March 1. Graduate applications are currently over 14,000.
Some of the way Florida State celebrates its students include International Education/Transfer & First-Generation Student weeks.

Support for Students - $17.7M in federal aid were distributed to more than 16,000 students thus far – American Rescue Plan. HEERF funding for FSU students totals $40.1M – the remainder will be distributed in Spring 2022.

COACHE - Faculty Job Satisfaction Survey performed every three years. This is one of the primary ways to get a sense from faculty satisfaction. Areas of Strength are 22 of 25 areas.

Dean O'Shea discussed several new major grants that Florida State has received including:
- $15.8M NSF grant for new 40-tesla superconducting magnet design at the MagLab
- $12.8M NIH grant to foster faculty diversity in health sciences
- $6.5M NIH grant to study spread of HIV
- $3.1M NIH grant to address racial disparities in health

Student Success Grants
- $1.3M Talent Search grant to improve college enrollment for students at Title I schools
- $200K from Helios and $100K from Truist to support CARE and Unconquered Scholars
- $1M National Academy of Sciences grant for new Gulf Scholars program
- $250K Small Business Administration grant for FSU’s Jim Moran Institute for Global Entrepreneurship to support programs for military veterans

**Information Item**
1. International Programs
   
   *Dr. Jim Pitts, Director, International Programs*

   Dr. Pitts highlighted several of the campuses for International Programs including the Republic of Panama Branch Campus – established in 1957 with 450 students, Florence Study Center which was established in 1966 and averages 409 students, the London Study Centre – established 1971 with 582 students, and Valencia Study Center – established in 1997 with 638 students.

   He shared various photos and information about each campus.

**Action Item**
1. Requesting Approval of Proposed Emergency Regulation Amendment FSU-ER21-3 Public Records: Uniform Charge Procedure

   Trustee Weatherford moved to approve the Proposed Emergency Regulation Amendment FSU-ER21-3 Public Records: Uniform Charge Procedure. Trustee Alvarez seconded the motion and was approved unanimously.
D. Athletics
Mr. David Coburn, Vice President and Director of Athletics

Vice President Coburn reported on the NCAA Constitutional rewrite which includes NCAA priorities, three divisions with the authority and the autonomy to reorganize and restructure themselves on their own, reduces the board of governors from 21 people to 9 and includes student athletes as voting members of the board of directors as well as the governing boards of three individual divisions. Additionally, it embraces name image and likeness, but prohibits pay for play maintains the existing revenue allocations, which is interesting and the championship opportunities for each division and assures each division has the oversight of its own budget and revenue distributions within the division emphasizes mental health as well as physical health and puts a new emphasis on diversity and inclusion and gender equity.

Coburn spoke on the Playoff Governance Committee recent meeting. A consensus has not been reached regarding staying with a 14-team playoff or to go to a 12-team playoff.

The ACC Network’s negations with the Disney Comcast have not been finalized.

Information Item
Ms. Sue Semrau, Head Coach, Women’s Basketball

Coach Semrau addressed the Board and reiterated the importance of those that represent Florida State are to the athletic programs. She talked about the successes of the athletes because of those around them at Florida State University.

E. Student Government Association
Ms. Colbi Thykadavil, Student Body Vice President

Ms. Thykadavil introduced her team that have executed the executive projects for SGA. She recapped several of the events that SGA hosted including Homecoming Parade, Clock & Seal, Chief & Princess, Homecoming Live; FSA Conference and FSU’s Perfect Week.

F. Research Committee
Mr. Jorge Gonzalez, Chair
Dr. Laurel Fulkerson, Interim Vice President for Research

Trustee Gonzalez, Chair of the Research Committee, provided a report of the Research Committee. The initial Research Committee meeting took place on October 6, 2021. The focus of the initial meeting was to get an understanding of the research eco system. Dr. Fulkerson and her team were helpful in providing an understanding to the committee members. President McCullough provided his vision and perspective about research at the university, which was extremely helpful. There are many components of the ecosystem and one of the components is the potential for commercialization tech transfer. There was discussion about the major assets of university research to leverage more dollars. A mission statement is forthcoming, but the main goal is to find a way to be helpful to the
university, particularly in its research function. The next Committee meeting is Tuesday, November 16, 2021.

Following the Committee update, Dr. Fulkerson provided a brief report on FSU Research Funding, Faculty Fellows Pilot Program - Dawn Carr - College of Social Science and Public Policy, Eugenia Millender - College of Nursing, Iain Quinn - College of Music.

**Information Item**  
**Jawole Willa Jo Zollar, MacArthur Grantee**

Jawole Willa Jo Zollar, MacArthur Grantee, talked about her life, accomplishments, and achievements of today.

**G. Student Affairs Committee**  
**Mr. John Thiel, Chair**  
**Dr. Amy Hecht, Vice President for Student Affairs**

Trustee Thiel, Chair of the Student Affairs Committee, provided a report on the October 26, 2021, Student Affairs Committee Meeting. The Consent Item regarding the SUS Career Center Planning was discussed and approved by the Committee. This is required completion by the end of freshman year or student will not be able to register for new classes. Myrna Hoover presented the proposed plan to meet the criteria required by the State.

Trustee Thiel discussed the Committees recent visit to the Career Center’s Clothing Closet. He encouraged the Board to consider donating professional attire to the Clothing Closet.

Trustee Thiel has asked that the Career Center take an inventory of the various colleges on campus and what they are doing to help place students in jobs. This will help determine what is working.

**H. Faculty Senate Steering Committee**  
**Dr. Erin Ryan, Vice Chair**

Dr. Ryan provided a summary of recent Faculty Senate Steering Committee meeting including updating Senate bylaws dealing with teaching evaluation committee, distance learning committee, and torch award committees. Language was revised in the graduate bulletin providing guidance on English proficiency metrics and revise how the law school calculates GPAs to reflect industry standards. Discussion regarding the University Library’s policy on retiring books and how to ensure that narrow fields of research remain appropriately resourced. The Senate also considered requests for a permanent commitment to online course evaluations, and to revise graduate bulletin guidelines on under loads and overloads. The Senate delayed decisions on those pending further research in response to faculty concerns. A proposed policy is being considered to address outside threats to courses proposed by several senators after the cancellation of a history course under the pressure of extended external threats of violence. FSU’s five-year strategic plan expires soon, and the faculty would like to contribute to the conversation about what should go into the next one.
The Senate steering committee has discussed faculty recruitment, retention, and evaluation, including our existing means of post tenure evaluation.

Concerns about the security of academic freedom at Florida’s public universities remains high among faculty statewide. The state university system Advisory Council of faculty senates was deeply troubled by developments at the University of Florida regarding University decisions to prevent faculty from participating as subject matter experts in litigation by members of the public against various new state laws. These decisions though they were taken solely at the University of Florida, through negative national press to all of Florida’s public universities, harming our own ability to recruit and retain high quality faculty and even students following the issues. The advisory council responded quickly and unanimously with an emergency resolution on threats to academic freedom, which we adopted a number on November 4, and which was read aloud to the Board of Governors at their meeting by our chair, Dr. Bill Self, who sits as a member of the Board of Governors.

Chair Collins reiterated that there are no stronger advocates for freedom of speech, freedom of debate, freedom of ideas, freedom of conversation about those ideas than this board.

I. Governance Committee

Mr. Bob Sasser, Chair
Ms. Carolyn Egan, General Council

Trustee Sasser, Chair of the Governance Committee, reported on the October 25, 2021, Committee meeting. The Committee was presented with proposed revisions and reorganization of board policies including Public Comment and Concern for Dismissal. Both policies passed unanimously through the Committee and were recommended for full board approval. Additionally, the Ethics and Conflict of Interest policies were two separate policies and there was interest in consolidating the two policies. This was not aggregable with the Committee to combine the two policies; therefore, this policy will be brought back to the committee for review. The Committee Charter was also reviewed and approved by the Committee.

The Committee was presented with the President’s Goals & Objectives and were recommended for full board approval.

Action Items

1. Requesting Approval of Board of Trustees Policy 1-2: Comment at Public Meetings

Trustee de las Cuevas-Diaz moved to approve Board of Trustees Policy 1-2: Comment at Public Meetings. Trustee Alvarez seconded the motion. Trustee Chicken asked for discussion on the item. He believes that it is not a good idea to limit the Public Comments to just the agenda items due to possible additional subjects that may need to be heard. Chair Collins feels the board should listen, but if there is a large agenda and Public Comments are allowed on a topic that just occurred the previous day, there is a possibility the board or public may not have all the facts or information that should be known. Action cannot be taken on any public comments that is not on the agenda.
Chair Collins recommended the item be tabled for another meeting.

Trustee Mateer asked for clarification on the legal obligation since items can be brought up, but the Board is unable to act on it if its not on the agenda.

Ms. Egan provided clarification on the obligation of the Public Comment item. The Policy stems from a Statute that requires some port of entry for the public to take a position before the Board takes an action or vote on an item. She also clarified that this are other means of communication with the Board including an email address. The purpose of the law changed in 2017 was to allow at least one opportunity to weigh in – one side or other – before the Board takes a legal action by vote. This opportunity is the Public Comments session.

Chair Collins asked Ms. Egan to read the newly proposed language to be added to the Public Comment Policy.

Ms. Egan requested that the following be added to the end of Section 2 – The Board Chair also has discretion to permit public comment on subjects related to university business that are not on the meeting agenda.

Chair Collins asked for comment. Trustee Chicken acknowledged that the added language was a fair compromise.

Trustee Mateer moved to approve Board of Trustees Policy 1-2: Comment at Public Meetings with the proposed amendment. Trustee de las Cuevas-Diaz seconded the motion.

2. Requesting Approval of Board of Trustees Policy 1-6: Board Dismissal

Trustee de las Cuevas-Diaz motioned to approve Board of Trustees Policy 1-6: Board Dismissal. Trustee Collins seconded the motion and was approved unanimously.

3. Requesting Approval of President’s Goals

After short discussions, the Board voted unanimously to approve the President’s Goals and Objectives as presented.

J. Audit and Compliance Committee

Mr. Max Alvarez, Chair
Dr. Sam McCall, Chief Audit Officer
Ms. Robyn Blank, Chief Compliance Officer

Trustee Alvarez, Chair of the Audit and Compliance Committee, briefed the Board on the Committee meeting. He mentioned the retirement of Dr. Sam McCall and a search firm has been secured to proceed. Additionally, the Sunshine Law and Code of Ethics were discussed during the Committee meeting.

Vice President Clark provided an update on the search process for Chief Audit Officer. The Audit Committee and Search Firm have met to review the position profile and advertisement. The Search Firm will be meeting with Dr. McCall and others in the upcoming weeks. If Trustees would like to meet with the Search Firm, please let VP Clark know.
Dr. McCall provided a brief update on information regarding Fraud Detection and Prevention.

K. Legislative Update

Mr. Clay Ingram, Chief Legislative Officer

Mr. Ingram provided a legislative update regarding upcoming session which will begin January 11, 2021. Committees are occurring now and will end about two weeks. The special session will be held next week to focus on federal vaccine requirements and other COVID-19 related items.

Gearing up for session, various meetings have taken place including visits to the NHMFL. The LBR for 2022-2023 includes a $15.8 million ask for the NHMFL for critical infrastructure work on the electrical system.

At the Federal level, the contract team was on campus and had very productive meetings. Mr. Ingram reemphasized that there are so many things happening at Florida State University that it is worthy to focus on the Federal investment.

Seminole Evening is February 8, 2021, and FSU Day at the Capitol is February 9, 2021. Fun day to showcase the University.

VI. CHAIR’S REPORT

Mr. Peter Collins, Chair

Chair Collins asked to revisit the Public Comments Policy due to added/proposed amendment language (see Governance Committee, Action Item 1).

Chair Collins expressed his appreciation on their diligence on the separation of the Committees. It has allowed more of a conversation during the meetings.

The next meetings announced:
February 8 & 9, 2022
April 18-20, 2022
June 22, 2022

VII. OPEN FORUM FOR BOARD OF TRUSTEES

VIII. ADJOURN

The meeting was adjourned at 3:47 pm.
CONSENT ITEM A
TO: President Richard McCullough
FROM: Provost Jim Clark
DATE: January 20, 2022
SUBJECT: Proposal to Explore Master's in Physical Environmental Science
Request for Approval

The proposed Master's degree in Physical Environmental Science will focus on theoretical aspects of physical science such as the fundamentals of terrestrial processes, aquatic and atmospheric systems, and interactions between the environment and geoscience systems. It will draw on the expertise of existing faculty within the Department of Earth, Ocean, and Atmospheric Sciences to offer a two-track master's degree – a thesis track for those students who aspire to pursue the doctoral program in Physical Environmental Science and a project track for those seeking employment as an environmental scientist. The degree will be offered face-to-face on the Tallahassee campus.

Employment demand data from the US Bureau of Labor Statistics predicts an 11% level of growth from 2016 to 2026, exceeding the average for all occupations, for environmental scientists (See: https://www.bls.gov/ooh/). In 2020, they reported that masters-prepared environmental scientists and specialists earned a median annual wage of $73,230.

No programs currently exist in the State University System within this specific degree category. The degree will be classified as a Board of Governors Program of Strategic Emphasis in the STEM designation. BOG regulation 8.004 (Academic Program Coordination) requires the Board of Governors to coordinate a review with the Council for Academic Vice Presidents (CAVP) to inform both institutional and System-level strategic planning. The group designated by the CAVP to conduct these reviews expressed no concerns regarding this Proposal to Explore.

Because the degree is designed to take advantage of existing faculty resources, no new resources are being requested to establish this new program. In fact, new courses developed for Physical Environmental Science will be open to students outside the program, enhancing the quality of existing programs with minimal investment. The Board's approval to explore the degree does not obligate the University to provide any resources requested; any request will be reviewed as part of the annual allocation of resources.
CONSENT ITEM B
TO: President Richard McCullough
FROM: Provost Jim Clark
DATE: January 20, 2022
SUBJECT: Proposal to Explore Master’s in Climate Solutions
Request for Approval

The proposed Master’s degree in Climate Solutions will impart specific knowledge and a set of skills in climate science, engineering principles, quantitative methodologies, and collaborative teamwork to students. This will equip them to participate in public/private partnerships designed to reduce climate risks of all types, issues that are central to Florida’s quality of life and continued economic prosperity. The program culminates in a hands-on group project pairing students with companies, non-governmental organizations, and government agencies that face practical climate-based challenges.

The College of Social Sciences and Public Policy is collaborating with the FAMU-FSU College of Engineering as well as the Department of Earth, Ocean, and Atmospheric Science, the College of Communication and Information, and the Jim Moran College of Entrepreneurship to develop this cutting-edge interdisciplinary degree. No similar degree programs currently exist in the State University System. The Climate Solutions degree will be classified as a Board of Governors Program of Strategic Emphasis in the STEM category.

Climate Solutions graduates will have a choice of several professional paths, including environmental scientist, resilience officer, operations research analyst, community service manager, and logistics planner, with median salaries ranging from $67,150 to over $100,000. Employment demand data from the US Bureau of Labor Statistics indicates a 5% to 6% level of growth across these job titles (See: https://www.bls.gov/ooh/). The degree will be offered face-to-face on the Tallahassee campus.

BOG regulation 8.004 (Academic Program Coordination) requires the Board of Governors to coordinate a review with the Council for Academic Vice Presidents (CAVP) to inform both institutional and System-level strategic planning. The group designated by the CAVP to conduct these reviews expressed no concerns regarding this Proposal to Explore.

Discussions are underway to determine what new resources are needed to support the program in the short and long-term. The Board’s approval to explore the degree does not obligate the University to provide the resources requested; any request will be reviewed as part of the annual allocation of resources.
CONSENT ITEM C
TO: President Richard McCullough

FROM: Provost Jim Clark

DATE: January 20, 2022

SUBJECT: Proposal to Explore Ph.D. in Nursing
Request for Approval

The proposed Ph.D. in Nursing will prepare nurse scholars who will contribute significant new knowledge to the science of nursing, addressing the factors influencing the health of diverse populations, and who will help meet the urgent demand for academic faculty in the nursing field. Adding to the pool of Ph.D.-prepared nursing faculty will eventually impact the critical shortage of bachelor's-level R.Ns in Florida and across the U.S., because a shortage of faculty causes nursing programs to reject many qualified undergraduate applicants.

The College of Nursing has aspired to developing a Ph.D. program for years and has recently acquired the leadership and the resources to accomplish that goal. The degree will be classified as a Board of Governors Program of Strategic Emphasis in the HEALTH category.

Graduates from nursing Ph.D. programs in tenure-track faculty positions made a median salary of $87,772 (as of 2017), with a range between $70,717 and $128,853, according to the American Association of Colleges of Nursing. The degree will be offered online from the Tallahassee campus, with high standards for meeting the university's scholarly engagement requirement as well as a required annual in-person meeting on campus.

BOG regulation 8.004 (Academic Program Coordination) requires the Board of Governors to coordinate a review with the Council for Academic Vice Presidents (CAVP) to inform both institutional and System-level strategic planning. The group designated by the CAVP to conduct these reviews expressed no concerns regarding this Proposal to Explore. In fact, although five similar programs exist in the State University System, the consensus is that the unmet need is great enough to justify more development.

The resources necessary to offer the program have been obtained; several new faculty have been hired and five more will be added prior to implementation of the degree. Note that Board’s approval to explore the degree does not obligate the University to provide any resources requested; requests will be reviewed as part of the annual allocation of resources.
CONSENT ITEM D
TO: President Richard McCullough

FROM: Provost James Clark

DATE: January 20, 2022

SUBJECT: Termination of the Master of Science in Nurse Anesthesia Request for Approval

The College of Applied Studies at FSU Panama City has requested that the following degree program be terminated at the Master’s level, effective Summer 2023:

51.3804 Nurse Anesthesia

This degree is being replaced by the professional Doctorate in Nurse Anesthesia Practice (DNAP), which has become the standard for professional practice in the field. The last cohort of master’s students was admitted in Summer 2019 and will complete their degrees in Fall 2022. The faculty currently teach in both programs, so terminating the master’s level of the degree will have no impact on their employment, other than enabling them to focus on one student level instead of two.

There will be ample time for students enrolled in the degree program at this level to finish, including those who experience an interruption in their studies. In addition, the change does not diminish future students’ opportunities, because the DNAP is now considered the degree that meets the common standard of excellence in practice, and they will be seeking admission into that degree program.

The Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) has been notified of the University’s intention to terminate the program at the Master’s level, pending Board of Trustees approval.
CONSENT ITEM E
TO: President Richard McCullough

FROM: Provost James Clark

DATE: January 20, 2022

SUBJECT: Regulation Amendment FSU-2.023 Public Records, Uniform Charge Procedure Request for Approval

The Board of Trustees previously approved this amendment as an emergency Regulation on November 12, 2021. This Regulation amendment has now been fully noticed under normal procedures with no public comment and may be approved by the BOT.

The amendment adds “University email addresses” to the university’s definition of directory information under the Family Educational Rights and Privacy Act. This would make just student’s official university provided email address it public unless otherwise specifically requested by the student. It would not affect the status of student emails themselves. The university would like to combine the student email system with the employee system to provide a single authentication identity for each student/employee, improved collaboration, remote instruction, consistent management, and particularly for enhanced security protection. Other SUS institutions also define student email addresses as directory information.

In November, the board authorized this change as an Emergency Regulation to be effective immediately under BOG Regulation Procedures. The need for the emergency regulation was to provide immediate enhanced ability for system protection. As an emergency regulation, it became effective for 90 days. This request for approval is to amend the regulation under normal notice and adoption procedures.
PROPOSED REGULATION AMENDMENT

FSU-2.023 Public Records: Uniform Charge Procedure.

(1) This regulation constitutes the University’s uniform procedure for the assessment and collection of charges for the duplicating or copying of public records, at the request, or for the benefit of, any individual citizen or non-University-related, non-state agency organization or enterprise.

(2) In construing this rule where context will permit:
   (a) The following terms are defined by the provisions of Section 119.011, F.S.:
      1. “Public Records”;
      2. “Criminal Intelligence Information”;
      3. “Criminal Investigative Information”.
   (b) “Directory Information – Students”.
      1. This term consists of, and applies to the following information on a student:
         a. Name, date and place of birth;
         b. Local address and University provided email address;
         c. Permanent address;
         d. Classification;
         e. Major field of study;
         f. Participation in official University activities and sports;
         g. Weight and height of members of athletics teams;
         h. Dates of attendance at the University;
         i. The most recently attended educational institution;
         j. Degrees, Honors and Awards Received.
         k. Student identifier number, commonly known as EMPLID.
      2. Directory information on students may be released or published by the University without prior written consent of the student unless exception is made in writing by the student.
(3) Records Confidential or Exempt from Public Inspection. The University may not provide those records confidential or exempt from public disclosure by Section 119.071, F.S., or any other general law or special act when such laws or acts are applicable to an activity of the University. Confidential or exempt records of the University include:

(a) Criminal intelligence records.

(b) Criminal investigation records.

(c) Academic evaluations of employee performance.

(d) Certain student records, including those in the academic permanent folder, excluding directory information as defined herein.

(e) Records of the University Health Center and Counseling Center.

(f) Records of the University Attorney prepared for or in anticipation of adversarial criminal, civil or administrative proceedings.

(g) Sealed bids, proposals, or replies received pursuant to a competitive solicitation and, prior to their opening or notice of an intended decision.

(h) Documents regarding negotiations for acquisition of real estate.

(i) Data processing software obtained under a licensing agreement which prohibits disclosure.

(j) Trade Secrets.

(k) Complaints and other records relating to a complaint of discrimination involving race, color, religion, sex, national origin, age, handicap, marital status, hiring practices, position classification, salary benefits, discipline, discharge, evaluation, or other related activities.

(l) Certain records related to Research and Grants.

(m) The records of direct support organizations such as the Florida State University Foundation, and the Seminole Boosters.

(4) Uniform Charge Procedure.

(a) Persons or organizations making requests for copies of public records shall reimburse the University for applicable costs. If the nature or volume of the
record(s) is such as to require extensive clerical or supervisory assistance by University personnel in addition to the cost of duplication, a special service charge shall be assessed based on labor costs as provided herein. Charges for copying public records shall be levied and collected by the custodian of the records reproduced.

(b) Private citizens or private organizations shall be assessed a charge of 15 cents per one sided copy, and an additional 5 cents per two-sided copy. Each printed side of a copy shall count as a page.

(c) When University personnel time or supervisory assistance devoted to researching, retrieval and/or copying of University records or use of information technology resources exceeds thirty (30) minutes, it shall be considered extensive use of information technology resources or extensive clerical or supervisory assistance. In such case, the University may charge, in addition to the actual cost of duplication, a special service equal to the reasonable actual costs incurred.

(d) Computer discs or other portable storage devices provided by the University shall be charged at cost.

(5) Processing Payment for Copies.

(a) Fees assessed for the copying of public records shall be paid prior to the requester receiving the copies. Fees assessed as a special service charge shall be paid prior to any extensive use tasks being undertaken. Payment may be made by cash, check, or money order.

(b) All monies collected from such transactions shall be deposited with the University Cashier, using the standard University deposit slip, FSU Form DT118 (Rev. 6-73), incorporated herein by reference and available to record custodians from the University Printing and Postal Services office. The Cashier’s Office requires only an original of the Deposit Slip.

(c) Depositors will use the Revenue Object Code 001901. The Explanation of Deposit on Form DT118 will be used to identify record revenues from transactions exceeding ten (10) pages of printed copy or services rendered in excess of thirty (30)
minutes. Originators of the completed Deposit Slip may make copies of Form DT118 for departmental records and they may also be utilized by a custodian as a receipt for payment made and information received.

CONSENT ITEM F
MEMORANDUM

TO: President Richard B. McCullough

FROM: Andy Jhanji
Interim Vice President for Advancement

DATE: 

SUBJECT: Request Approval of Amendment to Policy
FSU Policy 8-1, Gift Acceptance and Counting Policies

Summary of Changes

The Gift Acceptance and Counting policy changes outlined in this memo were approved by the University Board of Trustees committee for University Advancement on December 13, 2021.

The changes include, the incorporation of relevant real estate gift acceptance policies and procedures, updates position and entity titles and terminology, provides updated definitions and requirements of protected classes under gift agreements (Any preference for listed protected classes must be stated clearly only as a donor preference). The updated policy also clarifies the legal ownership and title of gifts, recognizing that some gifts may remain titled in the DSO or Foundation while others need to be formally titled in the university. The distinction between grants and gifts is clarified. Finally, the provisions regarding foreign gifts and reporting are updated to reflect current law.

I recommend your approval of this request.

Approved

[Signature]
President
Florida State University Policy 8-1 Gift Acceptance and Counting Policies
(Revised 9/28/18)

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I. INTRODUCTION

A. Vision and Mission

Florida State University (FSU) is supported by various Direct Support Organizations (DSOs) that enhance FSU through organized engagement of alumni and friends, fundraising activities, and resource management.

The DSOs accomplish their missions in support of the University by:

- soliciting contributions for academic, research, athletic and co-curricular purposes as part of FSUs overall advancement effort;
- investing and disbursing funds according to donors’ wishes and University policy to promote the long term growth of the University and;
- engaging and strengthening relationships with alumni and friends of FSU.

B. Operating Principles

Our fundraising activities:

- support the mission of the University;

  involve alumni, parents, friends, faculty, staff, students, corporations and foundations who support FSU.

Our donors have the right to be:

- assured their gifts are used for the intended purposes;
- protected from improper or careless use of their confidential information and;
- acknowledged and recognized appropriately for their support.

Our employees:

- work together as a team in cooperation with University administration, faculty, and staff;
➢ maintain high ethical and professional standards; and receive recognition and rewards for proven achievements

SECTION 1.0 GIFT AGREEMENTS

The terms of all gifts of $25,000 or more to the DSOs that support FSU will be specified in an acceptable written document signed by the donor and authorized representatives of the University. Generally, and preferably, the written document is a formal gift agreement outlining the program to be supported, the donor’s intended use of the funds, the unit charged with administration of the fund, and the schedule of contributions. However, for gifts to existing funds, the University DSOs may choose to accept other written forms of communication such as a signed letter, pledge form, memorandum of understanding or email from the donor to document gifts of $25,000 or more. Gifts of less than $25,000 may also be committed through a gift agreement signed by the donors or an acceptable form of written communication such as the options listed above. The University sends an acknowledgement letter to the donor immediately following the commitment to the pledge.

Prior to obtaining a donor’s signature, gift agreements in support of academic, research, and co-curricular initiatives for gifts of $100,000 and above must be reviewed and approved by University General Counsel. The FSU Foundation Vice President of Central Development or designee is responsible for coordinating with the Office of the General Counsel.

Gift agreements and amendments require all of the following signatures:

- For gifts larger than $100,000:
  - Donor or donors
  - Dean or University vice president who will administer the gift
  - University General Counsel
  - Vice President for Research (for gifts supporting research)
  - President of the University
  - Provost/Executive Vice President for Academic Affairs; and
  - President of the Florida State University Foundation

- For gifts of less than $100,000 where a gift agreement is used:
  - Donor or donors
  - Dean or University vice president who will administer the gift
  - Vice President for Research (for gifts supporting research)
  - Executive Vice President of the Florida State University Foundation

Gifts larger than $100,000 in support of athletics must use the standard athletics gift agreement template, which is pre-approved by University General Counsel.
Any gift agreements for gifts larger than $100,000 in support of athletics that deviate from the standard approved athletics gift agreement template must be reviewed and approved by University General Counsel prior to obtaining a donor’s signature.

Gift agreements in support of athletics require the following signatures:

- For gifts larger than $100,000 using standard athletics gift agreement template:
  - Donor or donors
  - President of Seminole Boosters, who will administer the gift
  - Vice President/Director of Athletics
  - President of the University

- For gifts larger than $100,000 not using a standard athletics gift agreement template:
  - Donor or donors
  - President of Seminole Boosters, who will administer the gift
  - University General Counsel
  - Vice President/Director of Athletics
  - President of the University

- For gifts of less than $100,000 where a gift agreement is used:
  - Donor or donors
  - President of Seminole Boosters, who will administer the gift
  - Vice President/Director of Athletics

All agreements for gifts made exclusively to the Ringling Museum of Art Foundation require all of the following signatures:

- For gifts larger than $100,000:
  - Donor or donors
  - Executive Director of the Ringling Museum of Art
  - Chair of the Ringling Museum of Art Foundation Board of Directors
  - University General Counsel
  - President of the University
  - Provost/Executive Vice President for Academic affairs
  - Vice President for University Advancement

- For gifts of less than $100,000 where a gift agreement is used:
  - Donor or donors
  - Executive Director of the Ringling Museum of Art
  - Chair of the Ringling Museum of Art Foundation Board of Directors
  - Vice President for University Advancement
All agreements for gifts made exclusively to the Ringling Museum of Art Foundation will follow the same review process through the FSU Foundation as other gift agreements, even if the FSU Foundation is not a party to the agreement.

All donors who wish for their gift to benefit academic programs and be matched under the provisions of the state matching funds program or other matching program must include in the agreement that the appropriate DSO shall apply for and receive any matching funds from federal, state, or private sources that might be available as a result of their gifts. (Note: Florida State University cannot guarantee state matching gifts or the continuation of the state matching gift program.)

1.1 Gift Agreement Guidelines

1. When awarding scholarships, fellowships, professorships or grants, provisions that restrict gifts based on race, color, sex, religion or creed, national origin or ancestry, citizenship, age, disability, veterans’ or marital status, genetic information, sexual orientation, gender identity, gender expression, or any other protected group status are prohibited, consistent with state and federal laws; however, language indicating a donor preference is permissible. Whenever a proposed gift involved such a class, Foundation management and the Office of General Counsel should be consulted as to specific language.

2. Preferences for relatives or descendants in the awarding of scholarships or in the use of donated funds are prohibited.

3. Gifts for a fellowship or scholarship, made on the condition or with the understanding that the award will be made to a student of the donor’s choice, is considered a directed scholarship and, will not be recorded as a gift to FSU. However, money received subject to such restrictions may be submitted directly to Student Business Services with a cover letter or other appropriate documentation identifying the student and reason for payment.

4. The terms of any gift should be: (1) as flexible as possible to permit the most productive use of the funds and (2) as consistent as possible with the original intent of the donor.

5. Gifts that restrict or impede the work or scholarly activity of a faculty member, fellowship holder or student will not be accepted.

6. No fellowship or scholarship gift will be accepted if the terms of the gift in any way include a commitment for the future employment of the student recipient.

7. A donor may not retain any explicit or implicit control over the use of a gift after acceptance by the institution. It is the preference of FSU that a donor not serve on committees involved in the selection or evaluation of students or faculty members who would benefit from the gift. Exceptions may be authorized in advance by the Vice President for University Advancement and the
Provost/Executive Vice President for Academic Affairs. If approval is given to serve on such a committee, the donor may not control more than 25 percent of votes.

8. Conditional pledges will not be accepted without the review and approval of the Vice President for University Advancement and vice president overseeing the college/unit benefitting from the gift. A conditional pledge requires a future event to take place before the promise becomes binding on the donor. The University discourages gifts made with the condition that some or all the contribution be returned to the donor or disbursed to another non-profit organization not associated with FSU. The gift agreement should reference the process that will take place in the event the fund cannot be used for the purpose stated in the agreement, or if eligible scholarship applicants are not identified during a consecutive two-semester period.

9. Language should be included in the gift agreement if a donor intends to seek additional funds through a corporate matching gift program. The gift agreement should clearly state that a corporate match cannot reduce a donor’s personal pledge, because neither the donor nor the University has influence or control over whether a company fulfills a corporate matching gift. Personal guarantees of corporate matches should also be indicated, and a secondary pledge will be booked in these cases.

1.2 Changing Donor Restrictions

The use of donated funds for a purpose other than that stipulated by the donor is prohibited. If another use is deemed necessary, consent for using the funds in a different manner may be sought from the donor or may be altered in accordance with the terms of the gift agreement. If the use becomes impossible or unlawful, court approval may be sought to alter the use. Similarly, for a donor to change the originally stated use of donated funds, the change must first be to by appropriate University officials in an amendment to the original gift agreement, signed by the original parties or their successors.

If donor is deceased, please refer to DSO funds management policy, specifically Florida Uniform Prudent Management of Institutional Funds Act (UPMIFA), which governs the changing of donor restrictions in such instances.

1.3 Multiple Donors

More than one donor may agree to participate in a gift agreement for a common purpose or fund, in which case all parties to the agreement must sign individual pledge forms indicating their dollar commitments. If the various individuals or entities are planning different gift payment schedules, those different schedules should be clearly indicated.

SECTION 2.0 CASH & CASH EQUIVALENTS

2.1 Cash and Cash-Equivalent Gifts
Cash gifts are defined as currency, checks, credit cards, electronic fund transfer (EFT), wire transfers, Automated Clearing House (ACH), payroll deduction, marketable securities, and corporate matching gifts and may be accepted in any amount. The DSOs of FSU accept all the following methods of cash gifts and encourage all donors to indicate with clarity the purpose and intention of their gift.

- **Currency:** Currency can be mailed or hand delivered. The University recommends that all donations of currency collected on campus be hand delivered to the appropriate DSO office. Currency collected on campus shall be held no more than two business days before delivery to the appropriate processing office. Once the cash is received at the office, it will be counted, verified, and receipted.

- **Checks:** Donors should indicate the purpose of their gift on the check and enclose any related documents needed to process their gift. All checks must be payable to the appropriate DSO and shall in no event be payable to an employee, agent, or volunteer for the credit of the DSO. Checks collected on campus shall be held no more than two business days before delivery to the appropriate processing office. Contributions made by check are effective for income tax purposes when the check is unconditionally delivered or mailed (as indicated by the postmark).

- **Credit Cards:** The DSOs accept the following credit cards as payment for a contribution: Visa, MasterCard, American Express, and Discover. The IRS has ruled that a contribution charged to a bank credit card is deductible by the donor when the amount is actually charged since the cardholder becomes immediately indebted on the date of the charge.

- **Electronic Funds Transfer (EFT)** via checking or savings account: Donor must submit a signed authorization form and a voided check or deposit slip with bank routing and account numbers.

- **Wires:** Donors should contact a development officer or the appropriate business office to discuss this type of transaction prior to submission.

- **ACH:** Donors should contact a development officer or the appropriate business office to discuss this type of transaction prior to submission.

- **Payroll Deductions:** The DSOs may accept gifts made via payroll deduction. Donors must submit an authorization form.

- **Marketable Securities:** If there is an active market for the contributed stocks or bonds on a stock exchange, in an over-the-counter market, or elsewhere, the fair market value of each share or bond is the average price between the highest and lowest quoted selling prices on the valuation date. The valuation date of a contribution is the date that the property is
received by the DSO. Ordinarily, securities will be sold immediately upon receipt. In rare cases, securities may be held if they are deemed appropriate within the overall investment strategies of the DSOs. Marketable securities will be valued per IRS regulations. For campaign reporting, gifted securities are recorded at the valued amount without regard to expenses associated with the transaction. It is strongly recommended that gifts of securities be sent via Depository Trust Company (DTC). However, if a physical stock certificate is given it should have properly endorsed transfer documentation. Donors should contact a development officer or the appropriate business office to discuss this type of transaction.

- **Closely Held Securities:** Securities that are not publicly traded may be accepted by the DSOs upon the recommendation of the Vice President for University Advancement. Development officers shall make no commitments for the acceptance of these gifts without written acknowledgement from the Vice President for University Advancement. A detailed explanation surrounding the circumstance of the stock, the company, and the donor’s reason for this gift must be documented and provided to the Vice President of University Advancement. Gifts of closely held stock will be counted at fair market value at the date of the gift, in accordance with IRS regulations or, if over $10,000, by the value placed on them by a qualified independent appraiser as required by the IRS for valuing gifts of non-publicly traded stock.

- **Corporate Matching Gifts:** For counting purposes, donors receive gift recognition credit for a matching gift from their employer. Donors receive this gift recognition credit when the DSO books the matching gift expectancy (pledge). The corporate entity received gift recognition credit on the date that the matching gift is received. For tax purposes, the official donor is the company matching the gift.

**Section 2.2 Gift Date**

- Cash gifts (checks, cash, credit cards) will be credited on the date deposited, except at the end of the calendar year, in which case the gift date will be the USPS postmark on the envelope for cash and checks. Credit cards must be charged on or before December 31 for tax credit in a calendar year, regardless of postmark.
- Online gifts are credited on the date the transaction is processed by our credit card merchant, which goes by Eastern Time or the next business day.
- Marketable securities will be credited at the average of the high and low quoted selling price during the date received by FSU.
- Planned Gifts will be credited on the date of approval by the CFO of the respective DSO, or the date the DSO receives funds for an annuity or trust.
- Gifts-in-kind (GIK) will be credited on the date that the DSO accepts the item donated, with Unit Head approval. There is a gift-in-kind acceptance form, which requires the Dean or head of the unit receiving the GIK to sign and indicate the date they received it. (See Section 4.0, GIFTS-IN-KIND)
• Pledges will be credited on the date that the donor signs the gift agreement or pledge documentation or confirms their intent via email.
• The date used for tax purposes is at the discretion of the donor and/or his financial advisor.

SECTION 3.0 PLEDGES

FSU encourages and accepts pledges as a convenient method for donors to make gifts supporting the institution. Two types of pledges are accepted:

• **Oral pledges.** The only oral pledges counted by the University are those made by its authorized phonathon programs or for Annual Fund level pledges made via the Annual Giving, Donor Relations, or Gift Services Department. The University sends an acknowledgement letter to the donor immediately following the commitment to the pledge.

• **Written pledges of assets.** The University requires written documentation of pledges that are not made pursuant to an authorize phonathon, regardless of the pledge size or duration of the pledge period.

### 3.1 Pledge Documentation

For pledges greater than $25,000, the DSOs of FSU strongly encourage a written gift agreement that stipulates the amount of the commitment, the purpose, payment period, gift administration, and donor recognition. However, written documentation from the donor of a pledge form, signed letter or memo or email is also acceptable.

For pledges of less than $25,000, FSU requires written documentation from the donor in the form of a gift agreement, pledge form, signed letter or memo, or email.

### 3.2 Pledge Duration

DSOs of FSU accept pledge periods of up to five years. Pledge periods greater than five years must be approved by the Vice President for University Advancement. If a donor is to be recognized with a naming opportunity, it should adhere to the Naming Policy of FSU.

### 3.3 Pledge Reminders

DSOs of the FSU send pledge reminders within 24 hours following oral pledges to the authorized phonathon (as referenced in Section 3.0). For non-annual fund pledges (see above), the authorized
DSO sends pledge reminders coinciding with the scheduled pledge payments as outlined in the written documentation.

3.4 Pledge Review

The authorized DSO will conduct an annual review of all open pledges to ascertain their viability and the likelihood of their fulfillment. Most unfulfilled, single-year annual fund pledges are written off, since the purpose of the annual fund is to generate operating support for a specific fiscal year. In the case of unfulfilled annual fund pledges over $1000, the DSO will individually determine whether to write off or write down the pledges or contact the donors. If there has been no payment activity on the pledge for three years from the date of the current pledge review, a letter will be sent to the donor inquiring about the state of the pledge. If no response is received from the donor within 30 days, the pledge will automatically be written off or reduced.

Campaign Pledges

Even though the duration of a fundraising campaign at FSU may be longer than five (5) years, the standard pledge period remains at five (5) years unless exceptions are made with the approval of the Vice President for University Advancement. If a period longer than 5 years is approved, the DSO will count the full value of that pledge during the campaign. If a donor makes a pledge on the very last day of the campaign, the full amount of that pledge will be counted in the campaign.

3.5 Legal Entity

Only the individual or entity exercising legal control over his/her or its assets can make a pledge. Therefore, an individual cannot commit funds that might come from a donor-advised fund, community foundation, or corporate matching gift program. A countable pledge includes only those funds that will be given by that legal entity. Therefore, if a donor-advised fund enters into its own gift agreement with FSU, a pledge can be recorded with the donor-advised fund as the donor. If a donor has a recorded pledge and sends payments via their donor-advised fund, the pledge installment paid via the donor-advised fund will be written off.

3.6 Paying Pledges for Others

Typically, only the donor who is making the pledge (the legal entity noted above) can pay the pledge. Payments cannot be made by others on that donor’s behalf. Two exceptions to this are:

1. Pledge payments made by a business over which an individual donor as majority ownership.
2. Pledges made to secure priority seating at athletic events.
3. Other exceptions may be granted with approval from the DSO Head or designee.

3.7 Donor-Directed and Donor-Advised Funds
A donor-directed fund is established by the donor sending an asset to a financial institution or foundation for investment and safekeeping. The assets remain in the name of and under the control of the donor. At some future point, the donor will contact the financial institution or foundation and direct it to make a gift to a qualified charity. When that gift is made, the original donor who directs the gift is the legal donor and would get hard credit.

With a donor-advised fund, the donor gives an asset to a 501(c) (3) tax-exempt organization (such as a community foundation) as a gift to that entity. The asset is then in the name of and control of that entity. At some future time, the donor will contact the organization holding the fund and direct it to make a gift to a qualified charity. When that gift is made, the third-party organization controlling the fund is the legal donor, and should get hard credit. Soft credit should go to the original donor (the individual) to the donor-advised fund. Donor-advised gifts from 501(c) (3) entities such as community foundations cannot be applied to personal pledges, because of potential tax penalties to the original donor.

A donor may also make a bequest to a DSO of FSU that will be paid through a donor-advised fund.

3.8 Matching Gifts

The DSOs of the FSU encourage donors to apply for any available matching gifts or to authorize the DSOs to apply for matching gifts. However, because the donor has no control over matching gifts, the matching gifts cannot be counted as part of the pledge. Donors receive recognition credit on their donor records for corporate matching gifts, as those gifts are received. If a donor personally guarantees a multi-year match in the event his/her company does not fulfill the match, a secondary pledge will be booked.

3.9 Amending a Pledge Period

A donor may amend his or her pledge payment schedule if his or her personal circumstances change substantially and affect his/her ability to fulfill the pledge as originally recorded.

SECTION 4.0: GIFTS-IN-KIND

In-kind giving is a type of philanthropy that involves the noncash donation of materials or long-lived assets other than real estate and securities. Gifts-in-kind support the mission of the FSU and enhance the quality of education and research. Types of gifts-in-kind vary from items such as software, works of art, vehicles, equipment, etc. Per Council for the Advancement and Support of Education (CASE) and IRS regulations, all gifts-in-kind should be reported at face (or fair market) value. This policy shall conform to all relevant federal and state laws and regulations. This section does not address real property which is covered in Section 6.0 Real Estate.
4.1 Gift-In-Kind Acceptance

A donation of a gift-in-kind of tangible personal property may be accepted on behalf of the University by the FSU DSO subject to the following provisions:

- The gift is consistent with the mission of the University.

- Acceptance of the gift does not involve significant additional expense in its present and/or future use, display, maintenance, or administration. If such expenses are involved, identification of the items and hard dollar costs associated with carrying the gift must include the source of funding and the projected timeframe for carrying the gift. Subsequently, non-recurring obligations and the University personnel responsible for the fulfillment of such obligations must be identified. Any academic unit benefiting from a gift-in-kind must agree in writing to fund carrying costs or absorb the costs, regardless of whether the donor agrees to pay.

- For gifts-in-kind of used property potentially valued at $5,000 and above, an independent qualified appraisal must accompany the gift-in-kind acceptance form and the donor must be apprised of IRS requirements and regulations, including IRS Publications 561 and 526 and IRS Forms 8283 and 8282. (For more information regarding appraisals, see section 4.9 and Attachment A). For gifts-in-kind of used property valued below $5,000, an appraisal is not required per the IRS.

For gifts-in-kind of new property (i.e. software, equipment directly from manufacturer), an independent appraisal is not needed. In these instances, documentation must be provided to substantiate that the item is valued appropriately based on open market pricing. Appropriate documentation includes a company invoice, purchase receipt, or published value (paper or internet). Depreciation related to gifts of equipment may not be counted as part of the gift.

- Unless otherwise specified as a condition of the gift, the authorized DSOs of FSU, in assuring that the donor’s intent for the gift is honored, are empowered to retain the gift of property, turn it over to the University, or liquidate it for the benefit of the University. Gifts of fixed or inexhaustible assets will be transferred to the University upon acceptance by the respective DSO.

4.2 Transmittal

Every gift-in-kind should have an accompanying Gift-In-Kind Acceptance Form—which outlines all required information for completion and counting of a gift-in-kind.
For gifts-in-kind coming from corporate entities, especially items such as equipment and software, report the educational discount value (if an educational discount is offered). An educational discount is the value FSU would have paid if it purchased the item outright from the donor or similar donor. Regardless of what estimated value a donor places on a gift-in-kind, the DSO should only count as a gift the amount it would have paid for the item(s) were they not donated. Identification of an educational discount (or lack thereof) is required and should come directly from the donor in writing via hard copy or e-mail with letterhead.

Ownership and Title

Legal ownership and title for gifts in kind may vary with specific Gift Agreement, donor intent, type of in-kind donation and existing documentation. The DSO only hold title for the benefit of FSU and the benefitted unit. However, some gifts n kind, like artwork, books, or other tangible items, may need to be legally titled in FSU for insurance purposes, specific legal requirements of the target collection and other specific legal reasons. The benefitted unit should be responsible for determining whether legal title in FSU is required and for obtaining necessary documentation.

4.3 Gift-In-Kind Review and Approval

The decision regarding acceptance is dependent upon the review of the DSO accepting the gift-in-kind. University units may accept gifts made directly to the university or a unit where (1) the gift is of undetermined or nominal value, including books, (2) where there is no expectation of any university verification or formal acknowledgement of the gift and (3) all carrying or maintainance costs of the gift are permanently borne by the unit.

4.4 Gifts-In-Kind of Vehicles

If a donor wishes to give a motorized vehicle (i.e. car, motorcycle, boat, plane, etc.) of donated value exceeding $500, the DSO must comply with IRS guidelines. Departments/Units should reach out to the respective DSO Chief Financial Officer prior to accepting the donated property to ensure compliance with these guidelines.

4.5 Gifts-In-Kind of Software

If a donor irrevocably transfers ownership of software to the institution, the property will be considered a gift. There must be no implicit or explicit statement of exchange, purchase of services or provision of exclusive information.

If there is a complete transfer of ownership in the software—i.e., the underlying intellectual property, programming code, patent, etc.—such that the individual or company who conceived it and patented it can no longer market or sell it, then it is an irrevocable transfer of title to intellectual property and is an outright gift.
If a retail store gives a boxed copy of a particular version of a software program, then that single item is a gift, and its fair market value can be counted and reported since the store never had the intellectual property rights, those remain with the creator of the software.

If a company gives a software license, and the right to use it for a specific period of time, for counting purposes it will be considered a gift. However, for IRS purposes, it is considered a partial interest and therefore a tax receipt will not be issued.

Software gifts should be treated with an established retail value like other gifts-in-kind and should be counted at the established educational discount value (if one exists) or the fair market value. Software contributions can be complex, and can be assessed in the following ways:

- Value to the institution. Count only software gifts that serve the academic or research purpose of FSU.
- Gift Value. The donor is responsible for providing FSU with a written confirmation of the dollar value of the gift at the educational discount price (if one exists). If no educational discount is available, it must be so stated in writing (either hard copy on letterhead or via electronic submission) and the established retail value shall be used. If no established retail prices are provided, no amount can be counted/reported until such a value is determined, such as by a qualified independent appraisal or when the software product is available for purchase on the open market, regardless of when the gift was donated.

Exceptions may be made regarding the gift value counting of software donations with the approval of the Vice President for University Advancement.

4.6 Gifts-In-Kind of Art and Cultural Property

The DSOs may accept gifts of art. In addition to the above policies on gifts of tangible personal property, the following provision also govern the acceptance of works of art by the FSU Foundation on behalf of the University:

- All gifts of art and cultural property offered to the FSU Museum of Fine Arts shall be governed by Museum of Fine Arts Collections Management Policy. In addition, the use of the Museum of Fine Arts Collection Management Policy may be required for gifts of art and cultural property to other colleges and units of FSU.
- All gifts of art and cultural property offered to the John and Mable Ringling Museum of Art shall be governed by its Collection Management Policy, as adopted by the John and Mable Ringling Museum of Art Foundation Board of Directors and amended from time to time.
- All gifts of art and cultural property offered to FSU Libraries Special Collections and Archives Division shall be governed by FSU Libraries Collection Management Policy.
4.6.1 Valuation of Gifts

To valuing works of art, the following criteria apply:

1. Works of art or cultural property must be accompanied by a clear title to the work of art, a bill of sale, other proof of ownership or a signed statement attesting to ownership.

2. Works of art should be accompanied by a complete provenance (the artwork’s history of ownership), where available and applicable, due to issues concerning repatriation lawsuits for certain ethnic and cultural categories. When unavailable, the donor must sign a statement attesting that, to the best of the donor’s knowledge, the object is free and clear of all encumbrances and restrictions and has not been imported or exported into or from any country contrary to any state, national or international laws.

3. Works of art must be accompanied by a complete copy of an independent appraisal by a qualified appraiser, as defined in Section 170(f)(11)(E)(ii) of the Internal Revenue Code, as amended from time to time, and further described by IRS Notice 2006-96. Such appraisal must be made not earlier than 60 days before the date of contribution of the appraised property.

4. Ordinarily, the donor shall be responsible for payment of a qualified appraisal. In instances in which the donor is not interested in appraising a gift for IRS tax-deduction purposes, the following alternative methods of valuation may be accepted with approval from the appropriate gift acceptance committee.
   a. Proof of purchase price,
   b. Proof of insured value
      c. Donor’s estimated value for gifts coming through an estate. At the time of the planned gift commitment, the gift will be booked as a bequest. Upon donor maturity, the item(s) should then be appraised by a qualified appraiser as defined in Section 170(f)(11)(E)(ii) of the Internal Revenue Code, as amended from time to time, and further described by IRS Notice 2006-96, at the expense the receiving college and/or unit, and the estate proceeds recorded accordingly if item(s) is/are being sold.

5. Where applicable, the donation shall include all intellectual property rights associated with the work of art, unless otherwise agreed to by the University and the donor.

6. At the Ringling Museum, the Collections Support Committee exists and reviews each gift-in-kind of art to determine its acceptance and whether it meets the requirements for an acceptable appraisal. Upon acceptance of a gift-of-kind valued at less than $1.0 million, the Ringling Museum will attach a signed attestation form documenting that the gift has gone through their internal process to determine its acceptability. All gifts worth more than $1.0 million will also be subject to review of the FSU Foundation’s Exceptional Gift-In-Kind Acceptance Committee, to help ensure consistency in donor gift credit across the University.

Objects of art accepted, but not accessioned, may still be of value to units of the University, the FSU Museum of Fine Arts, or the Ringling Museum, for decorative, instructional or resale
purposes. Gifts of this nature should go to the Exceptional Gift-in-kind Committee of the appropriate DSO for approval.

4.7 Gifts-In-Kind of Equipment and Intellectual Property

The University may receive gifts of equipment and intellectual property. Only unilateral transfers of equipment or intellectual property will be considered gifts.

Like section 4.5 (Gifts-In-kind of Software), fair market value at the moment the gift is made determines the gift value. Fair market value will be affected by any discounts the University would receive if the University should purchase the equipment or intellectual property outright (either from the donor or from a similar vendor).

The donor shall provide a list and description of the item(s) to be donated as well as the value and any appropriate background information or identification of educational discount. Depreciation related to gifts of equipment may not be counted as part of the gift. In addition, the DSO will make every effort to ensure that the gift of equipment or intellectual property is not an exchange transaction in which the donor receives goods or services in return.

Criteria to be considered for acceptance of the gift may include, if applicable, necessity for technical development of the gift, solicitation of research support, integration of the gift in university processes, costs of additional development, additional equipment needs, and facility requirements and/or renovations. All additional costs associated with acceptance of the gift and University personnel responsible for fulfillment of any additional obligations must be identified.

4.8 Gifts in Kind Included in Trusts/Bequests

Personal tangible property included in trusts or bequests (though technically not a gift in kind) is addressed in Section 5.0 Planned Giving.

Real property is addressed in section 6.0 Real Estate.

4.9 Appraisals

Appraisals and environmental reports are of particular importance to donors and the DSOs. They provide measures of protection to both parties from claims by third parties, including the IRS or government environmental agencies. For example, the IRS requires “qualified appraisals” before donors are allowed to claim income tax deductions for charitable contributions. Also, federal and state environmental statues can impose retroactive and/or joint liabilities upon donors (or their estates) or the DSO regardless of fault. These liabilities can be limited by due diligence exercised by both donors and the DSO. As previously noted, any gift-n-kind of used property potentially
valued at $5,000 or more can only be accepted with the complete copy of a qualified appraisal. A qualified appraisal must include the following information:

- A detailed description of the gift-in-kind
- Its physical condition
- The date said appraisal was conducted
- The name and qualifications of the appraiser
- The fair market value on the date the gift-in-kind was appraised
- The basis for and valuation method used to conduct the appraisal

Qualified appraisal must be made within 60 days of receipt by the direct support organization or the University to assure accurate current value.

It is important to note that neither the donor nor the gift recipient can serve as qualified appraisers with respect to the gift-in-kind being donated.

4.10 Disposal of Donated Property

If a charitable contribution of property is sold, exchanged, or otherwise disposed of within three years, the DSO may need to file Form 8282, Donee Information Return

4.110-Items not Considered Charitable Contributions

Per CASE guidelines and IRS regulations, the following types of in-kind contributions are not considered charitable contributions:

- Contributed services—A person’s or organization’s time and/or service is not considered a charitable contribution and is not countable, regardless of whether the individual assists as a volunteer or as a professional providing a specialized service (examples include, but are not limited to: accounting, consulting, printing, web development/hosting, advertising space, etc.).
  A. In these situations (if the donor wishes to make a charitable contribution and receive tax credit), CASE suggests that the donor bill the institution and turn around and make a cash donation of the same value.
  B. However, in certain circumstances, the Florida State University may recognize contributed service(s) through an acknowledgement letter, but without the inclusion of tax credit language.
- Use of real property
- Discounts on purchases
- Costs of appraisals
- Shipping costs
- Sales tax
- Gift cards
• Items for auction** Auction items potentially valued at $2500 or more may be counted as a gift-in-kind to the university. These items are subject to the same appraisal procedures noted in the previous sections.

SECTION 5.0 PLANNED GIVING

Deferred gifts that may be accepted by the DSOs of the University are described below. Other gift vehicles not included in this document may be added later, pending approval of the University Vice President for Advancement.

5.1 Counting

Deferred gifts will be counted at face value regardless of the age of the donor, but the present value of all deferred gifts will be recorded for reporting purposes. From time to time, the University may establish additional rules for counting deferred gifts during comprehensive fundraising campaigns. “Present Value”, as used in this document shall mean the computed value of a future gift, based on the life expectancy of the donor(s) or income beneficiary(s) according to the standard mortality tables, and the Applicable Federal Rate (AFR) used at the time of the gift.

5.2 Gift Plans

5.2.1 Bequests and Revocable Trust Designations:

Donors may make deferred gifts by including special clauses in a will or living Trust. Typically, the donor structures the bequest: as a percentage of the total estate, as a specific dollar amount, as a portion of the residual estate or a particular asset(s) of the estate. These commitments may be revocable or irrevocable, depending on the vehicle used by the donor. In all cases, the following written confirmation of the bequest or trust provision is required to document the gift:

• A copy of the cover page, the page containing the relevant gift language and the signature page from the fully executed testamentary document; or
• A fully executed estate gift confirmation form; or
• A letter from the donor’s attorney that explains the nature of the gift to FSU, including the estimated face value, the donor’s intended purpose for the gift, and the current age of the donor(s) or
• A fully executed gift agreement per the guidelines outlined in Section 1.0.
If establishing a new fund, a gift agreement specifying the purpose of the estate gift will be completed and signed by the donor.

5.2.2: Retirement Plan, Commercial Annuity, and Payable on Death Beneficiary Designations:

When donors have made a University DSO a primary beneficiary of an existing retirement plan, commercial annuity, or non-qualified investment account, the following written confirmation of the beneficiary designation is required to document the gift:

- A copy of the beneficiary statement or change of beneficiary form specifying the recipient DSO as a primary beneficiary and a gift agreement directing the gift; or
- A fully executed estate gift confirmation form; or
- A letter from the donor’s attorney/advisor that explains the nature of the commitment, current ages of the donor(s) and how the gift will be used to include written evidence of the value of the account or the portion of the account that is designated for FSU; or
- A fully executed gift agreement per the guidelines outlined in Section 1.0.

If establishing a new fund, a gift agreement specifying the purpose of the estate gift will be completed and signed by the donor.

5.2.3: Charitable Gift Annuity (CGA):

A CGA is a contract between a donor and the DSO, under which the DSO promises to pay up to two (2) annuitants a fixed amount of income for life, in exchange for the donor’s contribution of cash or property to the DSO. Donors who wish to establish a standard payment CGA with a DSO must be at least 60 years old. Donors who wish to establish a deferred payment CGA can be any age; however, payments cannot begin until the annuitant reaches age 60 and the payout, to conform with law, will be set at a rate that produces a residual gift equal to at least ten (10) percent of the original gift value. The minimum Net Present Value required to establish a CGA is $25,000.

- Exceptions to these requirements must be approved by the DSO Head and senior planned giving officer.
- If the asset used to fund the CGA is something other than cash or publicly traded securities, approval will be required by the DSO Head and senior planned giving officer.
- DSOs follow the payout rates recommended by the American Council on Gift Annuities within the context of the law of the State of Florida.
- The documentation requirements for a CGA administered and managed by the DSO are the original contract that is signed upon establishment of the CGA, an addendum designating the ultimate use of the funds, or a gift agreement that governs the ultimate designation of the remainder gift if the donor is creating an endowed fund.
- DSOs work in partnership with an outside bank to manage all CGAs. Income payments and tax returns are administered by that outside bank.
The documentation requirements for a CGA administered and managed externally are as follows:

- A copy of the cover page, the page containing the relevant gift language and the signature page from the fully executed CGA contract; or
- A fully executed estate gift confirmation form; or
- A letter from the donor’s attorney that explains the nature of the gift to FSU, including the estimated face value, the donor’s intended purpose for the gift, and the current age of the donor(s) or
- A fully executed gift agreement per the guidelines outlined in Section 1.0.

If establishing a new fund, a gift agreement specifying the purpose of the estate gift will be completed and signed by the donor.

5.2.4: Charitable Remainder Trust (CRT):

There are two types of CRTs: the Unitrust (“CRUT”), and the Annuity Trust (“CRAT”). The CRUT pays the designated income recipient(s) a percentage of the trust principal revalued annually. The CRAT pays the designated income recipient(s) a fixed amount that will not change from year to year. Payout rates for CRTs are determined by several factors, including IRS guidelines for remainder amounts, the age of the donor and the size of the gift.

1. CRT that will be managed by the recipient DSO:
   - Requires a minimum gift of $100,000
   - Recipient DSO may hire an approved outside management firm to oversee the investment and administration of CRTs.

   To document a CRT managed by the recipient DSO:
   - Documentation requirements for a CRT are met when the donor signs the legal document that establishes the trust itself.

2. CRT that is not managed by the recipient DSO:

   To document a CRT not managed by the DSO one of the following is required:
   - A copy of the CRT cover page, the page containing the relevant gift language pertaining to FSU, the signature page from the fully executed CRT and written evidence of an estimated value; or
   - A fully executed estate gift confirmation form; or
   - A letter from the donor’s attorney that explains the nature of the gift to FSU, including the estimated face value, the donor’s intended purpose for the gift, and the current age of the donor(s) or
   - A fully executed gift agreement per the guidelines outlined in Section 1.0.
In all cases above the DSO must make every effort to obtain the following information to gift:

- The income payout rate and the term for the CRT (i.e. 10 years, 15 years, 1 or more lifetimes);
- The number of income beneficiaries
- The percent of FSU's remainder interest, if less than 10 percent; and
- A trust valuation that is less than one year old

All donors will be strongly encouraged to provide annual statements to the DSO showing the trust’s value.

If establishing a new fund, a gift agreement specifying the purpose of the estate gift will be completed and signed by the donor.

5.2.5: Charitable Lead Trust (CLT):

A CLT differs from the CRT in that the income payments that are made to the charity for a term of years, and the remaining principal is then passed on to non-charitable recipients. Payout rates for CLTs are determined by several factors, including the term of years during which income will be paid to the DSO, the AFR, the age of the donor and the size of the gift. Like the CRT, the CLT can be structured as a Unitrust or an Annuity Trust.

1. A CLT that will be managed by the recipient DSO:
   - Requires a minimum gift of $100,000.
   - The recipient DSO may hire a qualified outside firm to assist in the investment and administration for these trusts.

To document a CLT managed by the recipient DSO:

- Documentation requirements for a CRT are met when the donor signs the legal document that establishes the trust itself.

2. A CLT that is not managed by the recipient DSO:

To document a CLT not managed by the DSO one of the following is required:

- A copy of the CLT cover page, the page containing the relevant gift language pertaining to FSU, the signature page from the fully executed CLT and written evidence of an estimated value; or
- A fully executed estate gift confirmation form; or
- A letter from the donor’s attorney that explains the nature of the gift to FSU, including the estimated face value, the donor’s intended purpose for the gift, and the current age of the donor(s) or
• A fully executed gift agreement per the guidelines outlined in Section 1.0.

In all cases above the DO must make every effort to obtain the following information to gift:

- The payout term for the CLT (i.e. 5, 10 or 15 years or longer).
- The number of income beneficiaries
- The percent of FSU’s remainder interest, if less than 10 percent; and
- A trust valuation that is less than one year old
- All donors will be strongly encouraged to provide annual statements to the DSO showing the trust’s value.

If establishing a new fund, a gift agreement specifying the purpose of the estate gift will be completed and signed by the donor.

5.2.6: Retained Life Estate

A gift of a remainder interest occurs when the donor transfers the title of the real property to the DSO and reserves a life estate; the right to use and live in the home until he or she passes away, at which time the charity has the right to sell the property or retain it for other purposes.

- Gifts of a remainder interest in a home or a farm require special review by the DSO Head and the senior planned giving officer.
- Retained life estate agreements must be executed before these arrangements will be documented as charitable gifts.
- The agreement itself must outline the donor’s responsibilities with respect to the property that is being given—namely, that the donor will remain responsible for the maintenance, insurance payments and payment of taxes. In all cases, the type of property that is being used to establish the life estate agreement with the DSO must meet IRS requirements.
- The donor must supply an up-to-date appraisal on the property.

A gift agreement that governs the ultimate designation of the remainder gift must accompany the documentation if the donor wishes to create a new fund.

5.2.7: Enhanced Life Estate;

Certain states, including Florida, allow what is known as an enhanced life estate. The University will not accept an enhanced life estate.

5.3 Life Insurance
A donor may make a life insurance gift to a DSO, making the DSO the owner and the beneficiary of their insurance policy, or by making the DSO the beneficiary or partial beneficiary of their insurance policy.

5.3.1: New Life Insurance Policies - To be owned and managed by the DSO

- The policy must make the DSO the sole owner and beneficiary.
- The face amount (death benefit) of the policy must be a minimum of $100,000.
- The policy must be a permanent life policy that has been reviewed and approved by the DSO Head and senior planned giving officer.
- The policy may not have an automatic loan provision attached
- Dividends must be used to buy paid up additions to increase the value of the gift.
- If any interest accrues on the policy, it will also be applied toward the premium or to increase the value of the policy.
- Insurance companies being used must have top tier ratings with A.M. Best, Standard & Poors and Moody’s at the time the insurance policy is donated to the DSO.
- A completed life insurance application and illustration, along with a short history of the insurance company and its ratings, must be submitted to the DSO for review prior to issuance.
- All donors should make premium payments through the DSO who will then make payments to the insurance company, although the donor may elect to make premium payments directly to the insurance company.
- Premium payments made by the donor through the DSO will be recorded as outright gifts on the donor’s record, while the face amount of the policy will be recorded as revocable bequest.
- The original policy with its illustrations, accompanied by an Estate gift form or a Gift Agreement that will govern the ultimate designation of the remainder gift must be submitted.
- Payment of a minimum of the first year’s premium/pledge must be made at the time of the issuance of the policy.
- Donor will sign a pledge form for a maximum of five years which will be calculated to provide for payment of the policy. The policy will be projected as a paid-up using current interest rate assumptions, when dividends are sufficient to pay the policy premium.
- Consideration will be given to extending the pledge beyond give (5) years for policies with face amounts over $100,000. This will be a decision by the DSO Head and the senior planned giving officer.

• It is understood that the DSO shall not be responsible for making premium payments if a donor ceases to complete the payment schedule of the policy.
• If the donor does not pay the pledges causing the policy to lapse, then the DSO shall remove the donor from the applicable legacy society.
• If the donor does not fulfill the entirety of the pledge, the DSO shall have the right to alter or surrender the policy. If the policy is, in fact, reduced or surrendered, the gift record shall be reduced or written off accordingly.

5.3.2: Existing Life Insurance Policies

Existing policies may be gifted to a DSO after review and approval.

- For gifts of existing policies, the donor (or owner) must relinquish all ownership and document that the DSO is the sole owner and beneficiary of the policy.
- There can be no outstanding loans on the policy.
- The policy must be a permanent life policy.
- Donor must provide a copy of the policy, including the current declaration page. The declaration page will show cash value, any outstanding loans, dividends and face value.
- For policies that are not paid up or have sufficient cash that allows the dividend to pay the future premiums, donor will execute a gift agreement for a maximum of five years that will be calculated to provide for payment of the policy that will result in a paid-up policy at the end of the pledge period.

The face amount of the policy will be recorded with a planned gift vehicle of life insurance.

5.4 Insurance Beneficiary Designation

The following requirements must be met for acceptance:

- A Change of Beneficiary Form indicating the DSO as beneficiary or
- Verification from the insurance company that they have accepted the change in beneficiary and
- A current declaration page of the policy indicating the type and face value of the policy.
- The policy being gifted must be a permanent life product.
- Documentation should include the use of the Estate Gift Form with gift designation information that will govern the ultimate designation of the remainder gift. A gift agreement will be required if the donor wished to create a new fund.

The face amount of the policy will be recorded with a planned gift vehicle of bequest.

5.4.1 Term Life Insurance Policies

Term life insurance policies are not accepted as gifts. Some donors may make a DSO a beneficiary of their term life insurance policy. In that case, a DSO may recognize that gift with donor’s inclusion in the DSO’s legacy society if the policy remains in force; however, the gift will be counted at $1.
5.4.2: Contingency Beneficiary

Whether in estate documents, life insurance, retirement accounts, or other accounts and instruments requiring beneficiaries, some donors have a need or desire to make a DSO a contingent, or secondary beneficiary. Such gifts may be accepted with the same documentation requirements as a primary beneficiary. Such gifts will be counted as $1.

5.5 Unanticipated Open Estates

The DSO Planned Giving Office (or Office of Gift Planning) will facilitate these gifts and apply with the proper acceptance policies in consultation with DSO Head.

5.6 Use of Gift Agreements

All donors who make planned gifts that will create a scholarship, professorship, eminent scholar chair, or other endowed fund are strongly encouraged to complete a gift agreement that is signed by the donors, the appropriate DSO official, and the appropriate college or unit officials.

In situations where the donor is unwilling to complete a gift agreement, the DSO will work with the donor and his or her attorney to ensure that the language in the will or trust contains specific instructions that can be easily followed by future administrations. The goal is to ensure that the DSO and the recipient college or unit can carry out the donor’s intent. The DSO will make every effort to ensure that the language used in the donor’s testamentary document is sufficient.

The fundraiser may also ask the donor to complete a letter that describes in detail his or her intentions about the gift that will ultimately be received. In such a case, it is recommended that the letter refer to the original source of the gift (e.g. a CGA contract or will provision)

5.7 Recognition of Gift Donors

All donors who make a gift commitment using any of the vehicles described above will be recognized as members of the DSO’s Legacy Society. There is no minimum gift amount required for membership in this group. However, in cases where the donor is unwilling or unable to provide the estimated gift value, but all other documentation requirements are met, the gift will be officially recorded as $1.
The Direct Support Organizations ("DSOs") of Florida State University ("University") receive gifts of real estate for the benefit of the University. Real estate gifts may be held or sold depending on the type of real estate asset and the optimal strategy for maximizing the value and/or utility of the property to the University. Net proceeds derived from sales, leases, trades, or operations of donated real estate are used for the charitable purposes specified by donors. The Florida State University Real Estate Foundation ("REF"), a DSO, was established to advise and assist the University and its other DSOs with gifts of real estate, and is available to participate in gift acceptance as required by these policies and as desired by the DSOs. For gifts of real estate where the beneficiary is not defined as a specific university unit, the REF will be responsible for accepting the gift and holding the asset for the benefit of the University.

The Boards of Directors of the respective DSOs, or the respective DSO staff as delegated by the board ("DSO Board"), determines acceptance, management and liquidation of real property according to the policies contained herein. The DSO Board will make inquiries prior to the acceptance of a real property gift concerning its condition, including but not limited to valuation, marketability, carrying costs and environmental risks. Real property gift transactions require a broker opinion of value, title work, environmental reports, ALTA surveys and other due diligence procedures typical of real property transactions.

ALTA surveys and environmental reports are particularly important in the gift acceptance process. They provide measures of protection to the University and the DSOs from claims by third parties or other governmental agencies. For example, federal and state environmental statutes can impose retroactive, joint and several liability upon donors (or their estates) or the DSOs regardless of fault. This liability can be limited by due diligence exercised by the DSOs.

The following procedures are to be followed in the acquisition, use, management, sale, lease, or trade of real property. Any questions about the procedures should be directed to the REF’s Vice President. The procedures contained herein govern the acceptance of real property, special acquisitions, and the management and sale of real property by the DSO (or REF), as applicable.

Following a this review process that includes relevant DSO staff and, at times, other consultants, the sole authority for the acceptance of any real estate gift less than $1,000,000 rests with the DSO Board, while gifts with an appraised value more than $1,000,000 require approval by the REF’s Board of Directors ("REF Board") as described herein. Except as provided in Section 6.11, College or Unit Agreement, herein, the donor and/or university unit serving as cognizant beneficiary or purchaser of each real property asset may agree, in writing and prior to consideration by the DSO Board or REF Board, to pay all closing costs, due diligence expenses, and carrying costs (the "Expenses") related to the property until such time as the DSO or REF conveys title to the property to another party by virtue of a sale, transfer, or other means. The
Expenses include, but are not limited to legal fees, taxes, mortgage and interest payments, insurance, utilities, and other costs incurred by the DSO or REF. For those properties designated for immediate resale, unless the DSO or REF has agreed in writing to carry the Expenses and to be reimbursed for the Expenses from the sale proceeds of the property, the Expenses, once incurred by the DSO, are payable on demand. If, however, a decision is made to retain the property for a period to maximize its ultimate benefit to the University (the “Holding Period”), the university unit benefiting from the donation of the property is responsible for paying the Expenses noted above during the Holding Period. The donor’s or university unit’s written agreement to this arrangement shall be sufficient to authorize the DSO or REF to disburse funds for the Expenses from the beneficiary fund, or, if that fund has insufficient cash assets, from another fund of the unit designated by its dean or chair. The DSO may also agree to carry such costs incurred during the Holding Period and to be reimbursed for them from sale proceeds or accumulated earnings.

6.1 The Real Estate Foundation

The REF is a resource available to the DSOs in accepting gifts of real property for the purposes as intended. Gifts with an estimated market value of $1,000,000 or more require approval by the REF Board. Gifts with an estimated market value of less than $1,000,000 may be brought to the REF for review and/or assistance, but do not require approval by the REF Board.

Support for the REF is provided, in part, through two separate mechanisms in the gift acceptance process. For assets held or managed by the REF, an annual Management Fee will be assessed and, unless otherwise agreed to in writing by the REF, billed no later than on an annual basis to the university unit on an annual basis. The Management Fee currently ranges from 50bps to 100bps (0.5% - 1.0%) and is dependent upon the effort required to manage and maintain the asset. This fee structure is established by the Board, is subject to change, and is applied by the Vice-President (or designee) of the REF.

In addition to the Management Fee, the REF receives support in the form of a 5% distribution of the proceeds of real estate gift ("the Distribution"). For gift acceptance on behalf of other DSOs or University Units, the REF requires the Distribution as a method of underwriting the time and effort necessary to accomplish gifts of real estate. This distribution is payable to the REF at the time the REF conveys title to the property to another party in a sale, transfer, or other means, or three years following the date of gift acceptance, whichever occurs sooner. In the case of a property to be held by the REF for an indeterminate time on behalf of a University Unit, the Distribution is payable immediately following the REF’s receipt of title to the property. This Distribution applies to all gifts for which the REF is asked to review or assist (valued at less than $1,000,000) and for all gifts more than $1,000,000 in value that require REF Board approval.

The REF’s Vice President shall have the discretion and authority to waive either of these funding methods in relation to the Florida State University Foundation for as long as the latter contributes significantly to the REF’s annual operating budget.

The REF actively solicits gifts of real property. In addition, in furtherance of its mission, the REF
may acquire interests in real property by non-gift means for use by the University.

The REF markets gifts of real property unless the University intends to retain the property for its own purposes active use. Proceeds from donated real property sales, leases, or trades are used for the charitable purposes specified by donors in the related Gift Agreement.

The DSO Board determines acceptance, management and liquidation of real property according to the following policy.

### 6.2 Minimum Standards for Real Property

Acceptance of any real property is subject to the following minimum standards. Responsibility for associated costs of due diligence are outlined in Addendum to Gift Agreement (Providing a Gift of Real Estate).

A. Phase I Environmental Report (“Environmental Report”) may be required, although recently platted residential property may be excluded. The DSO Board may accept or reject this report and request a Phase II or III Environmental Report.

B. Proof of clear and marketable chain of title.

C. An ALTA survey, reflecting any conditions appearing in the title search.

D. A building inspection and a Wood Destroying Organism report completed by qualified companies if there are improvements on the subject property that contribute to its value.

E. A broker’s opinion of value based on market conditions and comparable properties.

F. All revenues, expenses, assessments, and claims due or accrued that are associated with the property shall be paid, provided for, satisfied, and/or made current on the date of gift, including taxes, assessments, and other expenses for which the DSO would ultimately become liable.

G. Mortgage assumption or assignment ability acceptable to the DSO Board.

H. Approval by the DSO Board of any special deed clauses associated with the property.

I. An agreement, in writing, to pay all expenses incurred by the DSO and related to the required due diligence, acquisition and disposition of the property.
6.3 Real Estate Gift Analysis

Prior to acceptance or recording of any documents related to real property acquisitions, the DSO’s Board President, or designee, or the REF’s Vice President, or designee, as the case may be, will expeditiously review the documentation, taking into consideration the donor’s time constraints. They will consider the following about the real property to be acquired:

A. Market conditions for resale or disposition.
B. The condition of any improvements.
C. The current and potential zoning, land use, and concurrency issues.
D. Any costs associated with holding the real property for resale.
E. Other considerations specific to the acquisition (see Section 6.2 Minimum Standards for Real Property).

Warranty Deed

Title will be transferred to the DSO by warranty deed unless transfer is by a trustee, personal representative, or other fiduciary providing a deed appropriate to that capacity. The DSO’s legal counsel will review all deeds. Exceptions to this provision are at the discretion of the Florida State University Office of General Counsel.

6.4 Appraisal

The Internal Revenue Service (“IRS”) requires an appraisal if the value of the real property is greater than $5,000 and the donor wishes to claim a charitable income tax deduction. If the donor wishes to claim a charitable tax deduction, it is their obligation to contract for an appraisal that meets the requirements of the Internal Revenue Service. In the absence of an appraisal, the real property may be recorded on the books for its current ad valorem tax value.

6.5 Title Search and Title Insurance

A title search is required for all real property transactions. A title insurance policy will be required for non-gift or gift acquisitions of mortgaged property or when the value of the property exceeds $10,000.00. In all cases, satisfactory proof of title must be furnished.

6.6 Survey

An ALTA Survey will be required for all gift and non-gift acquisitions of mortgaged property or when the value of the property exceeds $10,000.00, unless the DSO Board and its legal counsel determine that existing surveys or drawings are adequate.

6.7 Real Property Taxes and Other Carrying Costs

All real property taxes and other carrying costs are paid and current at the time the title to the real property is transferred to the DSO. If a decision is made to retain the property to maximize its ultimate benefit to the University, the university unit benefitting from the donation of the
property would be responsible for paying the real property taxes and other carrying costs on an ongoing basis.

6.8 Mortgaged Property

The DSOs will rarely accept mortgaged property and never accept mortgaged property into a charitable remainder unitrust. However, when real property subject to a mortgage is acquired, the mortgage will be current and assumable and will be accepted only following approval by the DSO Board and its legal counsel. Prior to the acceptance of mortgaged property, the following must be obtained:

A. A minimum of a 50% equity value will have been established.
B. A method for the payment of the remaining debt will be determined.

6.9 Leases

When real property is acquired by the DSO or REF is subject to a lease, leases will not be in default and will be assign able by the landlord. All property acquired subject to a lease will require approval by the DSO Board. Upon approval, the leases will be assigned to the DSO and all deposits, advance rents, and other monies will be transferred to the DSO or otherwise accounted for as required by law.

6.10 Special Deed Clauses

The DSO Board, and its legal counsel, must approve any special deed clauses.

6.11 College or Unit Agreement

Each university unit benefiting from a gift or acquisition of real property will agree, in writing, to pay the Expenses incurred by the DSO until the DSO conveys title to the property to another party in a sale, transfer, or other means, as well as agree to pay the Administrative Fee and Management Fee, if applicable (the “Agreement”). The university unit must agree to either pay the Expenses, Distribution and Management Fee when they are incurred and demanded by the DSO or allow the DSO to be reimbursed for the Expenses, Distribution and Management Fee from the proceeds of the sale of the property. The Agreement will authorize the DSO’s Board President, or designee, or the REF Vice President, or designee, as the case may be, to pay the expenses and identify the appropriate DSO or REF account from which the monies are to be disbursed.

Due to IRS regulations, this portion of the policy will not apply in cases where charitable remainder unitrusts are funded with real property.

6.12 Environmental Requirements

No interest in real property, whether acquired outright, in trust, by bequest, as a secured interest, or otherwise, will be accepted by or on behalf of a DSO without first complying with
the following procedures:

A. Phase I Environmental Report will be performed on every real property asset, except recently platted residential property, prior to its acceptance by the DSO. The DSO, at its discretion, also may require environmental reports on recently platted residential property.

B. If the Environmental Report indicates area(s) of significant concern or a recognized environmental condition (REC), a more comprehensive investigation including, but not limited to, a Phase II or Phase III Environmental Report may will be undertaken prior to acceptance of the property. All Environmental Reports will be performed by a qualified consultant.

C. If the above procedures reveal any liability, the real property may be accepted only after a request, in writing, by the DSO’s Board President, or designee, or REF Vice President, or designee, and a subsequent written approval of the applicable Board.

D. All contracts for Environmental Reports will be prepared and reviewed by legal counsel to the DSO. All Environmental Reports must be reviewed by legal counsel prior to the DSO Board’s approval of gift acceptance.

E. The DSO may require an indemnification agreement from the transferor of real property regarding liability for any existing REC.

F. In the case of an acquisition of real property by estate, all costs of environmental assessment and remediation will be borne by the estate before the real property is distributed to the DSO. If the remediation is too costly, or the potential for liability too great, the DSO may disclaim its interest in the real property.

All real property held by the DSO in any capacity shall be managed to minimize or eliminate any liability resulting from hazardous materials and to comply with all federal and state regulations related thereto. The sale or transfer of real property by the DSO will be handled so as to eliminate any future liability by the DSO for hazardous substance remediation. The DSO will fully disclose to prospective transferees any and all information concerning the condition of any hazardous substances existing on the real property.

**6.13 Unsolicted Deeds**

Unsolicted deeds will not be accepted. Upon the receipt of unsolicited deeds, the DSO Board through its legal counsel will immediately notify the grantor in writing that the real property has not been accepted and will not be accepted until the requirements of the policy governing real property transfers are met. Otherwise, a disclaimer of interest or notice of non-acceptance may be recorded by the DSO’s legal counsel in the county in which the property is located.

**6.14 Real Estate Used To Fund Planned Giving Vehicles**

As a general rule, encumbered real estate should not be used to fund any type of income-
producing planned giving vehicle. However, unencumbered real estate may be used to fund specific types of planned gifts known as charitable remainder unitrusts. Section 664 of The Internal Revenue Code describes the types of charitable remainder trusts to be used in this situation. The rules involved are complex and specific. Should the donor request that the DSO serve as Trustee of such a charitable remainder unitrust, the FSU Foundation’s Office of Planned Giving, or in the case of the Seminole Boosters, its Vice President of Major Gifts will review the request in consultation with the DSO’s chief financial officer and the DSO’s agent in managing these trusts.

FSU strongly discourages the use of real estate as a funding mechanism for all other types of income-producing vehicles, such as charitable gift annuities.

### 6.156 Time Share and Fractional Interests

A. Time share units will not be accepted as gifts.

B. Fractional interests may be considered. Any gift of a fractional interest in real property regardless of value must be approved by the REF and is subject to these Gift Acceptance Policies.

### 6.16 The Sale And Management Of Real Property Gifts

In accepting property for resale, the DSO or REF, as appropriate, seeks to obtain the best price and terms within a reasonable period of time, unless the respective Board deems that holding or leasing of the property is in the beneficiary unit's best interest. During any holding or leasing period:

A. The DSO or REF are authorized to charge routine property carrying costs, such as taxes, insurance, maintenance, travel, surveying/engineering, title examination, closing and other costs, to the cognizant beneficiary of the property in accordance with these Procedures for the Administration of Gifts of Real Property. These costs shall be reported regularly to the appropriate fund administrator.

B. Any properties identified for immediate disposition will be listed for sale within a reasonable period. The Vice President or authorized DSO officer(s) are authorized to execute listing contracts on behalf of the Board.

C. A property’s objective may be changed to the production of income or appreciation after consultation with all affected parties and with the consent of the respective Board.

### 6.17 Sales Efforts
Those properties identified for immediate disposition will be listed for sale within a reasonable period of time. The Vice President or delegate or appropriate DSO official shall provide the respective Board, at its periodic meetings, with an inventory of all properties held by the DSO or REF.

A. Brokers participating in the local Multiple Listing Service (MLS) or the equivalent listing service for commercial properties shall be given preference. All efforts shall be made to retain a brokerage that can give the property the broadest market exposure.

B. The REF and DSOs strive to provide all brokers with equal access to its real estate inventory. This objective does not preclude the use of exclusive listings provided that broker fees are not in excess of customary local fees.

C. Properties may be marketed in-house, although this practice is discouraged. The Vice President or appropriate DSO official, as applicable, shall attempt to negotiate reduced fees when brokers present buyers arising from in-house marketing efforts.

D. An auction sale may be approved by the respective Board for groups of lots or parcels when they are in the same subdivision or geographic location or if the beneficiary college unit agrees to and approves such auction sale.

6.18 Listing Prices

A. The listing price of property shall be set by the REF or DSO, as appropriate, based on a review of information contained within any or all of the following: the property’s most recent appraisal, a current comparable sales analysis of the property, and a broker’s opinion of value for the property. If no offers have been received on the property within a reasonable period of time, the REF’s Vice President or appropriate DSO official may seek authority from the Chair of the REF Board or authorized DSO official(s) to reduce the listing price accordingly. In situations where it is in the REF’s or DSO’s best interest not to have a listing price on property held for resale (i.e. large commercial properties, etc.), no listing price is required.

Special consideration may be given to a procuring broker when listing the real property for sale, provided any such agreement to list is non-binding on the REF and the fees are not in excess of customary local fees.
B. Whenever possible, the REF or DSO staff will solicit recommendations regarding local brokers and the general marketing effort from local Board members, friends of the University, or the donor.

C. The payment of fees to brokers when they are principals is discouraged. In such an event, the proportion of the broker’s interest in the transaction will reduce the fee.

6.19 Acceptance & Execution of Real Estate Sales Contracts

The Vice President and/or the REF’s legal counsel or similar authorized DSO officials will review and comment upon each real estate sales contract prior to its presentation to the Board for review. Such contracts will be subject to the following:

A. The REF’s Vice President is authorized to execute real estate sales contracts for REF under $1,000,000 without the Board’s approval, if the sales price is at least 90% of the board-approved listing price, and the contract contains standard terms as appended hereto. The Vice President will report all such transactions on a quarterly basis. DSO authority is as provided by its individual governing documents.

B. Real estate sales contracts exceeding $1,000,000 require the approval of the Board prior to execution by the REF’s Vice President or authorized DSO official, as applicable.

C. All other real estate sales contracts require Board approval prior to execution by the REF Vice President or authorized DSO official, as applicable.

6.20 Leasing

A. Leases With the University

1. The REF Vice President or DSO may negotiate leases with the University at less-than-market rents, provided the use of the real property is non-profit, complies with the University’s objectives and the REF’s or DSO’s mission, and does not result in any expense to the REF or DSO. The leases may not create a negative cash flow for the REF unless the beneficiary university unit agrees in writing to underwrite the losses.

2. All leases will be negotiated and executed in accordance with the University’s Board of Trustees’ policies and procedures.

3. The REF’s or DSO’s legal counsel will review and approve all leases prior to execution.
4. Funding of depreciation shall be considered when computing break-even points for below market or nominal rent leases.

B. Other Leases

1. Upon approval by the REF’s or DSO’s legal counsel, the REF Vice President or authorized DSO official, as applicable, is authorized to execute a lease provided that the term is five years or less, and/or the annual rent is $100,000 or less.

2. Approval by the Board will be required when the term of the lease exceeds five years and/or the annual rent exceeds $100,000.

3. The REF Vice President or authorized DSO official, as applicable, may delegate leasing and management functions to outside professional management firms when deemed appropriate.

6.21 Non-Discrimination

The DSO will not discriminate or condone discrimination in its real property activities. It will conduct all affairs in compliance with all applicable State and Federal equal opportunity, fair housing, equal credit opportunity or other anti-discrimination laws.

6.22 Exceptions

Upon written request by the DSO’s Board President, or designee, exceptions to Section 6 of these policies and procedures of will, except for Paragraph 6.17 above, Non-Discrimination, be considered on an individual basis by FSU’s Vice President for University Advancement.

SECTION 7.0 GRANTS

The DSO’s of FSU adhere to the guidance provided on the acceptance and counting of charitable grants by CASE and IRS Regulations.

Per the CASE Global Reporting Standards (1st Edition), a grant is defined as a contribution received by an institution or either unrestricted or restricted use in the furtherance of the institution that typically comes from a corporation, foundation, or other organization, rather than an individual. An institution may determine if what a donor calls a grant is, for internal recordkeeping, a gift. Ultimately, such contributions must also adhere to the IRS definition of a charitable gift.
Charitable grants fall into two categories, both of which are philanthropic in nature and thus countable in annual giving or comprehensive campaign reports.

1. **Nonspecific grant:** a grant received by the institution that did not result from a specific grant proposal. The institution does not commit specific resources or services and is not required to report to the donor on the use of the funds. It is this type of grant that many institutions may opt to designate as a gift for internal accounting purposes.

2. **Specific grant:** a grant received by the institution resulting from a grant proposal submitted by the institution. The institution commits resources or services as a condition of the grant, and the grantor often requests an accounting of the use of funds and of results of the programs or projects undertaken. Note: The grantors requirement of regular status of reports or other reports does not negate the philanthropic (and countable) nature of a specific grant.

In section 4.2.2, the CASE Global Reporting Standards states that research gifts are those that the donor restricts for scientific, technical and humanistic investigation. This category includes philanthropic research grants for individual and/or project research as well as grants for institutes and research centers. It includes some payments processed through the Offices of Sponsored Programs and Research, and it can include some grants received from private and public universities and nonprofit organizations. Much sponsored research is philanthropic and not contractual, so it falls under the heading of "Grants." A key determinant of whether something qualifies as a philanthropic research grant is whether the institution and/or its staff or faculty members own the intellectual property or results generated from the research, or otherwise can patent (if any), use, distribute or publish the results or other products of the research process. These payments should be included in CASE AMAtlas surveys. It does not include governmental research grants or pass-through governmental research grants that route through another university or nonprofit organization. Such pass-through grants should be excluded from CASE AMAtlas surveys. It does not include corporate grants for programs in which the grantor receives a product or service commensurate with the fee paid (contract research). Such contracts should be excluded from CASE AMAtlas surveys.

The FSU Foundation has a formal review process for grants. Grants must be submitted for review and approved prior to accepting the grant. The Foundation’s Executive Vice President is the signor on all grant agreements.

The following is a list of items and/or criteria that do not negate the philanthropic intent of a grant and, therefore, the grant is considered countable as a gift. This list is not intended to be
all inclusive:

- **A detailed line-item report** that is required to be reported to the sponsor during or at the end of the grant period

- **A budget (regardless of how detailed)** that is approved by the grantor

**Fellowships** that are received in the form of grants are countable as gifts. Fellowships are defined as funds that are typically given to graduate students to help defray the costs of tuition and related expenses, or to postdoctoral scholars. While an expectation of services may exist solely to advance an educational experience, such funds are not compensation for any performance.

There are certain funding sources and/or criteria that will cause a grant to be excluded from CASE gift reporting, though they can sometimes be counted in campaign totals. The following items are specifically excluded:

- **Government Funds** – Funds received from federal, state, local, and foreign governments (except funds received under Florida’s University Major Gifts Challenge Grant Program and University Facility Enhancement Challenge Grant Program)

- **Clinical Trials** - Grant funds used for a clinical trial

- **Time Restrictions** – Grants that are in excess of five (5) years. If the original grant agreement is less than five (5) years and then is extended or amended for additional years that extend the grant beyond five years, then we include those additional years as long as the amendments or extension themselves are not longer than five (5) years.

The **FSU Foundation, Inc.** solicits gifts and charitable grants from private sources for all approved University programs for which no services and/or products are required, with the exception of Intercollegiate Athletics.

The **FSU Research Foundation, Inc.** is responsible for administering awards funded with private monies for research and development activities of University faculty, staff, and students for which services and/or products are required and where there is a commitment of University personnel, equipment, or other facilities. The proposals for these activities to private entities are coordinated by the University Office of Research through the FSU Research Foundation.

Grants solicited by development officers of the FSU Foundation that include a research component will include consultation with- FSU Foundation, FSU Research Foundation, and the grantor.
SECTION 8.0 CONTRIBUTIONS WITH A NON-GIFT COMPONENT

The following policy provides guidance to assure compliance with IRS regulations and DSO policies and covers the various fundraising activities that may occur:

- **Quid Pro Quo**
  - Dinners, receptions and other events.
  - Sporting Events (golf tournaments, tennis tournaments and races)
- **Sponsorships**
- **Auctions**
- **Door Prize Drawings**
- **Token Items**
- **Registration Fees**
- **Items for Resale**

Each of these activities may contain a charitable and/or non-charitable component and may be acceptable for deposit and gift acknowledgement.

### 8.1 Quid Pro Quo

Admission to fundraising dinners and sporting events often has both a charitable and non-charitable component. The non-charitable component (quid pro quo) is the benefit that a donor receives for the contribution made. IRS regulations require that the fair market value of each benefit be determined prior to the solicitation and the fair market value of the benefit be stated in the solicitation. DSOs may have additional guidelines on recording transactions.

### 8.2 Sponsorships

Sponsors are often solicited for fundraisers events. Per the IRS, for the entire sponsorships to be treated as a gift, the sponsorship must be qualified sponsorship. A qualified sponsorship is when a person or organization engaged in a business or trade makes a payment for which there is no expectation of any substantial benefit other than the use or acknowledgement of the entity’s name or logo in connection with the fundraising activities. As defined by the IRS, substantial benefit
occurs when the fair value of the benefit (quid pro quo) exceeds 2 percent of the sponsorship payment (subject to updates from the IRS).

Recognition on promotional materials and/or websites is limited to any or all of the following:

- Sponsor’s location, telephone number, internet address
- Value-neutral description of sponsor’s product or service
- Sponsor’s brand/trade name or product/service listing

In accordance with IRS regulations “use or acknowledgement of an entity’s name” does not include advertising which is defined as competitive pricing or product information. Other arrangements also not considered charitable gifts are exclusive vendor relationship (soft drink pouring rights, athletic uniforms to the exclusion of competitors) or opportunities to sell products or services on site.

Example: A company sends $5000 to sponsor a golf tournament. In return the company receives the following benefits: (a) name visibility on promotional materials and (b) two admissions to a golf tournament valued at $50 per person. Since the total fair market value of the benefit is $100, the transaction is recorded as $4,900 charitable and $100 non-charitable, with this being clearly notated on the sponsor’s tax receipt.

8.3 Auctions

A DSO may accept gifts of items for and proceeds from charity auctions. Items to be auctioned valued at $2,500 or greater will follow the University’s Gift-in-Kind acceptance policies. If the gift is accepted, the donor will be provided with individual gift credit and formal acknowledgment for the donated item. For items less than $2,500, the host of the auction is encouraged to provide the donor with a thank you letter acknowledging receipt. No individual gift credit or formal acknowledgment will be provided for items less than $2,500.

Individuals who purchase items at an auction will not receive gift credit or acknowledgement unless they purchase an item valued at $2,500 or greater. All auction proceeds, with the exception of proceeds from the individuals who purchased items valued at $2,500 or greater, will be recorded in Development Database in a single transaction. Donors who purchased an item valued at $2,500 or greater and paid more than the value of the item will receive gift credit and acknowledgement for the amount in excess of the value of the gift. Subject to prior approval by the appropriate DSO Head, certain specialized auctions may have different procedures for valuation and gift counting.

8.4 Door Prize Drawings

Door prizes can be used as a fundraising activity. However, no contribution or payment can be required, and all publications related to the event must state that fact. A suggested contribution
may be requested, but if someone wants to receive a door prize ticket for free, it must be provided to them. If the prize that is being given away has a value of $600 or more, then the DSO is required to send the winner a 1099 MISC form and report it to the IRS as taxable income. The winner’s name, address, and social security number must be provided to the DSO as well as the documented fair value of the prize.

8.5 Token Items

A constituent makes a contribution and receives an insubstantial (low-cost) item in return. The IRS determines thresholds each year for an item to be considered a token and not a quid pro quo. Per the IRS, in order for an item to be considered a token and not a quid pro quo, the following must be true or the following criteria must be met:

- Solicitation must be part of a fund-raising campaign.
- Donor must remit at least the minimum amount determined by the IRS.
- Token provided bears the organization’s name or logo (i.e. calendars, mugs, pens or poster).
- The cost of the tokens must be insubstantial as defined by the IRS.

**Example:** A constituent sends $75 and receives a keychain and decal costing a total of $8. Because the cost of the token items is insubstantial and the remittance exceeds the minimum threshold, the entire remittance of $75 is a charitable gift.

8.6 Registration Fees

Individuals may send in payments to register for workshops, camps and conferences. These types of events are not considered fundraising events. There is usually no gift component involved in a registration fee. **Some registration fees may not be accepted by certain DSOs; the appropriate DSO should be consulted prior to remitting registration fees.**

8.7 Items for Resale

Items sold do not have a charitable component; however, campus units may choose to sell items to enhance the visibility of their program or to build camaraderie among their constituents. For items purchased for resale with DSO funds, the DSO pays the sales tax when the items are purchased. These items may not be sold for an amount more than what the item cost (total amount paid including sales tax). To calculate the cost of a resale item, take the total invoice amount including tax and divide by the number of items purchased. The selling price cannot exceed this amount.

**Example:** A constituent purchases a shirt for $16. Because there is no charitable component to this transaction, there is no acknowledgement letter from the DSO.
SECTION 9.0 GIFTS FROM FOREIGN ENTITIES

Gifts that meet the criteria below are reported to the State University System of Florida each year:

Pursuant to Florida Statute 1010.25 Foreign Gift Reporting and Florida Board of Governors Regulation 9.012 Foreign Influence, each institution of higher education shall report gifts valued at $50,000 or more received from a foreign source directly or indirectly during the fiscal year. If a foreign source donates more than one gift in a single fiscal year and the total value of those gifts is $50,000 or more, all gifts received from that foreign source must be reported. The semi-annual reporting requirement must be made each January 31 and July 31 to the Board of Governors in a manner prescribed by the Chancellor.

No state university or DSO may participate in any agreement with or accept any grant from a foreign country of concern which constrains the freedom of contract of such public entity; allows the curriculum or values of a program in the state to be directed or controlled by the foreign country of concern; or promotes an agenda detrimental to the safety or security of the United States or its residents. Prior to the execution of any agreement with a foreign country of concern, the substance of the agreement shall be shared with federal agencies concerned with protecting national security or enforcing trade sanctions, embargoes, or other restrictions under federal law. If such federal agency provides information suggesting that such agreement promotes an agenda detrimental to the safety or security of the United States or its residents, the state university may not enter into the agreement. State universities may not accept anything of value conditioned upon participation in a program or other endeavor to promote the language or culture of a foreign country of concern. Foreign country of concern means the People’s Republic of China, the Russian Federation, the Islamic Republic of Iran, the Democratic People’s Republic of Korea, the Republic of Cuba, the Venezuelan regime of Nicholas Maduro, or the Syrian Arab Republic, including any agency of or any other entity under significant control of such foreign country of concern.
SECTION 10 ANONYMOUS

Each DSO is authorized to accept publicly and institutionally anonymous gifts. Public anonymity is maintained for donors who do not wish for anyone outside of FSU to know of their gift. Institutional anonymity is maintained for donors who do not wish for anyone within or without of FSU to know of their gift. For institutionally anonymous gifts, only a handful of authorized staff have access to the donor’s true identity, as required for the processing of gifts.

In the event the DSO is uncertain about the desirability/legality of accepting an institutionally anonymous gift, the DSO shall seek an opinion from the Office of the General Counsel, and the decision shall ultimately be made by the Vice President for University Advancement, DSO Head and the vice president of the related area: the Provost/Executive Vice President for Academic Affairs for matters pertaining to the FSU Foundation, FSU Real Estate Foundation or Alumni Association; The Vice President/Director of Athletics for matters pertaining to Seminole Boosters; the Vice President for Student Affairs for matters pertaining to Student Affairs; and the Vice President for Research for matters pertaining to research.

SECTION 11.0 FACULTY AND STAFF GIVING

To avoid any perception that University employee gifts are being used to support a program over which the donor has discretion, an employee may not retain signature authority over or control of any fund which they have donated to which may create an actual or potential personal benefit to the employee. Please refer to the specific DSO funds management policy for further details.

SECTION 12.0 EXCEPTIONS
Exceptions for special circumstances not addressed in the Gift Acceptance and Counting Policies above can only be granted with written approval by the Vice President for University Advancement and the President of FSU.

SECTION 13.0 POLICY UPDATES

This policy was effective as of 10/1/2013 and last updated December 13, 2021 and will be reviewed and updated at a minimum every 3 years.

Attachment A: IRS Appraisal Guidelines

Qualified Appraisal

Generally, if the claimed deduction for an item or group of similar items of donated property is more than $5,000, you must get a qualified appraisal made by a qualified appraiser. You must also complete Form 8283, Section B, and attach it to your tax return. See Deductions of More Than $5,000, earlier.

A qualified appraisal is an appraisal document that:

- Is made, signed, and dated by a qualified appraiser (defined later) in accordance with generally accepted appraisal standards;
- Relates to an appraisal made not earlier than 60 days before the date of contribution of the appraised property;
- Does not involve a prohibited appraisal fee, and
- Includes certain information (covered later).

You must receive the qualified appraisal before the due date, including extensions, of the return on which a charitable contribution deduction is first claimed for the donated property. If the deduction is first claimed on an amended return, the qualified appraisal must be received before the date on which the amended return is filed.

Form 8283, Section B, must be attached to your tax return. Generally, you do not need to attach the qualified appraisal itself, but you should keep a copy as long as it may be relevant under the tax law. There are four exceptions.
• If you claim a deduction of $20,000 or more for donations of art, you must attach a complete copy of the appraisal. See Paintings, Antiques, and Other Objects of Art, earlier.

• If you claim a deduction of more than $500,000 for a donation of property, you must attach the appraisal. See Deductions of More Than $500,000, earlier.

• If you claim a deduction of more than $500 for an article of clothing, or a household item, that is not in good used condition or better, that you donated after August 17, 2006, you must attach the appraisal. See Deduction over $500 for certain clothing or household items, earlier.

Prohibited appraisal fee. Generally, no part of the fee arrangement for a qualified appraisal can be based on a percentage of the appraised value of the property. If a fee arrangement is based on what is allowed as a deduction, after IRS examination or otherwise, it is treated as a fee based on a percentage of appraised value. However, appraisals are not disqualified when an otherwise prohibited fee is paid to a generally recognized association that regulates appraisers if:

• The association is not organized for profit and no part of its net earnings benefits any private shareholder or individual;
• The appraiser does not receive any compensation from the association or any other persons for making the appraisal; and
• The fee arrangement is not based in whole or in part on the amount of the appraised value that is allowed as a deduction after an IRS examination or otherwise.

Information included in qualified appraisal. A qualified appraisal must include the following information:

1. A description of the property in sufficient detail for a person who is not generally familiar with the type of property to determine that the property appraised is the property that was (or will be) contributed,
2. The physical condition of any tangible property,
3. The date (or expected date) of contribution,
4. The terms of any agreement or understanding entered into (or expected to be entered into) by or on behalf of the donor that relates to the use, sale, or other disposition of the donated property, including, for example, the terms of any agreement or understanding that:
   a. Temporarily or permanently restricts a donee's right to use or dispose of the donated property,
   b. Earmarks donated property for a particular use, or
   c. Reserves to, or confers upon, anyone (other than a donee organization or an organization participating with a donee organization in cooperative fundraising) any right to the income from the donated property or to the possession of the property, including the right to vote donated securities, to acquire the property by purchase or otherwise, or to designate the person
having the income, possession, or right to acquire the property,
5. The name, address, and taxpayer identification number of the qualified appraiser and,
   if the appraiser is a partner, an employee, or an independent contractor engaged by
   a person other than the donor, the name, address, and taxpayer identification number
   of the partnership or the person who employs or engages the appraiser,
6. The qualifications of the qualified appraiser who signs the appraisal, including the
   appraiser's background, experience, education, and any membership in
   professional appraisal associations,
7. A statement that the appraisal was prepared for income tax purposes,
8. The date (or dates) on which the property was valued,
9. The appraised FMV on the date (or expected date) of contribution,
10. The method of valuation used to determine FMV, such as the income approach,
    the comparable sales or market data approach, or the replacement cost less
    depreciation approach, and
11. The specific basis for the valuation, such as any specific comparable sales transaction.

**Art objects.** The following are examples of information that should be included in a
description of donated property. These examples are for art objects. A similar detailed
breakdown should be given for other property. Appraisals of art objects—paintings In
particular—should include all of the following.

1. A complete description of the object, indicating the:
   a. Size,
   b. Subject matter,
   c. Medium,
   d. Name of the artist (or culture), and
   e. Approximate date created.
2. The cost, date, and manner of acquisition.
3. A history of the item, including proof of authenticity.
4. A professional quality image of the object.
5. The facts on which the appraisal was based, such as:
   a. Sales or analyses of similar works by the artist, particularly on or around
      the valuation date.
   b. Quoted prices in dealer's catalogs of the artist's works or works of other artists
      of comparable stature.
   c. A record of any exhibitions at which the specific art object had been displayed.
   d. The economic state of the art market at the time of valuation, particularly
      with respect to the specific property.
   e. The standing of the artist in his profession and in the particular school or
      time period.

**Number of qualified appraisals.**
A separate qualified appraisal is required for each item of property that is not included in a
group of similar items of property. You need only one qualified appraisal for a group of
similar items of property contributed in the same tax year, but you may get separate
appraisals for each item. A qualified appraisal for a group of similar items must provide all of the required information for each item of similar property. The appraiser, however, may provide a group description for selected items the total value of which is not more than $100.

Qualified appraiser. A qualified appraiser is an individual who meets all the following requirements.

1. The individual either:
   a. Has earned an appraisal designation from a recognized professional appraiser organization for demonstrated competency in valuing the type of property being appraised, or
   b. Has met certain minimum education and experience requirements. For real property, the appraiser must be licensed or certified for the type of property being appraised in the state in which the property is located. For property other than real property, the appraiser must have successfully completed college or professional-level coursework relevant to the property being valued, must have at least 2 years of experience in the trade or business of buying, selling, or valuing the type of property being valued, and must fully describe in the appraisal his or her qualifying education and experience.

2. The individual regularly prepares appraisals for which he or she is paid.

3. The individual demonstrates verifiable education and experience in valuing the type of property being appraised. To do this, the appraiser can make a declaration in the appraisal that, because of his or her background, experience, education, and membership in professional associations, he or she is qualified to make appraisals of the type of property being valued.

4. The individual has not been prohibited from practicing before the IRS under section 330(c) of title 31 of the United States Code at any time during the 3-year period ending on the date of the appraisal.

5. The individual is not an excluded individual.

In addition, the appraiser must complete Form 8283, Section B, and Part III. More than one appraiser may appraise the property, provided that each complies with the requirements, including signing the qualified appraisal and Form 8283, Section B, Part III.

Excluded individuals. The following persons cannot be qualified appraisers with respect to particular property.

1. The donor of the property, or the taxpayer who claims the deduction.

2. The donee of the property.

3. A party to the transaction in which the donor acquired the property being appraised, unless the property is donated within 2 months of the date of acquisition and its appraised value is not more than its acquisition price. This applies to the person who sold, exchanged, or gave the property to the donor, or any person who acted as an agent for the transferor or donor in the transaction.

4. Any person employed by any of the above persons. For example, if the donor acquired a painting from an art dealer, neither the dealer nor persons employed by the dealer...
can be qualified appraisers for that painting.

5. Any person related under section 267(b) of the Internal Revenue Code to any of the above persons or married to a person related under section 267(b) to any of the above persons.

6. An appraiser who appraises regularly for a person in (1), (2), or (3), and who does not perform a majority of his or her appraisals made during his or her tax year for other persons.

In addition, a person is not qualified appraiser for a particular donation if the donor had knowledge of facts that would cause a reasonable person to expect the appraiser to falsely overstate the value of the donated property. For example, if the donor and the appraiser make an agreement concerning the amount is more than the fair market value of the property, the appraiser is not qualified appraiser for the donation.

**ATTACHMENT B**

Parts I and II of the Real Estate General Review are maintained by the FSU Real Estate Foundation and will be updated from time to time as necessary, separate the regular review of this policy.
Glossary of acronyms:

ACH       Automated Clearing House
ALTA      American Land Title Association
CASE      Council for the Advancement and Support of Education
CFO       Chief Financial Officer
CGA       Charitable Gift Annuity
CLT       Charitable Lead Trust
CRAT      Charitable Remainder Annuity Trust
CRT       Charitable Remainder Trust
CRUT      Charitable Remainder Unitrust
DSO       Direct Support Organization
DTC       Depository Trust Company
EFT       Electronic Fund Transfer
FMV       Fair Market Value
FSU       Florida State University
IRS       Internal Revenue Service
MAI       Member of the Appraisal Institute
REC       Recognized Environmental Condition
REF       Real Estate Foundation
SRA       Senior Residential Appraiser
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>UPMIFA</td>
<td>Uniform Prudent Management of Intuitional Funds Act</td>
</tr>
<tr>
<td>USPAP</td>
<td>Uniform Standards of Professional Appraisal Practice</td>
</tr>
<tr>
<td>USPS</td>
<td>United State Postal Service</td>
</tr>
</tbody>
</table>
CONSENT ITEM G
Memo

To: Florida State University Committee on Campus Names  
From: Dean Erin O’Hara O’Connor  
CC: FSU Board of Trustees, President McCullough, Sally McRorie, Andy Jhanji

Dear Committee,

I write to submit a formal request for the naming of our newly funded Law and Business Center (Center) at the College of Law (College). The donors who are generously funding this new Center are Jeffrey and Agnes Stoops through their Stoops Family Foundation, Inc. The $1,000,000 gift from the Stoops family will serve as a general development fund for the Center which will be used to hire a team, generate programming, and develop a digital platform that will serve as a hub that ties together research and practice, law and business, and education in the workplace. The Center will aid the College’s larger mission of becoming a preeminent business law school in the country by leveraging our current strengths to become a nexus of thought leadership and training in business law and compliance for academics, students, lawyers, and business professionals, and as a valuable resource for the business community. The physical location of the Center will be a suite of offices on the second floor of our Advocacy Center with a proposed name of “Stoops Center for Law and Business.” Both Jeff and Aggie have a long history of engagement with FSU as donors (almost $7 million in total pledges and donations to date) and as volunteer leaders as board members of colleges and direct support organizations. We are concurrently seeking formal approval of the Center from the Florida Board of Governors via the standard process coordinated through the Office of the Provost at FSU.
January 10, 2022

MEMORANDUM

TO: Dr. James J. Clark
Provost and Executive Vice President for Academic Affairs
Florida State University

FROM: Dr. Christy England
Vice Chancellor for Academic and Student Affairs

SUBJECT: Establishment: FSU Center for Law and Business, 20.9120

Thank you for notifying the Board of Governors of the establishment of the FSU Center for Law and Business, 20.9120.

The State University System Inventory of Authorized Centers and Institutes has been updated to reflect the addition of the center.

Should you have any questions, please contact Ms. Carole Lewis at (850) 245-0031 or Institutesandcenters@flbog.edu.

CE/bkg

cc: Dr. Alva Striplin
    Dr. Jarrett L. Terry
    Dr. Disraelly Cruz
    Ms. Carole Lewis
CONSENT ITEM H
POLICY 1-5  GOVERNING BOARD CONTROL

Responsible Executive: University Board of Trustees
Approving Official: University Board of Trustees
Effective Date: [ADD DATE]
Revision History: New Adopted May 10, 2013 as President’s Policy;
                 Revised and Moved to Board Policy [ADD DATE]

I.  INTRODUCTION

Governing board control of institutional policy is defined and limited by several basic governing legal authorities: the Florida Constitution; the Florida Board of Governors Regulation 1.001 delegating its constitutional authority to the university boards of trustees; Board of Trustee-adopted regulations; and the Florida State University Board of Trustees’ delegation of authority to the President.

The Florida Constitution provides that the individual university boards of trustees administer the university with the university board’s powers and duties established by the Board of Governors.

The Florida Board of Governors has defined the university boards of trustees’ authority by Regulation 1.001.

The Florida State University Board of Trustees has delegated certain of its powers and duties to the President by formal delegation.

The purpose of this policy is to assure that governing board control over all institutional policy is maintained.

II. POLICY

Florida State University shall be administered by the Florida State University Board of Trustees. The duties of the Chair of the Board of Trustees are established by the Board Operating Procedures and shall include presiding at all meetings of the Board of Trustees, calling special meetings, attesting to actions of the Board of Trustees, and notifying the Board of Governors whenever a board member has three consecutive unexecuted absences from regular board meetings in any fiscal year.

The Florida State University Board of Trustees, as a collegial body, shall be responsible for the administration of the University in a manner that is dedicated to, and consistent with, the University’s mission and the legal authorities governing it.

The Florida State University President shall serve as the chief executive officer and corporate secretary of the Board of Trustees and shall be responsible to the Board of Trustees for all day-to-day operations of the University. The Board of Trustees shall establish the powers and duties of the University President.

All polices enacted by any university executive, administrator, or staff must fall within the lawful authority granted by the Florida Board of Governors to the Board of Trustees, or by some other legal means, and which has been delegated to the University President.
III. LEGAL SUPPORT, JUSTIFICATION, AND REVIEW OF THIS POLICY

Article IX, Section 7, Florida Constitution; the Florida Board of Governors Regulation 1.001; the Florida State University Board of Trustees’ formal delegation of authority to the President.

This Policy should be reviewed and, as appropriate, revised by the Board of Trustees every seven years.

/s/ Name of Approving Official

[Proof of approval retained in file]
CONSENT ITEM I
I. INTRODUCTION

The Florida Constitution, Article IX, Section 7, empowers the Florida Board of Governors to establish the powers and duties of the individual boards of trustees, which are charged with governing each university. The Board of Governors has done so by enacting Regulation 1.001, which provides individual boards of trustees with specific authorities with which to govern the universities. The Board of Governors has also established a particular procedure by which the individual boards of trustees may formally adopt regulations and policies governing the operations of the universities.

With respect to the day-to-day operations of intercollegiate athletics, Board of Governors Regulation 1.001(4)(d) requires that each university board of trustees "require that institutional control and oversight of its intercollegiate athletics program is in compliance with the rules and regulations of the National Collegiate Athletics Association (NCAA)."

The purpose of this policy is to establish a clear and appropriate distinction between Board of Trustees' oversight and the administrative control and implementation of the university functions by the University President and administration.

II. POLICY

The Florida State University Board of Trustees shall operate as the governing board of Florida State University. Each member of the Board of Trustees has fiduciary duties and responsibilities to the University. The Florida State University Board of Trustees collectively, as a collegial board, establishes a vision and sets direction for the University, and communicates its vision and direction to the University President. Utilizing its regulation and policymaking authority, the Florida State University Board of Trustees has adopted regulations and policies, in its quasi-legislative capacity, addressing diverse subject areas relative to university governance and operation.

It is the responsibility of the University President to operate the University consistent with the Board’s vision and direction. In doing so, the University President shall serve as the chief executive officer and shall be responsible to the Board of Trustees for all day-to-day operations of the University. In close consultation with the Board Chair and the Board of Trustees, the President implements the Board’s vision and direction through institutional leadership, strategic planning, and daily management of the University. Operating executive control of Florida State University is solely vested in the President by virtue of implementation and enforcement of the legislative acts.
of the Florida State University Board of Trustees, its regulations and policies, and any such policies as may also be adopted by the Board of Trustees.

Individual members of the Florida State University's Board of Trustees do not perform the function of day-to-day operation of the University. The Board gives direction to only one employee, the President of the University. Unless specifically referred by the President, Trustees must not interfere in the President’s supervision of other administrators, faculty, staff, or students. Complaints made to any Trustee should be referred directly to the President or a staff member designated by the President.

Consistent with requirements of the NCAA and Board of Governors, the Board of Trustees has delegated to the University President all aspects of the intercollegiate athletics program and certifies annually to the NCAA that delegation.

III. LEGAL SUPPORT, JUSTIFICATION, AND REVIEW OF THIS POLICY

Florida Constitution, Article IX, Section 7; the Florida University Board of Trustees' formal delegation of authority to the President; and FSUAA Policy.

This Policy shall be reviewed and, as appropriate, revised by the Board of Trustees every seven years.

s/ Name of Approving Official

[Proof of approval retained in file]
CONSENT ITEM J
POLICY 1-8  BOARD SELF-EVALUATION

Responsible Executive: University Board of Trustees
Approving Official: University Board of Trustees
Effective Date: [INSERT DATE]
Revision History: New Adopted [INSERT DATE]

I. INTRODUCTION

As the governing board of Florida State University, the Board of Trustees is responsible for ensuring the institution’s well-being. As a result, it is important for the Board to assess its own performance in meeting its policymaking and governance responsibilities. The Board has been conducting self-evaluations for a number of years and finds them to be instructive.

The Board establishes this policy in order to affirm the benefits of regular and comprehensive self-assessment to evaluate its progress toward achieving its stated goals and to formalize its self-evaluation process.

The FSU Board of Trustees is committed to excellence in performing its duties and furthering the University’s mission. Self-evaluation provides an opportunity to identify priorities, celebrate accomplishments, and bridge the gap between expectations and performance. The results have and will continue to provide a clear vision for the Board’s continued success.

II. POLICY

Every two (2) years, the Board of Trustees will conduct a comprehensive self-evaluation, including an assessment of progress in meeting its stated goals. The process will typically begin in the Fall Semester, with a discussion of the results in the following Spring Semester. The Board’s Governance Committee and appropriate University staff will coordinate the evaluation in consultation with the President and Board Chair. University staff will administer the assessment, collect and analyze the results, and facilitate further discussion. The Board will use the results to identify its priorities and the work of its Committees for the next two (2) years. The Committees and University staff will continue to revise and improve the process based on the needs of the Board and the University.

The Board’s self-evaluation should include the following: (1) Defining and reinforcing the Board’s role, responsibilities, and expectations; (2) Establishing the Board’s goals in light of the University’s mission; (3) Assessing achievements and identifying areas for improvement; and (4) Strengthening relationships among Board members, and between the Board and the University community.
III. LEGAL SUPPORT, JUSTIFICATION, AND REVIEW OF THIS POLICY

Article IX, Section 7 Florida Constitution; BOG Regulation 1.001

This Policy should be reviewed and, as appropriate, revised by the Board of Trustees every seven years.

[INSERT APPROVAL DATE]

Approved by Board of Trustees
CONSENT ITEM K
MEMORANDUM

TO: Richard McCullough, President
FROM: Kyle Clark, Vice President for Finance & Administration
DATE: February 3, 2022
SUBJECT: Request for Approval
2022-2023 Budget Projections for Auxiliaries with Outstanding Revenue Bonds

The Board of Governors Regulation 9.008 “University Auxiliary Facilities with Outstanding Revenue Bonds” was amended effective June 22, 2017, to include additional language regarding maintenance and equipment reserves, as well as reporting requirement clarifications, for certain auxiliary revenue bond issues.

The university’s Housing System and Parking System auxiliary revenue bonds contain covenant language requiring an annual Income and Expenditure Statement be submitted to the Board of Governors for approval. The operating budgets for these auxiliary facilities must be approved by the University Board of Trustees in advance of submission to the Board of Governors. The Board of Governors is charged with approving the Income and Expenditure Statements as required by bond covenants that have been previously endorsed by the respective University Board of Trustees.

I recommend approval of the 2022-2023 Budget Projections for Auxiliaries with Outstanding Revenue Bonds.

KC

Attachments
### INCOME AND EXPENDITURE STATEMENT

#### 2020-2021 2021-2022 2022-2023

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Estimated</th>
<th>Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Revenues</td>
<td>$32,755,792</td>
<td>$49,163,667</td>
<td>$51,064,491</td>
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<tr>
<td>Interest Income - Operating Funds</td>
<td>631,880</td>
<td>613,025</td>
<td>459,769</td>
</tr>
<tr>
<td>Interest Income - Reserve Funds</td>
<td>882,577</td>
<td>807,291</td>
<td>744,773</td>
</tr>
<tr>
<td>Other</td>
<td>1,968,862</td>
<td>3,190,875</td>
<td>505,100</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>36,239,111</strong></td>
<td><strong>53,774,858</strong></td>
<td><strong>52,774,133</strong></td>
</tr>
</tbody>
</table>

|                  |          |           |           |
| **Expenditures** |          |           |           |
| Salaries and Matching | 9,239,639 | 11,203,715 | 11,203,715 |
| Other Personal Services | 2,025,856 | 3,028,667 | 3,457,720 |
| Operating Expenses | 7,143,989 | 8,321,870 | 9,049,500 |
| Repairs and Maintenance | 1,126,246 | 2,737,652 | 2,250,000 |
| Debt Service | 15,289,560 | 14,675,000 | 14,720,000 |
| Repair and Replacement Expense | 930,000 | 4,200,000 | 4,200,000 |
| Operating Capital Outlay | 0 | 90,750 | 90,750 |
| Other Expense & Transfers Out | 3,702,055 | 3,065,870 | 3,057,675 |
| **Total Expenditures** | **39,457,345** | **47,323,524** | **48,029,360** |

|                  |          |           |           |
| Transfers Out From Reserve Fund | 0 | 5,676,000 | 0 |
| **Net Income** | (3,218,234) | 775,334 | 4,744,773 |

|                  |          |           |           |
| **Beginning Balance** | **76,799,251** | **73,581,017** | **74,356,351** |

|                  |          |           |           |
| **Ending Balance** | **$73,581,017** | **$74,356,351** | **$79,101,124** |

#### Reserve Fund - Beginning Balance

<table>
<thead>
<tr>
<th></th>
<th>2020-2021 Actual</th>
<th>2021-2022 Estimated</th>
<th>2022-2023 Projected</th>
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</thead>
<tbody>
<tr>
<td>Interest Income</td>
<td>882,577</td>
<td>807,291</td>
<td>744,773</td>
</tr>
<tr>
<td>Transfers In</td>
<td>763,404</td>
<td>5,126,328</td>
<td>4,000,000</td>
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<tr>
<td>Transfers Out</td>
<td>0</td>
<td>(5,676,000)</td>
<td>0</td>
</tr>
<tr>
<td><strong>Reserve Fund - Ending Balance</strong></td>
<td><strong>$49,394,066</strong></td>
<td><strong>$49,651,685</strong></td>
<td><strong>$54,396,458</strong></td>
</tr>
</tbody>
</table>
### PARKING SYSTEM REVENUE BONDS
#### INCOME AND EXPENDITURE STATEMENT

<table>
<thead>
<tr>
<th></th>
<th>2020-2021 Actual</th>
<th>2021-2022 Estimated</th>
<th>2022-2023 Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Revenues</td>
<td>$11,608,872</td>
<td>$12,607,179</td>
<td>$12,656,000</td>
</tr>
<tr>
<td>Interest Income - Operating Funds</td>
<td>148,674</td>
<td>165,000</td>
<td>95,309</td>
</tr>
<tr>
<td>Interest Income - Reserve Funds</td>
<td>64,345</td>
<td>33,158</td>
<td>35,000</td>
</tr>
<tr>
<td>Other</td>
<td>559,100</td>
<td>0</td>
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<tr>
<td><strong>Total Revenues</strong></td>
<td>$12,380,991</td>
<td>$12,805,337</td>
<td>$12,786,309</td>
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<tr>
<td><strong>Expenditures</strong></td>
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<tr>
<td>Salaries and Matching</td>
<td>1,174,092</td>
<td>1,320,827</td>
<td>1,435,499</td>
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<td>Other Personal Services</td>
<td>41,916</td>
<td>62,199</td>
<td>150,000</td>
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<td>Operating Expenses</td>
<td>3,145,134</td>
<td>4,685,001</td>
<td>4,662,666</td>
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<tr>
<td>Repairs and Maintenance</td>
<td>192,730</td>
<td>168,950</td>
<td>163,977</td>
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<td>Debt Service</td>
<td>4,739,296</td>
<td>4,739,560</td>
<td>3,966,437</td>
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<tr>
<td>Repair and Replacement Expense</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Operating Capital Outlay</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other Expense &amp; Transfers Out</td>
<td>166,251</td>
<td>408,799</td>
<td>252,865</td>
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<tr>
<td><strong>Total Expenditures</strong></td>
<td>$9,459,419</td>
<td>$11,385,336</td>
<td>$10,631,444</td>
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<tr>
<td>Transfers Out From Reserve Fund</td>
<td>26,910</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Net Income</td>
<td>2,894,662</td>
<td>1,420,001</td>
<td>2,154,865</td>
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<tr>
<td><strong>Beginning Balance</strong></td>
<td>$9,127,853</td>
<td>$12,022,515</td>
<td>$13,442,516</td>
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<tr>
<td><strong>Ending Balance</strong></td>
<td>$12,022,515</td>
<td>$13,442,516</td>
<td>$15,597,381</td>
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<table>
<thead>
<tr>
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<th>2020-2021 Actual</th>
<th>2021-2022 Estimated</th>
<th>2022-2023 Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reserve Fund - Beginning Balance</strong></td>
<td>$3,605,985</td>
<td>$3,670,330</td>
<td>$3,703,488</td>
</tr>
<tr>
<td>Interest Income</td>
<td>64,345</td>
<td>33,158</td>
<td>35,000</td>
</tr>
<tr>
<td>Transfers In</td>
<td>26,910</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Transfers Out</td>
<td>(26,910)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Reserve Fund - Ending Balance</strong></td>
<td>$3,670,330</td>
<td>$3,703,488</td>
<td>$3,738,488</td>
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</tbody>
</table>
CONSENT ITEM L
MEMORANDUM

TO: Richard McCullough, President
FROM: Kyle Clark, Vice President for Finance & Administration
DATE: February 3, 2022
SUBJECT: Request Approval of Regulation Amendment
FSU-2.02422. Special Fines, Fees, and Penalties

This proposed amendment clarifies the definition of “cost” as it relates to the Housing fee. Neither the applicable statute, Section 1009.24(14)(j), F.S. nor the corresponding Board of Governor’s Regulation, BOG-7.003, Fees, Fines and Penalties limits the housing rates to “cost”, but the current Florida State University Regulation sets housing rates at “cost”.

These fees are all currently dedicated to and used solely for housing program purposes but clarification of the applicable definition of “cost” would be useful. Such fees may also be needed and appropriate for payments if required by bonding and for a reserve for facility replacement. This amendment will provide that the “cost” definition specifically includes such charges and expenses and clarify any possible ambiguity.

This proposed amendment complements and does not conflict with the general definition of “cost” in BOG 7.003 which provides: “For purposes of clarification, the term "at cost" or "cost" as used in this regulation includes those increased costs that are directly related to the delivery of the goods, services, or programs.

I recommend this proposed regulation amendment be submitted to the Board of Trustees for approval.

KC

Attachments

The Board of Trustees must authorize all tuition and fees assessed. Accordingly, the specific fines, fees and penalties listed in this section, and the tuition and fees defined in Regulation FSU-2.024, are the only fees that may be charged without specific approval of the Board, except as authorized by Florida Statute:

(1) A nonrefundable application fee ................................................................. $30.00

(2) An orientation fee ....................................................................................... $35.00

(3) A fee for security, access, or identification card:
   (a) Annual card fee ($5.00 each, Fall and Spring Semester) ................. $10.00
   (b) Replacement card fee .............................................................................. $15.00

(4) A service charge for the payment of tuition in installments ...................... $15.00

(5) A late registration fee to be assessed to students who fail to initiate
    registration during the regular registration period ................................. $100.00

(6) A late payment fee to be assessed to students who fail to pay tuition and fees or who fail to
    make appropriate arrangements to pay (by means of installment payment, deferment, or third-
    party billing) by the tuition and fee deadline set by the university .......... $100.00

(7) Materials and supply fee (lab fees) to offset the cost of materials and supplies consumed
    during the course of the student's instructional activities, excluding the cost of equipment
    replacement, repairs and maintenance ................................................................. Cost

(8) A fee for miscellaneous health-related charges for services provided at cost
    by the university health center which are not covered by the health fee set
    under Section 1009.24(11), F. S ................................................................. Cost

(9) Housing rental rates and miscellaneous housing charges for services
    provided by the university at the request of the student .............................. Cost
    Housing costs may include amounts as required by existing bonds and for
    long term replacement of the particular facilities.
(10) A charge to represent the reasonable efforts to collect overdue accounts .............................................................................................................................. Cost

(11) A service charge on university loans in lieu of interest and administrative handling charges ........................................................................................................ $5.00

(12) Library fines and charges, including:

(a) Damaged and lost library materials, interlibrary loans, and literature searches ........................................................................................................... Cost
(b) Overdue per book or unit per day ................................................. Not to exceed $2.00
(c) Overdue Reserve Materials per book or unit per hour ...................... Not to exceed $2.00 ($40.00)

(13) Fees relating to duplicating, photocopying, binding, and microfilm services; copyright services, and standardized testing .............................................................................. Cost

(14) Fees and fines relating to the use, late return, and loss and damage of facilities and equipment ............................................................................................................ Cost

(15) Returned check fee for unpaid checks returned to the university As provided by Section 832.07, F.S.

(16) Traffic and parking fines, charges for parking decals or permits, and transportation access fee As provided by FSU-2.009

(17) An Educational Research Center for Child development fee for childcare and services offered by the center ................................................................................. Cost

(18) Fees for academic transcripts .................................................................................................................. $10.00

(19) Diploma replacement ..................................................................................................................................... $10.00

(20) Internet Payment Convenience Fee ................................................................................................................. Cost

(21) Developmental Research School Fees: Activities Fee .............................................................................. Variable

(22) The university president will authorize additional fees in order to meet specific higher education needs of the State when special circumstances result in specific, identifiable increased costs to a university. These fees will be in addition to the regular Student Credit hour fees charged to students enrolling in these courses on-campus. The additional fees charged shall be sufficient to recover all increased costs. The university shall remit the regular Student Credit hour fees
collected for these courses to the appropriated Student Fee Trust Funds. The university shall use the additional fees to cover the increased cost of these courses and reimburse the appropriate Educational and General fund, or the appropriate other fund if the costs are incurred in other than Educational and General funds. Variable

(23) Each university president or president's designee will authorize additional fees for off-campus course offerings in order to meet specific higher education needs of the State when special circumstances result in specific, identifiable increased costs to the university. These fees will be in addition to the regular Student Credit hour fees charged to students enrolling in courses on campus. The additional fees charged shall be sufficient to recover all increased costs. The university shall retain the additional fees collected. The university shall use the additional fees collected to cover the increased cost of these courses and reimburse the appropriate Educational and General fund, or the appropriate other fund if the costs are incurred in other than Educational and General funds. Variable

(24) Other miscellaneous fines, fees and penalties as approved by the Board of Trustees and authorized by state law.

(25) Each applicant to the university as a freshman (otherwise known as FTIC, First Time in College) or as a law or medical student shall submit a nonrefundable $200 admissions deposit upon the applicant's acceptance to the university. If the student enrolls, the deposit will be applied towards tuition. If the applicant does not enroll, the deposit will be used as specified in Section 1009.24(14), F.S. The deposit will be waived only upon demonstrated inability to pay.

(26) A technology fee of 5 percent of the tuition per credit hour, beginning with the fall term of the 2010-2011 academic year. The revenue from this fee shall be used to enhance instructional technology resources for students and faculty. The technology fee shall not be included in any award under the Florida Bright Futures Scholarship Program.

CONSENT ITEM M
MEMORANDUM

TO: President Richard McCullough
FROM: Sam M. McCall, Chief Audit Officer
Date: January 28, 2022
SUBJECT: Agenda Item for the February 8, 2022, BOT Meeting:

Audit Report AR 22-04 – Performance-Based Funding Metrics Data Integrity Audit and the Data Integrity Certification

Request for Approval to be placed on the BOT Agenda

Please find enclosed Audit Report AR 22-04 – Performance-Based Funding Metrics Data Integrity Audit for fiscal year 2021-22 for acceptance by the BOT. The Data Integrity Certification form is to be signed by the President and the BOT Chair after acceptance of the report by the BOT.

Thank you

Attachment
Summary

Overall, we concluded the University has adequate processes for collecting and reporting Performance-Based Funding (PBF) Metrics data to the Board of Governors (BOG). In addition, we can provide an objective basis of support for the University’s President and Board of Trustees Chair to sign the Performance-Based Funding – Data Integrity Certification, which the BOG requested to be filed with it by March 1, 2022.

Scope, Objectives, and Methodology

In his June 14, 2021, memorandum to University Boards of Trustees’ Chairs and University Presidents, the Chair of the State University System (SUS) of the Florida Board of Governors (BOG) directed the President of each University to complete a Performance-Based Funding (PBF) Data Integrity Certification.

As required by Florida Statutes\(^1\), the BOG Chair instructed the University Board of Trustees of each University to:

\[\ldots\text{direct the university chief audit executive to perform, or cause to have performed by an independent audit firm, an audit of the University’s processes that ensure the completeness, accuracy, and timeliness of data submissions.}\]

Additionally, the BOG Chair asked that:

\[\ldots\text{these audits include testing of data that supports performance funding metrics, as well as preeminence or emerging preeminence metrics for those universities so designated, as testing is essential in determining that processes are in place and working as intended.}\]

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\(^1\) Florida Statutes, sections 1001.7065, Preeminent State Research Universities Program, and 1001.92, State University System Performance-Based Incentive
The scope and objectives of the audit(s) should be set jointly between the chair of the university board of trustees and the university chief audit executive. The audit(s) shall be performed in accordance with the current International Standards for the Professional Practice of Internal Auditing as published by the Institute of Internal Auditors, Inc.

Using the results from the data integrity audit(s), each university president should complete the attached Data Integrity Certification. When completing this certification, evaluate each of the 13 prepared representations. If you are able to affirm a representation as prepared, do so. If you are unable to affirm a representation as prepared, explain the modification in the space provided. It is important that representations be modified to reflect significant or material audit findings. The certification document shall be signed by the university president and board of trustees’ chair after being approved by the board of trustees.

The audit results and corrective action plans as needed shall be provided to the Board of Governors after being accepted by the university’s board of trustees. The audit results shall support the president’s certification and include any noted audit findings. The completed Data Integrity Certification and audit report(s) shall be submitted to the Office of Inspector General and Director of Compliance no later than March 1, 2022.

I ask that you consider the March 1st deadline when establishing dates for your 2022 board of trustees meetings as we will need these audits and certifications in sufficient time to be included in our March Board of Governors’ meeting materials.

This is the eighth consecutive year the BOG has called for each university to conduct a data integrity audit for the Performance-Based Funding (PBF) Model. This is the third year the BOG has called for universities designated as preeminent, which includes Florida State University (FSU), or emerging preeminent to conduct a similar audit for the data and metrics used for preeminent status consideration. Our Office has decided to conduct this third required audit as separate from the Performance-Based Funding Model - Data Integrity Audit, and to issue a separate audit report.

Florida State University has decided upon the following scope and objectives for its Performance-Based Funding Model Data Integrity Audit that has been recurring now for eight years.

Scope:

The overall purpose of the audit is to report on the controls and processes established by the University to ensure the completeness, accuracy, and timeliness of data submissions to the BOG that support the University’s PBF Metrics, and to provide an objective basis of support for the University’s President and Board of Trustees Chair to sign the representations included in the Performance-Based Funding Metrics/Preeminent Research University Metrics - Data Integrity Certification, which will be submitted to the University’s Board of Trustees and filed with the BOG by March 1, 2022. This audit includes an evaluation of the key controls that support these processes, as well as testing of the actual data upon which the University’s PBF Metrics are based.

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2 This is a reference to the BOG’s Office of Inspector General and Director of Compliance.
The Performance-Based Funding Metric Definitions in Florida State University's 2021 Accountability Plan, approved by the FSU Board of Trustees on June 17, 2021, and approved by the Board of Governors on June 23, 2021, include the following:

1. Percent of Bachelor's Graduates Enrolled or Employed ($30,000+) One Year After Graduation;
2. Median Wages of Bachelor's Graduates Employed Full-Time One Year After Graduation;
3. Cost to the Student (Net Tuition and Fees for Resident Undergraduates per 120 Credit Hours);
4. Four-Year First-Time-in-College (FTIC) Graduation Rate;
5. Academic Progress Rate (Second Year Retention with 2.0 Grade Point Average (GPA) or Above);
6. Bachelor's Degrees within Programs of Strategic Emphasis;
7. University Access Rate (Percent of Undergraduates with a Pell Grant);
8. Graduate Degrees within Programs of Strategic Emphasis;
9a. Florida College System Associate in Arts Transfer Two Year Graduation Rate (Board of Governors' Choice Metric for all SUS universities);
9b. Pell Recipient Six Year Graduation Rate (Board of Governors' Choice Metric for all SUS universities); and
10. Number of Bachelor's Recipients Passing One or More Entrepreneurship Course While Not in Excess Hours (FSU's Board of Trustees Choice Metric).

Exhibit A provides information on each of the Performance-Based Funding Metrics, as reported in the 2021 Accountability Plan. We have additionally included information from the 2019 and 2020 Accountability Plans to show some results over time.

This audit solely addresses the integrity of the University's data submissions to the BOG that support the University's Performance-Based Funding Metrics for the 2022 Accountability Plan. In the event certain of these data are not yet available when we conduct testing, we plan to use the most recent data for the pertinent metrics. The BOG extracts data from the files provided it by the University and performs additional calculations to derive the final PBF Metrics data published by the BOG. The University is not involved in these extractions or additional calculations by the BOG.

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3 In October 2019, the BOG approved revisions to the System’s 2025 Strategic Plan, which revised the employment metric to include a $30,000+ wage threshold from the previous $25,000+ wage threshold. At the November 2020 board meeting, the BOG approved the deferral of the wage threshold increase for at least one year due to potential impacts of data from the pandemic. At the November 2021 board meeting, the BOG approved the wage threshold increase to this metric, which will be included in the 2022 Accountability Plan.

4 At the November 2021 board meeting, the BOG approved the change of this metric from the previous Metric #10 — Percent of Bachelor’s Graduates who took an Entrepreneurship Class. This change will be reported in the 2022 Accountability Plan.
Objectives:

1. Determine if there were any changes since our conclusions in the 2020-21 PBF audit concerning the Data Administrator’s appointment and the duties and responsibilities in his official position description.

2. Determine the current status of processes used by the Data Administrator to ensure the completeness, accuracy, and timely submission of data to the BOG.

3. Determine the current status of available documentation including policies, procedures, and desk manuals of appropriate staff and assess their adequacy for ensuring data integrity for University PBF data submissions to the BOG.

4. Determine the current status since our conclusion in the 2020-21 PBF audit concerning system access controls and user privileges.

5. Determine the current status since our conclusion in the 2020-21 PBF audit concerning audit testing of data accuracy.

6. Determine the current status since our conclusion in the 2020-21 PBF audit concerning the consistency of data submissions with the data definitions and guidance provided by the BOG through the Data Committee and communications from data workshops.

7. Determine the current status since our conclusion in the 2020-21 PBF audit concerning the University Data Administrator’s data resubmissions to the BOG.

8. Provide an objective basis of support for the President and Board of Trustees chair to sign the representations made in the Performance-Based Funding - Data Integrity Certification.

Our detailed methodology for each of our eight objectives is included in the report section for each. In general, to complete the stated audit objectives, we conducted interviews and otherwise communicated with the Data Administrator and other key data managers, and analyzed supporting documentation related to the objectives. Such supporting documentation included available data and information related to:

- The Data Administrator’s appointment and position duties and responsibilities;
- Processes, policies, procedures, and desk manuals concerning data input, error identification and correction, compliance with the BOG guidance, etc., to determine whether these are adequate to provide reasonably sufficient internal control over data;
- Data file submissions by the University to the BOG, to determine whether they were made in a timely manner and included any resubmissions and the reasons for these;
- State University Database System (SUDS) and University systems access by individuals associated with the University, to determine if that access is appropriate;
- Written guidance from the BOG and the University’s related training and communications, to demonstrate the University’s efforts to attain agreement of its efforts with BOG expectations; and
- Latest data files submitted to the BOG that contained elements used in calculating Performance-Based Funding Metrics, and the University’s related source data, to ensure that data submitted to the BOG were consistent with University transactional data and the BOG requirements.
This audit was performed in conformance with the *International Standards for the Professional Practice of Internal Auditing*. Those standards require we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

### Background

The Florida Board of Governors, created in 2002, is authorized in Article IX, Section 7(d), Florida Constitution to "operate, regulate, control, and be fully responsible for the management of the whole university system," which consists of the state’s 12 public universities.

Beginning in fiscal year 2013-14, the BOG instituted a Performance-Based Funding Program based on 10 performance metrics used to evaluate the universities on a range of issues, including graduation rates, job placement, academic progress rate, etc. On June 18, 2019, Chapter 2019-103, Laws of Florida, Committee Substitute for Senate Bill No. 190, relating to higher education, was signed by the Governor. The act amended s. 1001.706, F.S., officially requiring in law that, among other things:

(5) **POWERS AND DUTIES RELATING TO ACCOUNTABILITY**

(e) The Board of Governors shall maintain an effective information system to provide accurate, timely, and cost-effective information about each university. The board shall continue to collect and maintain, at a minimum, management information as such information existed on June 30, 2002. To ensure consistency, the Board of Governors shall define the data components and methodology used to implement ss. 1001.7065 and 1001.92. Each university shall conduct an annual audit to verify that the data submitted pursuant to ss. 1001.7065 and 1001.92 complies with the data definitions established by the board and submit the audits to the Board of Governors Office of Inspector General as part of the annual certification process required by the Board of Governors.

According to information on the BOG’s website as of November 19, 2021, the BOG’s current Active Regulations include Chapter 5 Performance-Based Funding with one Section, BOG 5.001, which was most recently amended on September 16, 2020. As stated in BOG 5.001(1):

1) **The Performance-Based Funding (PBF) is based upon four guiding principles:**

   a) Align with State University System’s (SUS) Strategic Plan goals;
   b) Reward excellence and improvement;
   c) Have a few, clear, simple metrics; and
   d) Acknowledge the unique mission of the different SUS institutions.

BOG 5.001(2) and (3) provide further description of the BOG’s PBF initiative:

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5 Preeminent State Research Universities Program  
6 State University System Performance-Based Incentive
2) The PBF model measures institutional excellence and improvement of performance using metrics adopted by the Board of Governors. The metrics include 4-year graduation rates for first-time-in-college students; 2-year graduation rates for associate in arts transfer students; retention rates; post-graduation education rates; degree production; affordability; post-graduation employment and salaries, including wage thresholds that reflect the added value of a baccalaureate degree; access; 6-year graduation rates for students who are awarded a Pell Grant in their first year; and other metrics that may be approved by the Board in a formally noticed meeting. Benchmarks and metrics may not be adjusted after university performance data has been received by the Board.

3) The performance of an institution is evaluated based on benchmarks adopted by the Board of Governors for each metric. For each fiscal year, the amount of funds available for allocation to SUS institutions shall consist of the state's investment, plus the institutional investment from each institution's base budget, as determined in the General Appropriations Act. The amount of institutional investment withheld from each SUS institution shall be a proportional amount based on each institution's recurring base state funds to the total SUS recurring base state funds (excluding special units).

To provide assurance that data submitted by the 12 state public universities to the BOG in support of their Performance-Based Funding Metrics are reliable, accurate, and complete, the BOG developed a Data Integrity Certification process. In line with Chapter 2019-103, Laws of Florida, BOG Regulation 5.001(8) include the following:

8) University chief audit executives shall conduct or cause to have conducted an annual data integrity audit to verify the data submitted for implementing the Performance-Based Funding Model complies with the data definitions established by the Board of Governors. The audit report shall be presented to the university's board of trustees for its review, acceptance, and use in completing the data integrity certification. The audit report and data integrity certification are due to the Board of Governors' Office of Inspector General by March 1 each year.

As mentioned, this is the eighth consecutive year Florida State University's Office of Inspector General Services has completed a PBF Data Integrity Certification audit and certification for the University’s President and Board of Trustees Chair to sign after being approved by the FSU Board of Trustees. The audit and signed certification are both subsequently provided to the BOG.

**Findings**

Overall, we concluded that the University has adequate processes for collecting and reporting Performance-Based Funding Metrics data to the BOG. In addition, we can provide an objective basis of support for the University’s President and Board of Trustees Chair to sign the Performance-Based Funding – Data Integrity Certification, which the BOG requested to be filed with it upon approval by the Board of Trustees, by March 1, 2022.

**Objective #1:** Determine if there were any changes since our 2020-21 PBF audit conclusions concerning the Data Administrator’s appointment and the duties and responsibilities in his official position description.
In our 2020-21 PBF audit we concluded that:

*Dr. Burnette has been officially appointed by the University President as the Data Administrator and his Position Description reflects this appointment and the related responsibility of preparing and submitting files as required by the BOG.*

**Current Findings:**

The University’s current Data Administrator continues to be Richard R. (Rick) Burnette III, Ph.D. Dr. Burnette, Associate Vice President for Academic Affairs, assumed the University Data Administrator responsibilities effective May 13, 2013. Dr. Burnette’s appointment as University Data Administrator by the President was further and more officially documented on November 25, 2014, when President John Thrasher sent a letter to the BOG’s Chancellor Marshall Criser listing Dr. Burnette as the University’s Data Administrator in a list of University appointments.

We reviewed Dr. Burnette’s current Position Description, last updated July 1, 2016, which listed among his responsibilities “Maintains the role of the University Data Administrator in accordance with Board of Governors Regulation 3.007, which states that the Data Administrator will ensure that the data file (prior to submission) is consistent with the criteria established by the Board of Governors Data Committee.”

**Conclusion for Objective #1:**

Dr. Burnette has been officially appointed by the University President as the Data Administrator and his Position Description reflects this appointment and the related responsibility of preparing and submitting files as required by the BOG.

**Recommendations:**

We have no recommendations for Objective #1.

**Objective #2: Determine the current status of processes used by the Data Administrator to ensure the completeness, accuracy, and timely submission of data to the BOG.**

In our 2020-21 PBF audit we concluded that:

...the processes used by the University Data Administrator and his staff in Institutional Research reasonably ensure the completeness, accuracy, and timely submission of data submitted to the BOG, including compliance with BOG criteria for the data. The most definitive evidence of the effectiveness of Institutional Research’s (IR) processes to ensure the completeness and accuracy of the University’s data submitted to the BOG, including criteria for the data, is presented in our positive conclusions pertaining to our Objective #5 concerning audit testing of PBF data accuracy.

**Current Findings:**
As we observed in our 2020-21 Performance-Based Funding Metrics Data Integrity Certification Audit, we continue to conclude the processes used by the University Data Administrator and his staff in IR reasonably ensure the completeness, accuracy, and timeliness of data submitted to the BOG, including compliance with BOG criteria for the data.

To better understand the organization of the current reporting process, the present chain of custody continues to be as follows:

- Student information necessary for reporting is captured in the University’s transactional systems, including Campus Solutions/PeopleSoft student information system and the Slate admissions platform.
- Data for most files are captured in the data warehouse on a nightly basis. These data cannot be edited by individual users and as such are “read only.” These transactional views are supplemented with an extract view that was created from external sources and parked in the data warehouse so it can be compared against warehoused transactional data.
- Over a month before the due date for a file, the reporting team consisting of IR, the functional office for the data, and the Campus Solutions reporting team begin extracting data and creating a draft file via Oracle Business Intelligence Enterprise Edition (OBIEE).
- OBIEE has data transformation logic in place to represent transactional data using BOG defined codes and to match BOG field names.
- In cases where external data must be merged with the file, the data are moved to Excel for the purpose of comparison.
- Once a file is sufficiently complete and formatted for submission, it is loaded to the BOG SUDS environment, for testing.
- After all files are added, the edits are run to generate the dynamic reports and frequency distributions.
- IR and functional users review the errors to determine whether there are simply translation errors or if data in the Student Information System are incorrect.
- Any necessary corrections are made to the transactional system so that the changes are permanent.
- The Data Administrator emails the BOG if there are any questions about interpretation that are not addressed in the BOG’s online SUDS Data Dictionary and SUS Master File Documentation, or the Annual Data Administrators’ Conference Proceedings.
- Corrected files are reloaded and the review process continues until all the errors have been cleaned up or explained.
- For each file, the final check is to compare data frequencies with those from the prior year using the Submission Summary feature on the SUDS submission page. Large differences are explained even if they do not generate any errors. Just prior to submission to the BOG, the Submission Summary is downloaded to Excel so that the FSU team can enter and retain their comments on errors that the BOG has defined as Level 9 (critical) errors, and for datapoints where there were meaningful changes from one year to the next. The comments are recorded in the Excel spreadsheet and saved on IR’s shared drive.
- Each file is then submitted to the BOG after all of the frequency explanations have been added by IR staff.

To test the timeliness of submissions of required files to the BOG that relate to FSU’s Performance-Based Funding Metrics, we used Submission History information from the BOG SUDS system. The following BOG-required files relate to the University’s Performance-Based Funding Metrics. For
each of these required files, we reviewed the University’s current and historical submissions back
to the third most recent submission.

The following table shows each file we reviewed to test timeliness of submissions, and the reporting
period covered for each file.

<table>
<thead>
<tr>
<th>File</th>
<th>Campus Solutions—Reporting Period(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Admissions File (ADM)</td>
<td>Spring 2021 through Fall 2021</td>
</tr>
<tr>
<td>Student Instruction File (SIF)</td>
<td>Fall 2020 through Summer 2021</td>
</tr>
<tr>
<td>Hours to Degree (HTD)</td>
<td>2018-19 through 2020-21</td>
</tr>
<tr>
<td>Retention</td>
<td>2017-18 through 2019-20</td>
</tr>
<tr>
<td>Student Financial Aid (SFA)</td>
<td>2018-19 through 2020-21</td>
</tr>
<tr>
<td>Student Instruction File Degrees Awarded (SIFD)</td>
<td>Fall 2020 through Summer 2021</td>
</tr>
</tbody>
</table>

Since our previous audit report accepted by the Board of Trustees on February 19, 2021, nine files
were submitted to the BOG SUDS system. Eight of these files were submitted on time, while one
file was submitted late, but only by three days and due to issues related to athletic waivers and
department billings, which were identified by IR during their review process. Office of Financial
Aid corrected those issues the next business day and IR submitted the file. Please note in the table
the three most recent submissions of each of the six required files that relate to FSU’s Performance­
Based Funding Metrics. Timeliness of the University’s data submissions to the BOG is not a present
concern.

<table>
<thead>
<tr>
<th>File</th>
<th>Term</th>
<th>SUDS Due Dates</th>
<th>Submission to BOG</th>
<th>Days Late</th>
</tr>
</thead>
<tbody>
<tr>
<td>Admissions File</td>
<td>Fall 2021</td>
<td>10/15/2021</td>
<td>10/15/2021</td>
<td>N/A – On Time</td>
</tr>
<tr>
<td>Student Instruction File</td>
<td>Summer 2021</td>
<td>9/28/2021</td>
<td>9/28/2021</td>
<td>N/A – On Time</td>
</tr>
<tr>
<td>Hours to Degree</td>
<td>Annual 2020</td>
<td>11/12/2021</td>
<td>11/12/2021</td>
<td>N/A – On Time</td>
</tr>
<tr>
<td>Retention File</td>
<td>Annual 2019</td>
<td>2/1/2021</td>
<td>2/1/2021</td>
<td>N/A – On Time</td>
</tr>
<tr>
<td>Student Financial Aid File</td>
<td>Annual 2020</td>
<td>10/8/2021</td>
<td>10/11/2021</td>
<td>3 days</td>
</tr>
<tr>
<td>Degrees Awarded File</td>
<td>Summer 2021</td>
<td>10/1/2021</td>
<td>9/30/2021</td>
<td>N/A – Early</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>File</th>
<th>Term</th>
<th>SUDS Due Dates</th>
<th>Submission to BOG</th>
<th>Days Late</th>
</tr>
</thead>
<tbody>
<tr>
<td>Admissions File</td>
<td>Summer 2021</td>
<td>9/10/2021</td>
<td>9/10/2021</td>
<td>N/A – On Time</td>
</tr>
<tr>
<td>Hours to Degree</td>
<td>Annual 2019</td>
<td>11/09/2020</td>
<td>11/10/2020</td>
<td>1 day</td>
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<tr>
<td>Retention File</td>
<td>Annual 2018</td>
<td>1/31/2020</td>
<td>1/31/2020</td>
<td>N/A – On Time</td>
</tr>
<tr>
<td>Student Financial Aid File</td>
<td>Annual 2019</td>
<td>10/16/2020</td>
<td>10/15/2020</td>
<td>N/A – Early</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>File</th>
<th>Term</th>
<th>SUDS Due Dates</th>
<th>Submission to BOG</th>
<th>Days Late</th>
</tr>
</thead>
<tbody>
<tr>
<td>Admissions File</td>
<td>Spring 2021</td>
<td>3/1/2021</td>
<td>3/1/2021</td>
<td>N/A – On Time</td>
</tr>
<tr>
<td>Student Instruction File</td>
<td>Fall 2020</td>
<td>1/15/2021</td>
<td>1/15/2021</td>
<td>N/A – On Time</td>
</tr>
<tr>
<td>Hours to Degree</td>
<td>Annual 2018</td>
<td>11/15/2019</td>
<td>11/14/2019</td>
<td>N/A – Early</td>
</tr>
<tr>
<td>Retention File</td>
<td>Annual 2017</td>
<td>1/30/2019</td>
<td>1/30/2019</td>
<td>N/A – On Time</td>
</tr>
<tr>
<td>Degrees Awarded File</td>
<td>Fall 2020</td>
<td>1/25/2021</td>
<td>1/22/2021</td>
<td>N/A – Early</td>
</tr>
</tbody>
</table>
Conclusion for Objective #2:

We concluded the processes used by the University Data Administrator and staff in Institutional Research (IR) reasonably ensure the completeness, accuracy, and timely submission of data submitted to the BOG, including compliance with BOG criteria for the data. The most definitive evidence of the effectiveness of IR’s processes to ensure the completeness and accuracy of the University’s data submitted to the BOG, including criteria for the data, is presented in our positive conclusions pertaining to our Objective #5 concerning audit testing of PBF data accuracy.

Recommendations:

We have no recommendations for Objective #2.

Objective #3: Determine the current status of available documentation including policies, procedures, and desk manuals of appropriate staff and assess its adequacy for ensuring data integrity for University PBF data submissions to the BOG.

In our 2020-21 PBF audit we concluded that:

Institutional Research’s available documentation including policies, procedures, and desk manuals of appropriate staff were adequate for ensuring data integrity for University PBF data submissions to the BOG.

Current Findings:

The Office of Institutional Research, Enterprise Resource Planning (ERP), and the offices that act as primary custodians (and subject matter experts) for reported data have electronic records reflecting the policies and procedures necessary for producing the affected BOG files. IR has published a “BOG File Submission Policy” on its internal Teams site and has shared the document with other offices in the University that help in the production of SUDS files. The documentation of the file build processes (i.e., desk manuals) is sufficient to allow an individual with appropriate context and knowledge of FSU systems to produce the SUDS files submitted to the BOG pertaining to the University’s PBF Metrics. The documentation generally includes data mapping and references to historical file submissions and edits.

Conclusion for Objective #3:

We concluded that Institutional Research’s available documentation including policies, procedures, and desk manuals of appropriate staff were adequate for ensuring data integrity for University PBF data submissions to the BOG.

Recommendations:

We have no recommendations for Objective #3.

Objective #4: Determine the current status since our conclusion in the 2020-21 PBF audit concerning system access controls and user privileges.
In our 2020-21 PBF audit we concluded that:

System access controls and user privileges for the University's Campus Solutions and BOG SUDS systems are properly assigned and periodically reviewed to ensure only those authorized to make data changes can do so.

Current Findings:

There are system access controls throughout the BOG data submission process. Florida State University has role-based and application-based security in its Oracle/PeopleSoft Campus Solutions student information system. The PeopleSoft role management process is an integrated online workflow that, at a minimum, depending on the sensitivity of the role, requires an employee’s direct supervisor and the functional owner of the application or module to approve each request. Additionally, there are sufficient automated safeguards to remove access when employees are terminated, and supervisors and subject-area owners are responsible for auditing access logs on at least a quarterly basis. This same role-based and reporting-subject-area-based protocol is used for the OBIEE access to the data in the data warehouse. Based on our review of IR staff’s security access to FSU systems, we concluded that IR employees do not have security to change transactional data in Campus Solutions or the data warehouse (which is read only), therefore adding an additional layer of control.

The address for the SUDS is a secure site and all communications are encrypted. This system was designed with redundant fail-over protections to assure against inappropriate access. FSU’s Data Administrator, Dr. Burnette, and its Director of Institutional Research, Dr. James Hunt, are the University’s designated security managers for the SUDS database access. Institutional Data Administrators receive their passwords from a BOG System Administrator. The Data Administrator role is the highest level assignable at the institution level and is assigned to only one individual at each institution. Data Administrators, in turn, log into the system and have the authority to create users to process information for their universities. The Data Administrator role is authorized to process all data submissions to the BOG and includes the Submitter, Uploader, Validator, and Research roles.

Each user is assigned to a role and a set of authorized submissions, which defines the scope of that user’s authority in the SUDS system. The Submitter role allows the user to “officially” submit university files to the BOG; this role includes the Uploader, Validator, and Research roles. The Uploader role allows the user to upload files for editing/review. The user can initiate and review all edits and reports of the files for a submission. The Uploader role includes the Validator and Researcher roles. The Validator role allows the user to review edit reports for submissions that have already been uploaded and edited. This user is able to enter explanations and comments. The Validator role includes the Researcher role. The Researcher role is designed to be given to university researchers who want to do studies with system data and need access to the reporting view. The reporting view allows the researcher to identify students from within his/her own institution, follow them across the system, and do other kinds of system/school comparison research, without having to expose personally identifiable information regarding the students. Every time a user’s access or password is modified, the security manager receives an email indicating the change and the person who submitted it. SUDS passwords also must be changed every three months.
From our review of SUDS access, we found no inappropriate access. Finally, the access does not allow for the manipulation of previously submitted data. To change data, the University Data Administrator would have to submit a request with justification to the BOG to reopen the file for resubmission. Only at that time could someone submit a new table. However, the SUDS system captures his/her identity, a timestamp, and the name of the source file in a way that is visible to any user. The Institutional Data Administrator also receives an email every time a file is submitted, so he would be aware of any unauthorized access.

**Conclusion for Objective #4:**

System access controls and user privileges for the University’s Campus Solutions and BOG SUDS systems are properly assigned and periodically reviewed to ensure only those authorized to make data changes can do so.

**Recommendations:**

We have no recommendations for Objective #4.

**Objective #5: Determine the current status since our conclusion in the 2020-21 PBF audit concerning audit testing of data accuracy.**

In our 2020-21 PBF audit we concluded that:

> Based on our continued review of the University’s internal controls as a whole over data pertaining to the University’s PBF Metrics and our data accuracy testing for the metrics, we determined the University’s data submitted to the BOG were complete and accurate, and in accordance with BOG guidance.

The University’s 10 Performance-Based Funding Metrics are as follows.

Key Metrics Common to all Universities, with the exception of Metric 8 for which New College and Florida Polytechnic University have its own unique metric:

1. Percent of Bachelor’s Graduates Enrolled or Employed ($30,000+) One Year After Graduation
2. Median Wages of Bachelor’s Graduates Employed Full-Time One Year After Graduation
3. Cost to the Student (Net Tuition and Fees for Resident Undergraduates per 120 Credit Hours)
4. Four-Year First-Time-in-College (FTIC) Graduation Rate
5. Academic Progress Rate (Second-Year Retention with 2.0 Grade Point Average (GPA) or Above)
6. Bachelor’s Degrees within Programs of Strategic Emphasis
7. University Access Rate (Percent of Undergraduates with Pell Grants)
8. Graduate Degrees within Programs of Strategic Emphasis
9a. Florida College System Associate in Arts Transfer Two-Year Graduation Rate (Full-Time Students)
9b. Pell Recipient Six-Year Graduation Rate (Full and Part-Time Students)
Institution-Specific Metric for Florida State University:

10. Number of Bachelor’s Recipients Passing One or More Entrepreneurship Courses While Not in Excess Hours (FSU’s Board of Trustees Choice Metric)

The State University System of Florida Board of Governors maintains a student unit record database titled SUDS. The database contains over 400 data elements about students, faculty, and programs at State University System institutions. The metrics are based on the data that universities submit to the BOG as part of various data tables and file submissions. We interviewed the Data Administrator, IR staff, and key departmental Data Managers to determine the primary sources of data used for the calculations of the metrics.

Current Findings:

Metric 1 - Percent of Bachelor’s Graduates Enrolled or Employed ($30,000+) One Year after Graduation. The calculation of this measure is to be done as follows, according to BOG definitions:

This metric is based on the percentage of a graduating class of bachelor’s degree recipients who are enrolled or employed (earning at least $30,000) somewhere in the United States. Students who do not have valid social security numbers and are not found enrolled are excluded. This data now includes: non-Florida data from all states and districts, including the District of Columbia and Puerto Rico; and military enlistment as reported by the institutions.

Sources: State University Database System (SUDS), Florida Department of Economic Opportunity (DEO) analysis of State Wage Interchange System (SWIS), and National Student Clearinghouse.

Metric 2 - Median Wages of Bachelor’s Graduates Employed Full-Time One Year after Graduation. The calculation of this measure is to be done as follows, according to BOG definitions:

This metric is based on annualized Unemployment Insurance (UI) wage data from the fourth fiscal quarter after graduation for bachelor’s recipients. This data does not include individuals who are self-employed, employed by the military, those without a valid social security number, or making less than minimum wage. The data now includes non-Florida data from all states and districts, including the District of Columbia and Puerto Rico.

Sources: State University Database System (SUDS) and Florida Department of Economic Opportunity (DEO) analysis of State Wage Interchange System (SWIS).

FSU provides the SIFD Degrees Awarded Table in the SIFD File submission. This file identifies those students who have been awarded degrees and, for each, when the degree was awarded. The BOG uses information provided in the SIFD Degrees Awarded Table and included in the SUDS database to identify the students who were awarded degrees during the prior year. The cohort to be reported on for FSU’s 2022 Accountability Plan includes those who graduated in the Summer 2019, Fall 2019, and Spring 2020 semesters. The BOG then uses demographic information from SUDS, along with external reporting sources, to determine these students’ outcomes one year later.
Social security numbers are provided as part of the SIFD Degrees Awarded Table and are used to match employment data and identify graduates who are continuing their education within the State University System (SUS). First, middle, and last names and date of birth are the demographic information fields used to identify graduates who are continuing their education outside of the SUS. These fields are not a part of the SIFD Degrees Awarded Table but are provided during different submissions to SUDS, primarily as part of original admissions records.

**SIFD File Testing**

An audit step in validating data for PBF Metrics 6 and 8 is determining whether SIFD Degrees Awarded data are complete and accurate. The SIFD Degrees Awarded Files for Summer 2019, Fall 2019 and Spring 2020, which define the cohort for this year’s Measures 1 and 2, were tested and validated as part of our prior year PBF audit in our testing of Metrics 6 and 8 for that audit. As reported in Audit Report AR21-03, the data were accurate and complete.

**Metric 3 – Cost to the Student (Net Tuition and Fees for Resident Undergraduates per 120 Credit Hours).** According to BOG definitions:

*This metric is based on resident undergraduate student tuition and fees, books and supplies as calculated by the College Board (which serves as a proxy until a university specific alternative is finalized), the average number of credit hours attempted by students who were admitted as First Time in College (FTIC) and graduated with a bachelor’s degree for programs that require only 120 credit hours, and financial aid (grants, scholarships, waivers, and third party payments) provided to resident undergraduate students during the most recent academic year.*

*Source: State University Database Systems (SUDS), the Legislature’s annual General Appropriations Act, and university required fees as approved by the Florida Board of Governors.*

Data for this metric are based on the Florida Board of Governors’ (BOG’s) analysis of three different files: Hours to Degree (HTD) File, Student Instruction File (SIF), and Student Financial Aid (SFA) File. The HTD File provides the BOG with the number of credit hours each student completed towards his/her first baccalaureate degree for a 120-hour program. The SIF File provides the BOG with information on the student’s residency (i.e., must be a Florida resident) for tuition purposes, and any waivers the student received towards his/her tuition. The SFA File provides the BOG with information on any grants, scholarships, and/or third-party payments that the student received.

**Establishment of a Population of Students Who Were Awarded First Baccalaureate Degrees (Single Majors Only) During the Time Period under Review**

The Hours to Degree (HTD) File contains information about students who are awarded first baccalaureate degrees with a single major within the academic year. For each student, this information is reported during the term his/her degree was awarded (Summer, Fall, or Spring). The course information for students reported on the file includes all post-secondary course work and their course work taken in high school and accepted as post-secondary credit after high school. To build the HTD File, IR sends a listing of students who were awarded their first baccalaureate degrees (single major only) during the reporting period (HTD population file) to staff within the University’s Enterprise Resource Planning (ERP). (For purposes of this audit, the time period is Academic Year
2020-21 (Summer 2020, Fall 2020, Spring 2021). ERP staff uses this listing to build the HTD Table and the Courses Taken Table for the HTD File submission to the BOG. From an IR business analyst, we obtained the HTD Table that was submitted to the BOG, for our time period.

**Comparison of IR HTD Population File to the University’s Campus Solutions System Records (Source Records) Based on Employee Identification (EMPLID).** We compared the EMPLID, Classification of Instructional Programs (CIP) code, and completed term records in the HTD Table submitted to the BOG (7,413 records) to the EMPLID, CIP code, and completed term records in our query results of degrees awarded during the Summer 2020, Fall 2020, and Spring 2021 terms from the University’s source Campus Solutions system. We determined that the HTD Table reconciled to the University’s Campus Solutions records in terms of validation of the students included in the HTD Table. Based on this analysis, we have assurance that the HTD Table submitted to the BOG is complete and correctly includes the population of students who were awarded first baccalaureate degrees (single majors only) during the time period under review.

**Testing of Students Included in the HTD Table Submitted to the BOG to Determine the Accuracy of Data Elements Used for Metric 3**

Having established that our population in the HTD Table submitted to the BOG was materially correct, we then tested the accuracy of the following data elements used for Metric 3: 1) term in which the student completed his/her degree, 2) course identification, 3) credit hours each student completed towards his/her first baccalaureate degree for a 120-hour program, 4) residency status (should be resident, for tuition purposes), 5) fee waivers, and 6) scholarships and/or grants awarded. For all of these six data elements, we took a random sample of 100 students from the HTD Table population.

**Term in Which the Student Completed His/Her Degree.** We confirmed that each of the 100 students in our sample received his/her baccalaureate degree in the term identified on the HTD Table (part of the HTD File submission to the BOG), and that this was the student’s first baccalaureate degree (single major), based on our review of his/her Campus Solutions source documentation. We noted no exceptions.

**Course Identification.** According to the BOG Overview of Methodology and Procedures for this metric, certain courses are excluded from the cost to the student calculation. These courses include courses taken by active-duty military, dual enrollment courses, exam credit courses, graduate rollover courses, life experience courses, military courses, and courses where the student withdrew due to a personal hardship. We determined that these excluded courses were correctly identified in the Courses to Degree Table, based on our review of Campus Solutions source documentation. We noted no exceptions.

**Credit Hours Each Student Completed Towards His/Her First Baccalaureate Degree for a 120-Hour Program.** We reviewed information on the Courses to Degree Table (part of the HTD File submission to the BOG) and noted that the column titled “Credit Hour Usage Indicator” identified whether or not a course was used towards the student’s degree. There are various reasons why a course may not be used towards a degree. Some examples are if the student fails or withdraws from the class, if he/she repeats the class, or if the class is a remedial class. We reviewed our sample of 100 students and determined that none of the courses that were marked “D,” meaning the course counted towards the student’s degree, had non-passing grades, were remedial courses, or had an “R” listed under the Repeated Indicator column. Thus, for all of the 100 students in our sample, we determined their courses classified as “D” were in accordance with instructions provided in the BOG’s SUDS Data Dictionary. No exceptions were noted.
We also performed an analysis for any course numbers in our sample that were marked “D” more than once per student. In some cases, this is permissible. Generally, according to undergraduate academic regulations and procedures, students are not allowed additional credit for courses repeated in which the students originally made grades of a “C-” or better, except for courses specifically designated as repeatable to allow for additional credit. Repeatable courses may be taken to a maximum number of times or hours, as spelled out in the course descriptions. No exceptions were noted.

We also compared the total amount of native credit hours and non-native credit hours to source documentation in Campus Solutions. Native credit hours are all credit hours attempted at Florida State University. Non-native credit hours are hours transferred from other universities and colleges. No exceptions were noted.

We made a similar comparison, for all 100 students in our sample, of the total amount of credit hours, both native and non-native, that were marked “D” in the Credit Hour Usage Indicator column and found agreement in the data FSU submitted to the BOG and FSU source data. We concluded that the sum of these hours met the minimum number of hours for each student’s degree for this Metric 3 (i.e., 120 hours).

Residency Status. The HTD Table submitted to the BOG included 7,413 students, and we determined that 6,730 of these (91 percent) were considered resident students, for tuition purposes. For our sample of 100 students, we concluded that all had the correct residency classification (i.e., resident for tuition purposes), which information we obtained from the SIF Enrollment Table (part of the SIF File submission), based on our review of Campus Solutions source documentation. We noted no exceptions.

Fee Waivers. For the 100 students in our sample, we compared the amount of fee waivers awarded to them and reported on the Fee Waivers Table submitted to the BOG (part of the SIF File submission for the period of Summer 2020, Fall 2020, and Spring 2021), to their Campus Solutions source documentation. We noted no exceptions.

Scholarships and/or Grants Awarded. Finally, for the students in our sample of 100, we compared the amounts of scholarships and grants awarded to them and reported on the Financial Aid Awards Table (part of the 2020-21 SFA File submission to the BOG), to the Campus Solutions source documentation. We noted no exceptions.

Based on our testing, the University’s data submitted to the BOG for Metric 3 Performance-Based Funding were complete and accurate, and in accordance with BOG guidance.

Metric 4 – Four-Year Graduation Rate for First-Time-in-College (FTIC) Students. According to the BOG definition for Metric 4, the calculation of this measure is performed as follows:

This metric is based on the percentage of first-time-in-college (FTIC) students who started in the Fall (or Summer continuing to Fall) term and were enrolled full-time in their first Fall semester and had graduated from the same institution by the Summer term of their fourth year. FTIC includes ‘early admit’ students who were admitted as degree-seeking students prior to high school graduation. Students who were enrolled in advanced graduate programs at the same institution during their 4th year were excluded.

Source: State University Database Systems (SUDS).
The BOG’s Overview of Methodology and Procedures: Performance Funding Metrics – Retention and Graduation Rates indicates that this measure was originally based on the national standard graduation rate for FTIC students, which was created by the Student Right to Know Act of 1990. This Act established the graduation rate based on 150 percent of the normal time for completion of the program, which is six years for a four-year program. In 2018, the Florida Legislature changed the graduation rate metric included in the Performance-Based Funding model from a six-year to a four-year measure.

The BOG creates annual Retention Files on student cohorts by year of entry to the University (from the Summer semester through the Spring semester). These cohorts are identified from cumulative University SIF and Admissions File submissions, and include data needed for the four-year graduation rate metric, including degree information from cumulative University SIFD submissions. IR reviews the BOG-developed Retention File and provides any needed edits. To validate the data to be used for this metric, IR filters the cohort Retention File to identify FTIC students who were enrolled full time in their first semester and who are included in Student Right to Know Act reporting. The filtered data are reconciled to an independently developed IR database to identify any errors in the BOG’s FTIC cohort population and graduation data, and any needed corrections are submitted. The final approved file is submitted to the BOG by IR when its validations have been completed.

IR also develops the Retention Person Identification Change and Cohort Change Files, which it submits to the BOG. The Retention Person Identification Change File reports changes to the identification numbers for the cohort. We reviewed the most recent Retention Person Identification Change File, which was the 2019-20 file. This file reported identification changes to the 2014 through 2017 cohorts. The Retention Cohort Change File identifies students in a cohort who have since died, entered military service, had total and permanent disabilities, or left to serve with a Foreign Aid Service of the federal government (e.g., Peace Corps) or on religious missions. These adjustments are used by the BOG to exclude these individuals from the cohort. We reviewed the 2019-20 Retention Cohort Change file, which was the most recent file. There were 189 students listed in this file that were excluded from cohorts, ranging from 2014 to 2019 cohorts. Thirteen of these students were removed from the cohort because the student was deceased. We reviewed documentation for all 13 of these cohort changes. We noted that the process for identifying these identification changes and adjustments to the cohort is consistent with prior years. The remaining 176 students were removed because they registered, but never attended. This adjustment is a new process that began with the 2019-20 Retention Cohort Change file. We reviewed documentation for 85 of these students and noted that they were either appropriately removed from the cohort or their removal had no material effect on the calculation of the metric.

**Verification of the 2017 FTIC Cohort.** We reviewed the 2017-18 cohort detail records file, which was compiled by the BOG and downloaded from SUDS by IR staff, for validation. This file has records for each student enrolled during the 2017 academic year, with degrees awarded for each included student through Fall 2020. The Summer 2017 and Fall 2017 SIF File data provide the information needed to identify the 2017 FTIC cohort population for this PBF measure.

To validate the 2017 FTIC cohort used by the BOG for this measure, we first filtered the cohort detail records file to include only those students who: (1) started in the Fall (or Summer continuing to Fall) term, (2) were initially enrolled at the University immediately after their high school graduation or enrolled in a first-time-in-college, degree-seeking status having earned less than 12 hours of transferable college credit after their high school graduation, (3) were identified as being
included in Student Right to Know reporting. This analysis returned 6,419 records. We used a query we developed in Campus Solutions and additional manual reconciliations and determined that all of these records identified using BOG selection criteria for this measure agreed with corresponding University records.

**Verification of Degree Earned.** The percentage of bachelor’s degree graduates for the most recent year is based on information provided in the SIFD Degrees Awarded Files. The Summer 2020, Fall 2020, and Spring 2021 degrees awarded were reported in the Summer 2020 through Summer 2021 SIFD Files. These files are the academic terms to be tested for this Metric 4 for FSU’s 2022 Accountability Plan and were tested and validated as part of our Metric 6 testing. As reported in that section, the data were accurate and complete.

Based on our analyses, we concluded that the data used by the BOG to develop the Four-Year Graduation Rate for First-Time-in-College (FTIC) Students are accurate and complete.

**Metric 5 – Academic Progress Rate (Second Year Retention Rate with 2.0 Grade Point Average (GPA) or Above).** According to the BOG definition for Metric 5, the calculation of this measure is performed as follows:

> This metric is based on the percentage of first-time-in-college (FTIC) students who started in the Fall (or Summer continuing to Fall) term and were enrolled full-time in their first Fall semester and were still enrolled in the same institution during the next Fall with a grade point average (GPA) of at least 2.0 at the end of their first year (Summer, Fall, Spring, Summer).

*Source: State University Database System (SUDS).*

The calculation of this Performance-Based Funding metric uses two sets of enrollment data from sequential Fall SIF Files. The first year’s Fall SIF enrollment data are used to identify the first-year cohort of full-time Fall (or Summer semester continuing to Fall) FTIC students. The second year’s Fall SIF File enrollment data are used to determine whether those individuals continued to be enrolled one year later and had a cumulative GPA of at least 2.0.

We evaluated the most recent two years of Fall SIF File enrollment data submitted to the BOG, Fall 2019 and Fall 2020. We filtered the University’s Fall 2019 SIF File submitted to the BOG to identify the University’s FTIC students who started in the Fall 2019 (or Summer continuing to Fall 2019) term and were enrolled full time in the Fall term. The filtered Fall 2019 SIF File contained 7,041 records of students who comprised the Fall 2019 FTIC cohort. To compare these data to the University’s source data, we developed a query in the University’s Campus Solutions system following the BOG’s criteria for this metric and reconciled the filtered Fall 2019 SIF File records to those in our Campus Solutions query results.

We compared student records in the Fall 2019 SIF File FTIC cohort to the 2020 unfiltered SIF File to determine the number of SIF File FTIC cohort students who continued their enrollment into a second year. We identified 6,647 of the 7,041 students (94 percent) from the Fall 2019 SIF File FTIC cohort who continued their enrollment in Fall 2020. We also identified 6,590 students (94 percent) from the 2019 cohort with institutional GPAs of at least 2.0 at the beginning of the Fall 2020 term.
We compared all 6,647 students who were retained in 2020 to the results of a Campus Solutions query we developed that identified the 2019 Student Group, as well as the Summer 2020 term institutional hours and grade points, to determine whether the data in the Fall 2020 SIF File that were used in the BOG’s GPA calculation agreed with corresponding information in the University’s Campus Solutions system. There were 37 students whose hours and/or grade points in the SIF File FTIC Cohort differed from the information in Campus Solutions. In all but five of these cases, the calculated GPAs from the hours and grade points submitted to the BOG in the SIF File were less than the calculated GPAs in Campus Solutions. All five of these variances were timing issues due to subsequent grade changes or posting of a course.

Based on our analyses, we concluded that the data used by the BOG to develop the University’s academic progress rate (second-year retention rate with GPA above 2.0) are accurate and complete.

**Metric 6 - Bachelor’s Degrees within Programs of Strategic Emphasis.** The calculation of this measure is to be done as follows, according to BOG definitions:

> This metric is based on the number of baccalaureate degrees awarded within the programs designated by the Board of Governors as “Programs of Strategic Emphasis.” A student who has multiple majors in the subset of targeted Classification of Instruction Program codes will be counted twice (i.e., double-majors are included).

*Source: State University Database System (SUDS)*.

According to the BOG in its Overview of Methodology and Procedures: Performance Funding Metrics Methodology and Procedures - Percentage of Degrees Awarded in Programs of Strategic Emphasis document, the purpose of Metric 6 is to promote the alignment of the SUS degree program offerings with the economic development and workforce needs of the state. The list was originally created by an advisory group in 2001 and has been updated several times—most recently by the BOG in September 2020.

University SIFD data are used to identify the graduating cohort. The graduation year for this measure begins with the Summer semester and continues with Fall and Spring terms.

**SIFD File Testing – Undergraduate Degrees Awarded**

The SIFD File is used to identify the cohort of students who received degrees during a given semester and is submitted at the end of each semester. This file is used by the BOG in calculating both the post-graduation outcome and degrees awarded in programs of strategic emphasis measures. In the metrics related to degrees awarded in areas of strategic emphasis, final degree program information is also used.

Our testing population consisted of SIFD File submissions data for all undergraduate degrees awarded for the terms Summer 2020 (1,677 records), Fall 2020 (2,097 records), and Spring 2021 (5,962 records), for a total of 9,736 records.

To determine the validity of the SIFD File submissions data, we developed queries in the University’s Campus Solutions system to obtain degrees awarded data for academic year 2020-21. We reconciled the SIFD File data to the degrees awarded data from the University’s Campus Solutions system, to determine if the data submitted to the BOG were complete and valid.
Of the 9,736 undergraduate degrees awarded records submitted to the BOG for Summer 2020, Fall 2020, and Spring 2021, all of these records based on the student identification numbers were readily reconcilable to our query results using Campus Solutions source data.

**Classification of Instructional Programs (CIP) Testing**

The Board of Governors maintains an inventory of State University System Academic Degree Programs, which identifies approved degree programs for each university within the SUS. The programs are listed based on the Classification of Instructional Programs (CIP) taxonomy.

We added CIP code data to the degrees awarded query in the University’s Campus Solutions System and used this data as source data to validate individual degrees awarded in submissions to the BOG. We did not identify any differences between the two files and concluded that records in the SIFD File were consistent with codes in effect at the time of submission. As we validated individually awarded degrees in the SIFD data, we can conclude that the CIP codes in programs of strategic emphasis included in the SIFD data were accurate.

Based on the results of our analysis of the University’s SIFD File submissions for Summer 2020, Fall 2020, and Spring 2021, we determined the data elements provided by the University for use in calculating Metric 6 to be complete and accurate and in accordance with BOG guidance. We found no significant differences between degrees awarded data submitted by the University to the BOG and source data in the University’s system of record. We concluded that the data provided to the BOG to be used in calculating the percentage of undergraduate degrees in programs of strategic emphasis are accurate and complete.

**Metric 7 - University Access Rate (Percent of Undergraduates with a Pell Grant).** The calculation of this measure is to be done as follows, according to BOG definitions:

*This metric is based on the number of undergraduates, enrolled during the Fall term, who received a Pell grant during the Fall term. Students who were not eligible for Pell grants (e.g., unclassified, non-resident aliens, post-baccalaureates) were excluded from the denominator for this metric.*

*Source: State University Database System (SUDS).*

The calculation of this Performance-Based Funding metric uses enrollment data from the Fall SIF File and Pell Grant award data from the Student Financial Aid (SFA) File to determine all degree-seeking undergraduate students enrolled in the Fall term who received Pell Grant awards in the Fall term. Unclassified students and post-baccalaureate students are removed from the calculation because they are not eligible for Pell Grants. In addition, non-resident aliens are excluded from this metric because only a limited number of these students are eligible to receive Pell Grants and SUDS does not collect information that would allow Board staff to determine the Pell eligibility for non-resident aliens.

To validate the University’s processes for submitting the data that underlie this measure, we reviewed the 2020 Fall SIF File and the 2020-21 SFA File that were submitted to the BOG.
SIF File Testing

We evaluated the most recent Fall SIF File enrollment data submitted to the BOG, which was for the Fall 2020 term. We filtered the University’s Fall 2020 SIF File to identify undergraduates enrolled in the Fall 2020 term who were not unclassified, second-bachelor’s degree, or non-resident alien students. There were 31,588 records that met these criteria.

We developed a query in Campus Solutions to identify undergraduate students enrolled during the Fall 2020 term and used the results to validate information reported in the SIF Fall enrollment file. We determined that the information reported in the SIF 2020 Fall enrollment file for this metric was accurate and complete.

SFA File Testing

The SFA File submitted to the BOG is generated by Office of Financial Aid (OFA) staff, in partnership with IR and Information Technology Services.

We evaluated the 2020-21 SFA File that was submitted to the BOG, which includes a line for each type of financial aid award—by student and by term—for all terms during the academic year. We filtered this data to identify Pell Grants awarded in the Fall 2020 term. There were 8,308 awards meeting this criterion.

We developed a query in Campus Solutions to identify all students who received Pell Grants during the Fall 2020 term and used the results to validate information reported in the 2020-21 SFA File. We determined that awards reported in the 2020-21 SFA File for this metric were materially correct.

Based on our testing, we concluded that the University’s data submitted to the BOG for Performance-Based Funding Metric 7 were accurate and complete and can be relied upon by the BOG to calculate the percentage of undergraduates with a Pell Grant.

Metric 8 - Graduate Degrees within Programs of Strategic Emphasis. The calculation of this measure is to be done as follows, according to BOG definitions:

This metric is based on the number of graduate degrees awarded within the programs designated by the Board of Governors as ‘Programs of Strategic Emphasis.’ A student who has multiple majors in the subset of targeted Classification of Instruction Program codes will be counted twice (i.e., double-majors are included).

Source: State University Database System (SUDS).

According to the BOG in its Overview of Methodology and Procedures: Performance Funding Metrics Methodology and Procedures - Percentage of Degrees Awarded in Programs of Strategic Emphasis document, the purpose of Metric 8 is to promote the alignment of the SUS degree program offerings with the economic development and workforce needs of the state. The list was originally created by an advisory group in 2001 and has been updated several times—most recently by the BOG in September 2020.
University SIFD data are used to identify the graduating cohort. The graduation year for this measure begins with the Summer semester and continues with the Fall and Spring terms.

**SIFD File Testing – Graduate Degrees Awarded**

Our testing population consisted of SIFD File submissions data for all graduate degrees awarded for the terms Summer 2020 (779 records), Fall 2020 (766 records), and Spring 2021 (1,662 records), for a total of 3,207 records.

To determine the validity of the SIFD File submissions data, we developed queries in the University’s Campus Solutions system to produce degrees awarded data for academic year 2020-21. We reconciled the SIFD File data to the degrees awarded data from the Campus Solutions system, to determine if the data submitted to the BOG were complete and valid.

Of the 3,207 graduate degrees awarded records submitted to the BOG for Summer 2020, Fall 2020, and Spring 2021, all 3,207 degrees awarded records based on the student identification numbers were readily reconcilable to our query results using Campus Solutions source data.

**Classification of Instructional Programs (CIP) Testing**

The Board of Governors maintains an inventory of State University System Academic Degree Programs, which identifies approved degree programs for each university within the State University System. The programs are listed based on the Classification of Instructional Programs (CIP) taxonomy.

We added CIP code data to the degrees awarded query in Campus Solutions and used this data as source data to validate individual degrees awarded in the submissions to the BOG. We did not identify differences between the two files and concluded that records in the SIFD data were consistent with codes in effect at the time of the submission of the file. As we validated individually awarded degrees in the SIFD data, we can conclude that the CIP codes in programs of strategic emphasis included in the SIFD data were accurate.

Based on the results of our analysis of the University’s SIFD File submissions for Summer 2020, Fall 2020, and Spring 2021, we determined the data elements provided by the University for use in calculating Metric 8 to be complete and accurate, and in accordance with BOG guidance. We found no significant differences between data submitted by the University to the BOG and source data in the University’s system of record. We concluded that the data provided to the BOG to be used in calculating the percentage of graduate degrees in programs of strategic emphasis are accurate and complete.

**Metric 9a – Florida College System (FCS) Associate of Arts (AA) Transfer Two-Year Graduation Rate (Full-Time Students)**. The calculation of this measure is to be done as follows, according to BOG definitions:

*This transfer cohort is defined as undergraduates entering in Fall term (or Summer continuing to Fall) from the Florida College System with an Associate in Arts (AA) degree. The rate is the percentage of the initial cohort that has graduated from the same institution by the Summer term of their second academic year. Full-time students are used in the calculation. Students who were flagged as enrolled in advanced graduate programs that would not earn a bachelor’s degree were not excluded.*
The BOG’s Overview of Methodology and Procedures: Performance Funding Metrics – Retention and Graduation Rates provides details on the methodology and procedures used by BOG for this metric. The BOG creates annual Retention Files on student cohorts by year of entry to the University (from the Summer semester through the Spring semester). These cohorts are identified from cumulative University SIF and Admissions File submissions, and include data needed for the two-year graduation rate metric, including degree information from cumulative University SIFD submissions. IR reviews the BOG-developed Retention File and provides any needed edits.

IR also develops the Retention Person Identification Change and Cohort Change Files, which it submits to the BOG. As part of our testing of Metric 4 – Four Year First Time in College Graduation Rate, we reviewed the most recent Retention Person Identification Change File and Cohort Change File. We had no material issues in our testing of these files.

**Verification of the 2019 FCS AA Transfer Cohort.** We reviewed the 2019-20 cohort detail records file, which was compiled by the BOG and downloaded from SUDS by IR staff, for validation. This file has records for each student enrolled during the 2019 academic year, with degrees awarded for each included student through Fall 2020. The Summer 2019 and Fall 2019 SIF File data provide the information needed to identify the 2019 FCS AA Transfer Cohort for this PBF measure.

To validate the 2019 FTIC cohort used by the BOG for this measure, we first filtered the cohort detail records file to include only those students who: (1) started in the Fall (or Summer continuing to Fall) term, (2) were identified as an Associate of Arts Transfer from a Florida Public Community College, and (3) were identified as being full-time based on attempted hours in the first fall term. This analysis returned 1,146 records. We ran a query in Campus Solutions based on BOG criteria and determined that these records were materially correct.

**Verification of Degree Earned.** The percentage of bachelor’s degree graduates for the most recent year is based on information provided in the SIFD Degrees Awarded Files. The Summer 2020, Fall 2020, and Spring 2021 degrees awarded were reported in the Summer 2020 through Summer 2021 SIFD Files. These files are the academic terms to be tested for this Metric 9a for FSU’s 2022 Accountability Plan and were tested and validated as part of our Metric 6 testing. As reported in that section, the data were accurate and complete.

Based on our analysis, we concluded that the date used by the BOG to calculate Metric 9a are materially correct and can be relied upon.

**Metric 9b – Six-Year Graduation Rate for Students who are Awarded a Pell Grant in their First Year**

*This metric is based on the percentage of students who started in the Fall (or Summer continuing to Fall) term and were enrolled full-time or part-time in their first semester and who received a Pell Grant during their first year and who graduated from the same institution by the summer term of their sixth year. Students who were flagged as enrolled in advanced graduate programs that would not earn a bachelor’s degree were excluded.*

*Source: State University Database System (SUDS).*
The BOG’s Overview of Methodology and Procedures: Performance Funding Metrics – Retention and Graduation Rates provides details on the methodology and procedures used by BOG for this metric. The BOG creates annual Retention Files on student cohorts by year of entry to the University (from the Summer semester through the Spring semester). These cohorts are identified from cumulative University SIF submissions, and include data needed for the six-year graduation rate metric, including degree information from cumulative University SIFD submissions. IR reviews the BOG-developed Retention File and provides any needed edits.

IR also develops the Retention Person Identification Change and Cohort Change Files, which it submits to the BOG. As part of our testing of Metric 4 – Four Year First Time in College Graduation Rate, we reviewed the most recent Retention Person Identification Change File and Cohort Change File. We had no material issues in our testing of these files.

The Pell Grant award data used in the calculation of this metric comes from the SFA File.

**Verification of the 2015 FTIC Cohort.** The cohort to be reported on for this year’s Measure 9b includes the 2015 FTIC Cohort. The 2015 FTIC Cohort was tested and validated as part of our prior year PBF audit in our testing of Metric 4 for that audit. As reported in Audit Report AR20-04, the data were materially correct and could be relied upon.

**Verification of Pell Grants Awarded.** We evaluated the 2015-16 SFA File that was submitted to the BOG, which includes a line for each type of financial aid award—by student and by term—for all terms during the academic year. We filtered this data to identify Pell Grants awarded in the 2015-16 academic year. There were 9,806 students who received Pell Grants for the 2015-16 academic year.

We developed a query in Campus Solutions to identify all students who received Pell Grants during the 2015-16 academic year and used the results to validate information reported in the 2015-16 SFA File. We determined that awards reported in the 2015-16 SFA File for this metric were materially accurate and complete.

**Verification of Degree Earned.** The percentage of bachelor’s degree graduates for the most recent year is based on information provided in the SIFD Degrees Awarded Files. The Summer 2020, Fall 2020, and Spring 2021 degrees awarded were reported in the Summer 2020 through Summer 2021 SIFD Files. These files are the academic terms to be tested for this Metric 9b for FSU’s 2022 Accountability Plan and were tested and validated as part of our Metric 6 testing. As reported in that section, the data were accurate and complete.

Based on our analysis, we concluded that the data used by the BOG to calculate Metric 9b are accurate, complete, and can be relied upon.

**Metric 10 – Number of Bachelor’s Recipients Passing One or More Entrepreneurship Courses While Not in Excess Hours (FSU’s Board of Trustees Choice Metric).**

This is a change from the previous year’s Metric 10, Percent of Bachelor’s Graduates who took an Entrepreneurship Class. This change was approved by the BOG at the November 2021 board meeting and will be in effect for the 2022 Accountability Plan.
The calculation begins by identifying the population of students in a given academic year who earned a Bachelor’s degrees in the Summer, Fall, and Spring as reported on SIFD submissions, and this population includes any late degrees reported on the subsequent Summer SIFD.

Next, Institutional Research queries these graduates in the student financials table in the Student Information System to identify any graduates who had an excess hours surcharge. For any student with a surcharge, the query calculates the minimum term in which the student had a surcharge, thereby establishing the first semester in which the graduates were in excess hours.

Separately, IR snapshots the course catalog tables in the Student Information System to identify any course that qualifies for inclusion in the metric as well as the date ranges (terms) in which the course qualified (in the event a course title is updated). This query uses the following criteria to identify a qualifying course:

- Course prefix of “ENT”
- Course title containing “ENTRE”
- Course title containing “INNOV”

Institutional Research then takes the resulting snapshot of courses and queries the full set of courses from the Student Information System enrollment table for the students in the SIFD population for their degree terms and all prior terms of enrollment. Any student who enrolled in one or more of the identified courses and whose grade awarded is a passing grade is initially included. Lastly, the query compares the qualifying course’s term with the student’s excess hours term (if the student reached excess hours during their academic career), and any qualifying course passed while the student is under excess hours is removed.

The final value for the metric is the distinct count of students in the above query (students passing a qualifying “entrepreneurship” course prior to graduation and prior to reaching excess hours). Institutional Research provides this value to the BOG to be reported in the Accountability Plan.

**Verification of Degree Earned.** The number of bachelor’s degree graduates for the most recent year is based on information provided in the SIFD Degrees Awarded Files. The Summer 2020, Fall 2020, and Spring 2021 degrees awarded were reported in the Summer 2020 through Summer 2021 SIFD Files. These files are the academic terms to be tested for this Metric 10 for FSU’s 2022 Accountability Plan and were tested and validated as part of our Metric 6 testing. As reported in that section, the data were accurate and complete. The total number of unique bachelor’s graduates was 8,624 students.

**Verification of Qualifying Students.** We ran a query in the University’s Campus Solutions Student Central system of all students who had an excess hours surcharge and the term in which the surcharge was posted. We ran an additional query of all students enrolled in each entrepreneurship course and their grade through Spring 2021. We compared the results of these queries to the SIFD files to determine the qualifying students. We agreed this listing of 1,169 qualifying students to the data used by IR in calculating the number of students that will be reported to the BOG for the 2022 Accountability Plan.
Based on our analysis, we concluded that the methodology used by the IR to determine the distinct count of students passing a qualifying “entrepreneurship” course prior to graduation and prior to reaching excess hours is consistent with the BOG approved metric and the data used by IR for the 2022 Accountability Plan is accurate, complete, and can be relied upon to calculate the metric.

**Conclusion for Objective #5:**

Based on our continued review of the University’s internal controls as a whole over data pertaining to the University’s PBF Metrics and our data accuracy testing for the metrics, we determined the University’s data submitted to the BOG were complete and accurate, and in accordance with BOG guidance.

**Recommendations:**

We have no recommendations for Objective #5, which addresses the completeness and accuracy of data file submissions to the BOG for Performance-Based Funding Metrics.

**Objective #6: Determine the current status since our conclusion in the 2020-21 PBF audit concerning the consistency of data submissions with the data definitions and guidance provided by the BOG through the Data Committee and communications from data workshops.**

In the 2020-21 audit, we concluded that:

*The University's data submissions to the BOG, specifically those pertaining to data elements germane to this audit, were consistent with BOG reporting requirements for these data elements. We determined that, in general, resubmissions by the University have been rare, were made timely before the BOG’s need for the data, and did not affect the University's performance towards achieving the Performance-Based Funding Metrics.*

**Current Findings:**

The University Data Administrator certifies each data submission into the BOG SUDS data system through a mechanism deployed by BOG staff on January 15, 2015. The BOG Information Resource Management staff updated the SUDS interface to include a statement that submitting the file “represents electronic certification of this data per Board of Governors Regulation 3.007.”

We determined there is ample evidence that University data are being mapped to the current BOG data elements as defined in the BOG’s SUDS Data Dictionary. The University Data Administrator demonstrated that sufficient personnel have been consistently attending the Annual Data Administrators’ Workshops. Additionally, FSU’s data administrator was instrumental in forming the Council of Data Administrators (CODA) to review and standardize reporting among SUS institutions. This group works with BOG staff when any institution forwards questions about interpretation of BOG policies. The FSU Office of Institutional Research has completed an institutional review of all the data elements from Campus Solutions that are required by the BOG for its reports. The scoping and mapping exercises usually involved more than one person from each of the key constituencies: IR, the data warehouse and reporting team, and the Campus Solutions technical and functional teams. These discussions frequently involved validating output data from sample cases with live transactional data. At all times, there was someone available in the room or via electronic media who was able to define the context and constraints of the data for each data element. Questions about BOG interpretations were discussed with the BOG staff, via the CODA listserv or with IR directors at other SUS institutions.
The University Data Administrator has previously provided evidence of requests sent to the BOG for clarification of BOG SUDS data elements and of requests sent to FSU subject-matter experts to reinforce BOG interpretations. He has indicated that process still continues and that he has been instrumental in coordinating the Council of Data Administrators (CODA) to meet this need. FSU’s University Data Administrator has also demonstrated a largely automated online (Microsoft Teams) tracking tool for data submissions and resubmissions. Using that information source, concerning data elements that are germane to this audit there was no evidence of inconsistency with BOG requirements in the reporting of these and no files were resubmitted to correct or change data materially in these fields due to FSU, as discussed in Objective #7, to follow. Finally, our testing of data accuracy for Objective #5 included certain tests of the University’s adherence to BOG guidance for the data, and we noted no inconsistencies.

**Conclusion for Objective #6:**

We concluded the University’s data submissions to the BOG, specifically those pertaining to data elements germane to this audit, were consistent with BOG reporting requirements for these data elements. We determined that, in general, resubmissions by the University have been rare, were made timely before the BOG’s need for the data, and did not affect the University’s performance towards achieving the Performance-Based Funding Metrics.

**Recommendations:**

We have no recommendations for Objective #6.

**Objective #7: Determine the current status since our conclusion in the 2020-21 PBF audit concerning the University Data Administrator’s data resubmissions to the BOG.**

In our 2020-21 audit, we determined that:

"...in general, resubmissions by the University have been rare, were made timely before the BOG’s need for the data and did not affect the University’s performance towards achieving the Performance-Based Funding Metrics."

**Current Findings:**

According to the University Data Administrator, there are three triggers for resubmissions: 1) the BOG staff determines that the way the institution is interpreting or reporting data is either incorrect or inconsistent with the way most of the other institutions are interpreting the requirements; 2) University staff determines there are inconsistencies with data in a current file that have to be cross-validated with data on an earlier submission of a different file (e.g., SFA File cohort must match SIF File cohort for the same term), requiring resubmission of the earlier file; 3) University staff finds new ways to improve upon the granularity of data being submitted and they choose to apply the new understanding or method to a previously submitted file. Near the end of 2015, the BOG began requiring that a SUDS Data Resubmission Form be completed and submitted to the BOG for every resubmission, unless the resubmission was required for changes initiated because of agreed-upon system-wide criteria changes, or BOG programmatic changes. This form details the reason for the resubmission, indicates whether the resubmission impacts Performance-Based Funding Metrics, and is signed by the University Data Administrator.
From the BOG’s SUDS system, we searched for files that relate to FSU’s Performance-Based Funding Metrics that were submitted between November 23, 2020 and November 23, 2021. We found that the University submitted 14 of these files to the BOG during this time and resubmitted only three of these files. The resubmitted files were the Annual 2019 Student Financial Aid File, Fall 2020 Student Instruction File, and Annual 2020 Student Financial Aid File.

The first resubmission, involving the Annual 2019 Student Financial Aid File, was due to IR needing to submit a complete term record for Summer 2020, as the University changed the submission process for this file from fiscal year to term-based reporting. IR sought guidance from BOG on how best to submit complete Summer 2020 data, and they both agreed that resubmitting the Annual 2019 Student Financial Aid File with the additional term information was the best course of action. While the resubmission did impact PBF-related data, it did not materially affect the PBF Metrics calculation.

The second resubmission, involving the Fall 2020 Student Instruction File, was due to IR discovering after submitting the file, they had failed to identify the new FLEX delivery method. The resubmission also had some additional person identification number (ID) changes that were not initially on the original submission. This resubmission was made in a timely manner, prior to the BOG’s need for the data for its PBF Metrics calculations.

The third resubmission, involving the Annual 2020 Student Financial Aid File, was due to Office of Financial Aid finding a mismatch between internal FSU item type codes and BOG award program IDs. The resubmission occurred before the file was approved by the BOG and does not affect the PBF Metrics calculation.

**Conclusion for Objective #7:**

We determined that, in general, resubmissions by the University have been rare and did not affect the University’s performance towards achieving the Performance-Based Funding Metrics.

**Recommendations:**

We have no recommendations for Objective #7.

**Objective #8: Provide an objective basis of support for the University’s President and Board of Trustees Chair to sign the representations made in the Performance-Based Funding - Data Integrity Certification.**

**Current Findings/Conclusion for Objective #8:**

Overall, we concluded that the University has adequate processes for collecting and reporting Performance-Based Funding Metrics data to the Board of Governors. In addition, we can provide an objective basis of support for the University’s President and Board of Trustees Chair to sign the Performance-Based Funding – Data Integrity Certification, which the BOG requested to be filed with it by March 1, 2022.
Recommendations:

We have no recommendations for Objective #8.

Acknowledgements

We would like to acknowledge the full and complete cooperation and support of all involved University faculty and staff, and especially the assistance of Dr. Richard R. Burnette III, the Florida State University Data Administrator, and Dr. James M. Hunt, Director of Institutional Research.

Respectfully submitted,

[Signature]

Sam M. McCall, Ph.D., CPA, CGFM, CIA, CGAP, CIG
Chief Audit Officer
I would like to thank the staff of the Office of Inspector General Services for their hard work on this audit. I am very pleased that no issues requiring corrective action were identified in this audit, and I am comfortable that Chairman Collins and I can rely on these results and sign the Data Integrity Certification without reservation.

Audit conducted by: Heather Friend, CPA, CIA, CIG
                 Jeffrey Caines, CIA, CFE, CGAP
Audit supervised by: Sam M. McCall, Ph.D., CPA, CGFM, CIA, CGAP, CIG
Exhibit A: Performance-Based Funding Metrics as Reported in the 2019, 2020, and 2021 Accountability Plans

<table>
<thead>
<tr>
<th>Metric</th>
<th>Description</th>
<th>2019 Data</th>
<th>2020 Data</th>
<th>2021 Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Percent of Bachelor’s Graduates Enrolled or Employed ($25,000+) One Year After Graduation</td>
<td>66%</td>
<td>68%</td>
<td>70.2%</td>
</tr>
<tr>
<td>2</td>
<td>Median Wages of Bachelor’s Graduates Employed Full-Time One Year After Graduation</td>
<td>$37,500</td>
<td>$39,000</td>
<td>$41,300</td>
</tr>
<tr>
<td>3</td>
<td>Cost to the Student (Net Tuition and Fees for Resident Undergraduates per 120 Credit Hours)</td>
<td>$8,680</td>
<td>$3,340</td>
<td>$760</td>
</tr>
<tr>
<td>4</td>
<td>Four-Year First-Time-in-College (FTIC) Graduation Rate</td>
<td>71.5%</td>
<td>69.5%</td>
<td>73.8%</td>
</tr>
<tr>
<td>5</td>
<td>Academic Progress Rate (Second Year Retention with 2.0 Grade Point Average (GPA) or Above)</td>
<td>91.4%</td>
<td>91.6%</td>
<td>93.6%</td>
</tr>
<tr>
<td>6</td>
<td>Bachelor’s Degree within Programs of Strategic Emphasis</td>
<td>44.4%</td>
<td>43.1%</td>
<td>43.2%</td>
</tr>
<tr>
<td>7</td>
<td>University Access Rate (Percent of Undergraduates with a Pell Grant)</td>
<td>28.3%</td>
<td>27.8%</td>
<td>27.2%</td>
</tr>
<tr>
<td>8</td>
<td>Graduate Degrees within Programs of Strategic Emphasis</td>
<td>59.3%</td>
<td>58.4%</td>
<td>58.8%</td>
</tr>
<tr>
<td>9</td>
<td>Percent of Baccalaureate Degrees Awarded Without Excess Hours(^7)</td>
<td>82.1%</td>
<td>85.6%</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>9a</td>
<td>Florida College System Associate in Arts Transfer Two Year Graduation Rate</td>
<td>Not Applicable</td>
<td>Not Applicable</td>
<td>56%</td>
</tr>
<tr>
<td>9b</td>
<td>Pell Recipient Six Year Graduation Rate</td>
<td>Not Applicable</td>
<td>Not Applicable</td>
<td>80%</td>
</tr>
<tr>
<td>10</td>
<td>Percent of Bachelor’s Graduates who took an Entrepreneurship Class</td>
<td>11.3%</td>
<td>13.1%</td>
<td>14.5%</td>
</tr>
</tbody>
</table>

\(^7\) During the 2019-20 Fiscal Year, the Florida Legislature added two new graduation rate metrics to the Performance-Based Funding Model. At the November 2020 board meeting, the BOG approved the replacement of Metric 9 (Percent of Bachelor’s Degrees without Excess Hours) with Metric 9a (Florida College System Associate in Arts Transfer Two Year Graduation Rate) and Metric 9b (Pell Recipient Six year Graduation Rate).
## Exhibit B: Acronyms Used in This Report

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AA</td>
<td>Associate of Arts</td>
</tr>
<tr>
<td>ADM</td>
<td>Admissions</td>
</tr>
<tr>
<td>BOG</td>
<td>Board of Governors</td>
</tr>
<tr>
<td>CIP</td>
<td>Classification of Instructional Programs</td>
</tr>
<tr>
<td>CODA</td>
<td>Council of Data Administrators</td>
</tr>
<tr>
<td>EMPLID</td>
<td>Employee Identification</td>
</tr>
<tr>
<td>ERP</td>
<td>Enterprise Resource Planning</td>
</tr>
<tr>
<td>FCS</td>
<td>Florida College System</td>
</tr>
<tr>
<td>FSU</td>
<td>Florida State University</td>
</tr>
<tr>
<td>FTIC</td>
<td>First Time in College</td>
</tr>
<tr>
<td>GPA</td>
<td>Grade Point Average</td>
</tr>
<tr>
<td>HTD</td>
<td>Hours to Degree</td>
</tr>
<tr>
<td>ID</td>
<td>Identification Number</td>
</tr>
<tr>
<td>IR</td>
<td>Institutional Research</td>
</tr>
<tr>
<td>OBIEE</td>
<td>Oracle Business Intelligence Enterprise Edition</td>
</tr>
<tr>
<td>OFA</td>
<td>Office of Financial Aid</td>
</tr>
<tr>
<td>PBF</td>
<td>Performance-Based Funding</td>
</tr>
<tr>
<td>SFA</td>
<td>Student Financial Aid</td>
</tr>
<tr>
<td>SIF</td>
<td>Student Instruction File</td>
</tr>
<tr>
<td>SIFD</td>
<td>Student Instruction File Degrees Awarded</td>
</tr>
<tr>
<td>SUDS</td>
<td>State University Database System</td>
</tr>
<tr>
<td>SUS</td>
<td>State University System</td>
</tr>
</tbody>
</table>


Data Integrity Certification
March 2022

University Name: Florida State University

INSTRUCTIONS: Please respond “Yes” or “No” for each representation below. Explain any “No” responses to ensure clarity of the representation you are making to the Board of Governors. Modify representations to reflect any noted material or significant audit findings.

<table>
<thead>
<tr>
<th>Data Integrity Certification Representations</th>
<th>Yes</th>
<th>No</th>
<th>Comment / Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I am responsible for establishing and maintaining, and have established and maintained, effective internal controls and monitoring over my university's collection and reporting of data submitted to the Board of Governors Office which will be used by the Board of Governors in Performance-based Funding decision-making and Preeminence or Emerging-preeminence Status.</td>
<td>❌</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>2. These internal controls and monitoring activities include, but are not limited to, reliable processes, controls, and procedures designed to ensure that data required in reports filed with my Board of Trustees and the Board of Governors are recorded, processed, summarized, and reported in a manner which ensures its accuracy and completeness.</td>
<td>❌</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>3. In accordance with Board of Governors Regulation 1.001(3)(f), my Board of Trustees has required that I maintain an effective information system to provide accurate, timely, and cost-effective information about the university, and shall require that all data and reporting requirements of the Board of Governors are met.</td>
<td>❌</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>4. In accordance with Board of Governors Regulation 3.007, my university provided accurate data to the Board of Governors Office.</td>
<td>❌</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>5. In accordance with Board of Governors Regulation 3.007, I have appointed a Data Administrator to certify and manage the submission of data to the Board of Governors Office.</td>
<td>❌</td>
<td>☐</td>
<td></td>
</tr>
</tbody>
</table>
Data Integrity Certification

<table>
<thead>
<tr>
<th>Representations</th>
<th>Yes</th>
<th>No</th>
<th>Comment / Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>6. In accordance with Board of Governors Regulation 3.007, I have tasked my Data Administrator to ensure the data file (prior to submission) is consistent with the criteria established by the Board of Governors Data Committee. The due diligence includes performing tests on the file using applications, processes, and data definitions provided by the Board Office.</td>
<td>☒</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>7. When critical errors have been identified, through the processes identified in item #6, a written explanation of the critical errors was included with the file submission.</td>
<td>☒</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>8. In accordance with Board of Governors Regulation 3.007, my Data Administrator has submitted data files to the Board of Governors Office in accordance with the specified schedule.</td>
<td>☒</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>9. In accordance with Board of Governors Regulation 3.007, my Data Administrator electronically certifies data submissions in the State University Data System by acknowledging the following statement, &quot;Ready to submit: Pressing Submit for Approval represents electronic certification of this data per Board of Governors Regulation 3.007.&quot;</td>
<td>☒</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>10. I am responsible for taking timely and appropriate preventive/ corrective actions for deficiencies noted through reviews, audits, and investigations.</td>
<td>☒</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>11. I recognize that Board of Governors’ and statutory requirements for the use of data related to the Performance-based Funding initiative and Preeminence or Emerging-preeminence status consideration will drive university policy on a wide range of university operations – from admissions through graduation. I certify that university policy changes and decisions impacting data used for these purposes have been made to bring the university’s operations and practices in line with State University System Strategic Plan goals and have not been made for the purposes of artificially inflating the related metrics.</td>
<td>☒</td>
<td>☐</td>
<td></td>
</tr>
</tbody>
</table>
## Data Integrity Certification

### Data Integrity Certification Representations

<table>
<thead>
<tr>
<th>Number</th>
<th>Representation</th>
<th>Yes</th>
<th>No</th>
<th>Comment / Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.</td>
<td>I certify that I agreed to the scope of work for the Performance-based Funding Data Integrity Audit and the Preeminence or Emerging-preeminence Data Integrity Audit (if applicable) conducted by my chief audit executive.</td>
<td>☑️</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>13.</td>
<td>In accordance with section 1001.706, Florida Statutes, I certify that the audit conducted verified that the data submitted pursuant to sections 1001.7065 and 1001.92, Florida Statutes [regarding Preeminence and Performance-based Funding, respectively], complies with the data definitions established by the Board of Governors.</td>
<td>☑️</td>
<td>☐</td>
<td></td>
</tr>
</tbody>
</table>

### Data Integrity Certification Representations, Signatures

I certify that all information provided as part of the Board of Governors Data Integrity Certification for Performance-based Funding and Preeminence or Emerging-preeminence status is true and correct to the best of my knowledge; and I understand that any unsubstantiated, false, misleading, or withheld information relating to these statements render this certification void. My signature below acknowledges that I have read and understand these statements. I certify that this information will be reported to the board of trustees and the Board of Governors.

Certification: ____________________________ Date ____________________________
President

I certify that this Board of Governors Data Integrity Certification for Performance-based Funding and Preeminence or Emerging-preeminence status (if applicable) has been approved by the university board of trustees and is true and correct to the best of my knowledge.

Certification: ____________________________ Date ____________________________
Board of Trustees Chair
CONSENT ITEM N
MEMORANDUM

TO: President Richard McCullough

FROM: Sam M. McCall, Chief Audit Officer

Date: January 28, 2022

SUBJECT: Agenda Item for the February 8, 2022, BOT Meeting:

Audit Report AR 22-05 – Preeminent Research University Metrics Data Integrity Audit and the Data Integrity Certification

Request for Approval to be placed on the BOT Agenda

Please find enclosed Audit Report AR 22-05 – Preeminent Research University Metrics Data Integrity Audit for fiscal year 2021-22 for acceptance by the BOT. The Data Integrity Certification form is to be signed by the President and the BOT Chair after acceptance of the report by the BOT.

Thank you

Attachment

Phone: (850) 644-6031 · FAX: (850) 644-2576 · www.igs.fsu.edu
Audit

Report

Office of Inspector General Services
Sam McCall, Ph.D., CPA, CGFM, CIA, CGAP, CIG
Chief Audit Officer

Preeminent Research University Metrics
Data Integrity Certification Audit
Fiscal Year 2021-22

January 28, 2022

Summary

Overall, we concluded the University has adequate processes for collecting and reporting Preeminent Research University Metrics data to the Board of Governors (BOG). In addition, we can provide an objective basis of support for the University's President and Board of Trustees Chair to sign the Preeminent Research University Metrics – Data Integrity Certification, which the BOG requested to be filed with it by March 1, 2022.

Scope, Objectives, and Methodology

In his June 14, 2021, memorandum to University Boards of Trustees' Chairs and University Presidents, the Chair of the State University System (SUS) of the Florida Board of Governors (BOG) directed the President of each University to complete a Performance-Based Funding Metrics/Preeminent Research University Metrics - Data Integrity Certification.

As required by Florida Statutes¹, the BOG Chair instructed the University Board of Trustees of each University to:

...direct the university chief audit executive to perform, or cause to have performed by an independent audit firm, an audit of the University’s processes that ensure the completeness, accuracy, and timeliness of data submissions.

Additionally, the BOG Chair asked that:

...these audits include testing of data that supports performance funding metrics, as well as preeminence or emerging preeminence metrics for those universities so designated, as testing is essential in determining that processes are in place and working as intended.

The scope and objectives of the audit(s) should be set jointly between the chair of the university board of trustees and the university chief audit executive. The audit(s) shall be performed in accordance with the current International Standards for the Professional Practice of Internal Auditing as published by the Institute of Internal Auditors, Inc.

¹ Florida Statutes, sections 1001.7065, Preeminent State Research Universities Program, and 1001.92, State University System Performance-Based Incentive
Using the results from the data integrity audit(s), each university president should complete the attached Data Integrity Certification. When completing this certification, evaluate each of the 13 prepared representations. If you are able to affirm a representation as prepared, do so. If you are unable to affirm a representation as prepared, explain the modification in the space provided. It is important that representations be modified to reflect significant or material audit findings. The certification document shall be signed by the university president and board of trustees’ chair after being approved by the board of trustees.

The audit results and corrective action plans as needed shall be provided to the Board of Governors after being accepted by the university’s board of trustees. The audit results shall support the president’s certification and include any noted audit findings. The completed Data Integrity Certification and audit report(s) shall be submitted to the Office of Inspector General and Director of Compliance no later than March 1, 2022.

I ask that you consider the March 1st deadline when establishing dates for your 2022 board of trustees’ meetings as we will need these audits and certifications in sufficient time to be included in our March Board of Governors’ meeting materials.

This is the eighth consecutive year the BOG has called for each university to conduct a data integrity audit for the Performance-Based Funding (PBF) Model. This is the third year the BOG has called for universities designated as preeminent or emerging preeminent, which includes Florida State University (FSU), to conduct a similar audit for the data and metrics used for preeminent status consideration. Our Office has decided to conduct this third required audit as separate from the Performance-Based Funding Model - Data Integrity Audit, and to issue this separate audit report.

Florida State University has decided upon the following scope and objectives for its Preeminent Research University Metrics Audit that has been recurring now for three years.

Scope:

This audit will include a validation, through testing, of the actual data upon which the University’s Preeminent Research University Metrics are based. In addition, auditors will review timeliness of data submissions to the BOG and any resubmissions of the data, to establish causes. The overall purpose of the audit is to provide an objective basis of support for the University’s President and Board of Trustees Chair to sign the representations included in the Performance-Based Funding Metrics/Preeminent Research University Metrics - Data Integrity Certification, which will be submitted to the University’s Board of Trustees and filed with the BOG by March 1, 2022.

The Preeminent Research University Funding Metric Definitions in Florida State University’s 2021 Accountability Plan, approved by the FSU Board of Trustees on June 17, 2021, and approved by the Board of Governors on June 23, 2021, include the following.

1. Average Grade Point Average (GPA) and SAT/ACT Score;
2. National Public University Rankings;
3. Freshman Retention Rate;

This is a reference to the BOG’s Office of Inspector General and Director of Compliance.
4. Four-Year Graduation Rate;
5. National Academy Memberships;
6. Total Science and Engineering Research Expenditures;
7. Science and Engineering Research Expenditures in Non-Health Sciences;
8. National Ranking in Research Expenditures;
9. Patents Awarded;
10. Doctoral Degrees Awarded Annually;
11. Number of Post-Doctoral Appointees; and

Exhibit A provides information on each of the Preeminent Research University Metrics, as reported in the 2021 Accountability Plan. We have additionally included information from the 2019 and 2020 Accountability Plans to show some results over time.

This audit solely addresses the integrity of the University’s data submissions to the BOG that support the University’s Preeminent Research University Metrics for the 2022 Accountability Plan. In the event certain of these data are not yet available when we conduct testing, we plan to use the most recent data for the pertinent metrics.

**Objectives:**

1. Determine the current status since our conclusion in the 2020-21 Preeminent Research University Metrics audit concerning whether the University has timely submitted Preeminent Research University Metrics data to the BOG.

2. Determine the current status since our conclusion in the 2020-21 Preeminent Research University Metrics audit concerning audit testing of data accuracy.

3. Determine the current status since our conclusion in the 2020-21 Preeminent Research University Metrics audit concerning the University Data Administrator’s data resubmissions to the BOG.

4. Provide an objective basis of support for the President and Board of Trustees chair to sign the representations made in the Performance-Based Funding Metrics/Preeminent Research University Metrics - Data Integrity Certification.

Our detailed methodology for each of our four objectives is included in the report section for each. In general, to complete the stated audit objectives, we conducted interviews and otherwise communicated with the Data Administrator and other key data managers, and analyzed supporting documentation related to the objectives. Such supporting documentation included available data and information related to:

- Data file submissions by the University to the BOG, to determine whether they were made in a timely manner and included any resubmissions and the reasons for these; and
• Latest data files submitted to the BOG that contained elements used in calculating Preeminent Research University Metrics Data, and the University’s related source data, to ensure that data submitted to the BOG were consistent with University transactional data and the BOG requirements.

This audit was performed in conformance with the *International Standards for the Professional Practice of Internal Auditing*. Those standards require we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

**Background**

The Florida Board of Governors, created in 2002, is authorized in Article IX, Section 7(d), Florida Constitution to “operate, regulate, control, and be fully responsible for the management of the whole university system,” which consists of the state’s 12 public universities.

On June 18, 2019, Chapter 2019-103, Laws of Florida, Committee Substitute for Senate Bill No. 190, relating to higher education, was signed by the Governor. The act amended s. 1001.706, F.S., officially requiring in law that, among other things:

(5) *POWERS AND DUTIES RELATING TO ACCOUNTABILITY*

(e) The Board of Governors shall maintain an effective information system to provide accurate, timely, and cost-effective information about each university. The board shall continue to collect and maintain, at a minimum, management information as such information existed on June 30, 2002. To ensure consistency, the Board of Governors shall define the data components and methodology used to implement ss. 1001.7065 and 1001.92. Each university shall conduct an annual audit to verify that the data submitted pursuant to ss. 1001.7065 and 1001.92 complies with the data definitions established by the board and submit the audits to the Board of Governors Office of Inspector General as part of the annual certification process required by the Board of Governors.

As mentioned, while this is the eighth consecutive year Florida State University’s Office of Inspector General Services has completed a PBF Metrics - Data Integrity Certification audit and certification for the University’s President and Board of Trustees Chair to sign after being approved by the FSU Board of Trustees, this is the third year the BOG has called for universities designated as preeminent or emerging preeminent, which includes Florida State University, to conduct a similar audit for the data and metrics used for preeminent status consideration. These audits and signed Performance-Based Funding Metrics/Preeminent Research University Metrics - Data Integrity Certification are subsequently to be provided to the BOG.

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3 Preeminent State Research Universities Program
4 State University System Performance-Based Incentive
Findings

Overall, we concluded that the University has adequate processes for collecting and reporting Preeminent Research University Metrics data to the BOG. In addition, we can provide an objective basis of support for the University’s President and Board of Trustees Chair to sign the Performance-Based Funding Metrics/Preeminent Research University Metrics – Data Integrity Certification, which the BOG requested to be filed with it upon approval by the Board of Trustees, by March 1, 2022.

Objective #1: Determine the current status since our conclusion in the 2020-21 Preeminent Research University Metrics audit concerning whether the University has timely submitted Preeminent Research University Metrics data to the BOG.

In our 2020-21 Preeminent Research University Metrics audit we concluded that:

...the processes used by the University Data Administrator and his staff in Institutional Research reasonably ensure the completeness, accuracy, and timely submission of data submitted to the BOG, including compliance with BOG criteria for the data.

Current Findings:

To test the timeliness of submissions of required files to the BOG that relate to FSU’s Preeminent Research University Metrics, we used Submission History information from the BOG State University Database System (SUDS) system. The following BOG-required files relate to the University’s Preeminent Metrics. For each of these required files, we reviewed the University’s current and historical submissions back to the third most recent submission.

The table below shows each file we reviewed to test timeliness of submissions, and the reporting period covered for each file.

<table>
<thead>
<tr>
<th>File</th>
<th>Campus Solutions—Reporting Period(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Instruction File (SIF)</td>
<td>Fall 2020 through Summer 2021</td>
</tr>
<tr>
<td>Retention</td>
<td>2017-18 through 2019-20</td>
</tr>
<tr>
<td>Student Instruction File Degrees Awarded (SIFD)</td>
<td>Fall 2020 through Summer 2021</td>
</tr>
<tr>
<td>Admissions File</td>
<td>Spring 2021 through Fall 2021</td>
</tr>
</tbody>
</table>

The three most recent submissions for each of the above four files were submitted on time. Please note in the following table the three most recent submissions of each of the four required files that relate to FSU’s Preeminent Research University Metrics. The University has continuously submitted the data in a timely manner, and timeliness of the University’s data submissions to the BOG is not a present concern.
Conclusion for Objective #1:

We concluded the processes used by the University Data Administrator and staff in Institutional Research (IR) reasonably ensure the completeness, accuracy, and timely submission of data submitted to the BOG, including compliance with BOG criteria for the data. The most definitive evidence of the effectiveness of IR’s processes to ensure the completeness and accuracy of the University’s data submitted to the BOG, including criteria for the data, is presented in our positive conclusions pertaining to our Objective #2 concerning audit testing of Preeminent Research University Metrics data accuracy, which immediately follows.

Recommendations:

We have no recommendations for Objective #1.

Objective #2: Determine the current status since our conclusion in the 2020-21 Preeminent Research University Metrics audit concerning audit testing of data accuracy.

In our 2020-21 Preeminent Research University Metrics audit we concluded that:

...the University’s data submitted to the BOG were complete and accurate, and in accordance with BOG guidance.

The University’s 12 Preeminent Research University Metrics are as follows.

1. Average Grade Point Average (GPA) and SAT/ACT Score;
2. National Public University Rankings;
3. Freshman Retention Rate;
4. Four-Year Graduation Rate;
5. National Academy Memberships;
6. Total Science and Engineering Research Expenditures;
7. Total Science and Engineering Research Expenditures in Non-Health Sciences;
8. National Ranking in Research Expenditures;
9. Patents Awarded;
10. Doctoral Degrees Awarded Annually;
11. Number of Post-Doctoral Appointees; and

The State University System of Florida Board of Governors maintains a student unit record database titled SUDS. The database contains over 400 data elements about students, faculty, and programs at State University System institutions. The metrics are based on the data that universities submit to the BOG as part of various data tables and file submissions. We interviewed the Data Administrator, IR staff, and key departmental Data Managers to determine the primary sources of data used for the calculations of the Preeminent Research University Metrics.

Current Findings:

Metric 1a and 1b (Average Grade Point Average (GPA) and SAT/ACT Score)

Metric 1a and 1b, Average GPA and SAT/ACT Score, are based on having an average weighted grade point average of 4.0 or higher on a 4.0 scale, and an average SAT score of 1200 or higher on a 1600-point scale or an average ACT score of 25 or higher on a 36-point scale, using the latest published national concordance table developed jointly by the College Board and ACT, Inc., for fall semester incoming freshmen, as reported annually.

According to the October 2020 Preeminent Metrics Methodology Document, the data is calculated by the BOG based on the Admissions file submission that is uploaded to SUDS by the University. The results of the BOG’s calculations are reviewed, and approved, by Institutional Data Administrators before being included in the Accountability Plans.

Metric 1a. Average GPA

To calculate the average GPA, the BOG filters the Admissions Applicants File to include only First-Time-In-College (FTIC) students who are newly admitted and registered. The BOG excludes students who have non-traditional GPAs (e.g., 9.8) or when the student’s GPA was not available (i.e., 9.9).

We reviewed the Fall 2021 Admissions Applicants File that was submitted to the BOG and filtered the file based on the BOG’s criteria. This filter resulted in 4,888 students. We ran a query in Campus Solutions of Fall 2021 admitted and enrolled FTIC students and materially reconciled the two files.
We then ran a query in Slate, which houses most of the admissions data for the University, of Fall 2021 admitted and enrolled FTIC students and reconciled this to the BOG file and Campus Solutions query that was previously run. We compared the high school GPA reported in the Admissions Applicants File for FTIC students who are newly admitted and registered to the high school GPA listed in the Slate query and concluded they materially agreed.

**Metric 1b. Average SAT/ACT Score**

To calculate the average SAT/ACT score, the BOG filters the Admissions Applicants File to include only FTIC students who are admitted or provisionally admitted and registered. The BOG uses the SAT and ACT subscores in their calculation for this metric. We combined the Test Requirements File of the Admissions Table to the Admission Applicants File of the Admissions Table based on the student identification number. We filtered the combined files based on the BOG Criteria (e.g., Type of Student, Final Admission Action, Registered, and Test or Requirement Type Code). There were 4,888 students that met the criteria with a total of 15,368 ACT and SAT subscores reported. We ran a query in Campus Solutions of Fall 2021 applicants based on BOG criteria and reconciled the query results with the BOG filtered file. We then ran a query in Slate of Fall 2021 applicants based on BOG criteria and compared the ACT and SAT test scores reported in the filtered BOG Test Requirements File to the results in the Slate query and noted they were materially correct.

The BOG converts the ACT and Old SAT subscores to the redesigned SAT subscore scale based on the national concordance tables and then compares the converted scores to the redesigned SAT scores to determine if the scores will be used in the calculation of this metric. We did not audit the additional conversion and comparison calculations that the BOG performed for this metric.

Based on our analyses, we concluded that the data used to develop the Average GPA and Average SAT/ACT scores are materially correct and can be relied upon.

**Metric 2 (National Public University Rankings)**

According to the Florida Statutes 1001.7065 Preeminent State Research Universities Program and the October 2020 Preeminent Metrics Methodology Document, Metric 2 is based on a top-50 ranking on at least two well-known and highly respected national public university rankings, including, but not limited to, the U.S. News and World Report rankings, reflecting national preeminence, using most recent rankings. The Board of Governors approved the list of publications shown below during the November 2014 Board meeting, as part of the revisions to the 2025 System Strategic Plan. The requirement for Preeminence is a top-50 ranking on at least two of the following national publications: Princeton Review: Top 50 Colleges That Pay You Back, Fiske Guide, QS World University Ranking, Times Higher Education World University Ranking, Academic Ranking of World University, U.S. News and World Report National University, U.S. News and World Report National Public University, U.S. News and World Report Liberal Arts Colleges, Forbes ‘Top Public Universities’, Kiplinger, Washington Monthly Liberal Arts Colleges, Washington Monthly National University, and Center for Measuring University Performance.

These rankings are based on various criteria, such as admission rate, graduation rate, retention rate, cost and financial aid, faculty/student ratio, academic and employer reputation, alumni salary, student satisfaction, total research expenditures, endowment assets, faculty awards, number of alumni, number of Nobel Prize winning staff, and number of published articles in professional journals.
The Board of Governors 2021 System Accountability Plan, which was approved September 1, 2021, provides a table of the rankings for each university. While the metric only requires the University to be in the top-50 for two publication rankings, the University currently meets this requirement for eight publication rankings. The table below shows the eight publications where the University received a top-50 public university ranking identified by the Board of Governors in the 2021 System Accountability Plan.

<table>
<thead>
<tr>
<th>Publication</th>
<th>Publication Year</th>
<th>National Public University Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic Ranking of World Universities</td>
<td>2020</td>
<td>36</td>
</tr>
<tr>
<td>Center for Measuring University Performance</td>
<td>2019</td>
<td>Top 25</td>
</tr>
<tr>
<td>Forbes – America’s Top Colleges (Public Colleges)</td>
<td>2019</td>
<td>43</td>
</tr>
<tr>
<td>Kiplinger Best Value in Public Colleges (In-State Students)</td>
<td>2019</td>
<td>9</td>
</tr>
<tr>
<td>QS World University Ranking</td>
<td>2019-20</td>
<td>45</td>
</tr>
<tr>
<td>Times Higher Education World University Rankings</td>
<td>2019-20</td>
<td>37</td>
</tr>
<tr>
<td>US News and World Report – National Public Universities</td>
<td>2021</td>
<td>19</td>
</tr>
<tr>
<td>Washington Monthly – National Universities</td>
<td>2020</td>
<td>42</td>
</tr>
</tbody>
</table>

In sum for Metric 2, we reviewed the national publications identified by the Board of Governors. At the time of our testing, we identified Florida State University as receiving a top-50 ranking by the above eight publications.

**Metric 3 (Freshman Retention Rate)**

Metric 3, Freshman Retention Rate, is based on having a retention rate of 90 percent or higher for full-time, FTIC students.

According to the October 2020 Preeminent Metrics Methodology Document, this Preeminent Research University Metric calculation uses two sets of enrollment data from sequential Fall SIF Files. The first year’s Fall SIF enrollment data are used to identify the first-year cohort of full-time Fall (or Summer semester continuing to Fall) FTIC students. The second year’s Fall SIF File enrollment data are used to determine whether those individuals continued to be enrolled one year later.

We evaluated the most recent two years of Fall SIF File enrollment data submitted to the BOG, Fall 2019 and Fall 2020. We filtered the University’s Fall 2019 SIF File submitted to the BOG to identify the University’s FTIC students who started in the Fall 2019 (or Summer continuing to Fall 2019) term and were enrolled full time in the Fall term. The filtered Fall 2019 SIF File contained 7,041 records of students who comprised the Fall 2019 FTIC cohort. To compare these data to the University’s source data, we developed a query in the University’s Campus Solutions system following the BOG’s criteria for this metric and reconciled the filtered Fall 2019 SIF File records to those students in our Campus Solutions query results.
We compared student records in the Fall 2019 SIF File FTIC cohort to the 2020 unfiltered SIF File to determine the number of SIF File FTIC cohort students who continued their enrollment into a second year. We identified 6,647 of the 7,041 students (94 percent) from the Fall 2019 SIF File FTIC cohort who continued their enrollment in Fall 2020.

Based on our analyses, we concluded that the data used by the BOG to develop the University’s freshman retention rate are accurate and complete.

**Metric 4 (Four-Year Graduation Rate)**

Metric 4, Four-Year Graduation Rate, requires a rate of 60 percent or higher for full-time, FTIC students.

According to the October 2020 Preeminent Metrics Methodology Document, this metric is based on the percentage of FTIC students who started in the Fall (or summer continuing to Fall) term and were enrolled full-time in their first Fall semester and had graduated from the same institution by the summer term of their fourth year. FTIC includes ‘early admit’ students who were admitted as degree-seeking students prior to high school graduation. Students who were enrolled in advanced graduate programs at the same institution during their 4th year were excluded.

The BOG creates annual Retention Files on student cohorts by year of entry to the University (from the Summer semester through the Spring semester). These cohorts are identified from cumulative University SIF submissions, and include data needed for the four-year graduation rate metric, including degree information from cumulative University SIFD submissions. IR reviews the BOG-developed Retention File and provides any needed edits. To validate the data to be used for this metric, IR filters the cohort Retention File to identify FTIC students who were enrolled full time in their first semester and who are included in Student Right to Know Act reporting. The filtered data are reconciled to an independently developed IR database to identify any errors in the BOG’s FTIC cohort population and graduation data, and any needed corrections are submitted. The final approved file is submitted to the BOG by IR when its validations have been completed.

IR also develops the Retention Person Identification Change and Cohort Change Files, which it submits to the BOG. The Retention Person Identification Change File reports changes to the identification numbers for the cohort. We reviewed the most recent Retention Person Identification Change File, which was the 2019-20 file. This file reported identification changes to the 2014 through 2017 cohorts. The Retention Cohort Change File identifies students in a cohort who have since died, entered military service, had total and permanent disabilities, or left to serve with a Foreign Aid Service of the federal government (e.g., Peace Corps) or on religious missions. These adjustments are used by the BOG to exclude these individuals from the cohort. We reviewed the 2019-20 Retention Cohort Change file, which was the most recent file. There were 189 students listed in this file that were excluded from cohorts, ranging from 2014 to 2019 cohorts. Thirteen of these students were removed from the cohort because the student was deceased. We reviewed documentation for all 13 of these cohort changes. We noted that the process for identifying these identification changes and adjustments to the cohort is consistent with prior years. The remaining 176 students were removed because they registered, but never attended. This adjustment is a new process that began with the 2019-20 Retention Cohort Change file. Of the 176 students whose cohorts were adjusted, 40 of them affect Preeminence Metrics for future allocations of funding. We reviewed documentation for all 40 of these students and noted that they either were appropriately removed from the cohort or did not affect the calculation of the metric.
Verification of the 2017 FTIC Cohort. We reviewed the 2017-18 cohort detail records file, which was compiled by the BOG and downloaded from SUDS by IR staff, for validation. This file has records for each student enrolled during the 2017 academic year, with degrees awarded for each included student through Fall 2020. The Summer 2017 and Fall 2017 SIF File data provide the information needed to identify the 2017 FTIC cohort population for this Preeminent measure.

To validate the 2017 FTIC cohort used by the BOG for this measure, we first filtered the cohort detail records file to include only those students who: (1) started in the Fall (or Summer continuing to Fall) term, (2) were initially enrolled at the University immediately after their high school graduation or enrolled in a first-time-in-college, degree-seeking status having earned less than 12 hours of transferable college credit after their high school graduation, (3) were identified as being included in Student Right to Know reporting. This analysis returned 6,419 records. We used a query we developed in Campus Solutions and additional manual reconciliations and determined that all of these records identified using BOG selection criteria for this measure agreed with corresponding University records.

Verification of Degree Earned. The percentage of bachelor’s degree graduates for the most recent year is based on information provided in the SIFD Degrees Awarded Files. We reconciled the Summer 2020 through Summer 2021 SIFD files to Student Central records. We noted the data reported in these files were accurate and complete.

Based on our analyses, we concluded that the data used by the BOG to develop the Four-Year Graduation Rate for FTIC students are accurate and complete.

Metric 5 (National Academy Memberships)

Metric 5, National Academy Memberships, is based on six or more faculty members at the state university who are members of a national academy.

According to the October 2020 Preeminent Metrics Methodology Document, once a year, in early February, the BOG Office of Data and Analytics (ODA) staff searches the online directories of the National Academies of Sciences, Engineering, and Medicine and provides member counts based on affiliation (including shared affiliation) and excludes deceased members. The results of ODA’s research are reviewed, and approved, by Institutional Data Administrators, before being included in the Accountability Plans.

We reviewed the memberships as of February 2021, which was the most recent reporting period available. The total reported memberships for this period, which was reported in the 2021 Accountability Plan, were seven members. We reviewed the official membership directories of the National Academies of Science, Engineering, and Medicine, for any living members that were affiliated with the University. We found a total of seven living members, as of February 2021, from the three directories, which are detailed in the following table. This is consistent with what was reported in the 2021 Accountability Plan.
Our testing determined that the number of National Academy Memberships reported in the 2021 Annual Accountability Plan is accurate.

### Metrics 6 and 7 (Total Science and Engineering Research Expenditures and Science and Engineering Research Expenditures in Non-Health Sciences)

The preeminence standard for Metric 6, Total Annual Research Expenditures (Science and Engineering Research Expenditures), is based on total annual research expenditures, including federal research expenditures, of $200 million or more. The preeminence standard for Metric 7, Total Annual Research and Development Expenditures in Non-Health Sciences (Non-Medical Science and Engineering Research Expenditures), is based on total annual research expenditures in diversified nonmedical sciences of $150 million or more, based on data reported annually by the National Science Foundation (NSF).

According to the October 2020 Preeminent Metrics Methodology Document, once a year, ODA staff analyzes each institution’s response to the National Science Foundation’s annual Higher Education Research and Development (HERD) survey that is submitted to the Board office via the Data Request System. For Metric 6, ODA staff calculates the total expenditures for science and engineering disciplines by summing the total federal and non-federal expenditures and then subtracting all federal and non-federal expenditures for non-medical science and engineering disciplines. For Metric 7, ODA staff adds the total federal and non-federal medical science and research expenditures and then subtracts that sum from the science and engineering total that is calculated for Metric 6. The results of ODA’s research are reviewed, and approved, by Institutional Data Administrators, before being included in the Accountability Plans.

Staff within FSU’s Office of the Vice President for Research compiles the data from various sources within the University, which provides the aggregate amount of research expenditures listed in the survey. We reviewed the department’s procedures used to compile the information, as well as the source data. We reviewed the 2020 HERD Survey, which was the most recent survey available at the time of our audit testing. This survey was submitted in the beginning of 2021. The submitted total annual science and engineering research expenditures for fiscal year (FY) 2020 was $270 million, and the total annual non-medical science and engineering research expenditures for FY 2020 was $233 million. This is consistent with the amounts reported in the 2021 Accountability Plan. We were able to reconcile the source data to the amounts provided on the 2020 HERD survey.

Based on our analysis, we concluded the data used by the BOG for Metrics 6 and 7 are materially correct and can be relied upon.

<table>
<thead>
<tr>
<th>National Academy</th>
<th>Number of Living Members as of February 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Academy of Science</td>
<td>3</td>
</tr>
<tr>
<td>National Academy of Engineering</td>
<td>1</td>
</tr>
<tr>
<td>National Academy of Medicine</td>
<td>3</td>
</tr>
</tbody>
</table>
Metric 8 (University National Ranking in Research Expenditures)

Metric 8, University National Ranking in Research Expenditures, is based on a top-100 university national ranking for research expenditures in five or more science, technology, engineering, or mathematics fields of study.

According to the October 2020 Preeminent Metrics Methodology Document, once a year, the Office of Data and Analytics staff downloads research expenditure data from the National Science Foundation’s annual HERD survey, using the National Science Foundation’s National Center for Science and Engineering Statistics online data tool.

The NSF identifies eight broad disciplines within Science and Engineering: 1) Computer Science, 2) Engineering, 3) Environmental Science, 4) Life Science, 5) Mathematical Sciences, 6) Physical Sciences, 7) Psychology, and 8) Social Sciences. ODA staff analyzes total research expenditures, by fiscal year, for each public and private four-year institution in the country, by broad discipline, and determines the rankings for each State University System institution for each of the broad disciplines. The results of ODA’s research are reviewed, and approved, by Institutional Data Administrators, before being included in the Accountability Plans.

The table below shows the eight disciplines and the University’s ranking among all national universities for FY 2019, which were the most recent data available at the time of our audit testing. The University had a top-100 national ranking for seven of the eight broad disciplines.

<table>
<thead>
<tr>
<th>Discipline</th>
<th>National University Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer Science</td>
<td>58</td>
</tr>
<tr>
<td>Engineering</td>
<td>60</td>
</tr>
<tr>
<td>Environmental Science</td>
<td>42</td>
</tr>
<tr>
<td>Life Science</td>
<td>131</td>
</tr>
<tr>
<td>Mathematical Science</td>
<td>31</td>
</tr>
<tr>
<td>Physical Science</td>
<td>23</td>
</tr>
<tr>
<td>Psychology</td>
<td>21</td>
</tr>
<tr>
<td>Social Sciences</td>
<td>40</td>
</tr>
</tbody>
</table>

The research expenditure amounts used for NSF’s rankings are based on data compiled by the Office of the Vice President for Research. As part of our audit testing for Metrics 6 and 7 in our prior year audit, AR21-04 Preeminent Research University Metrics Audit, we reviewed the source data that was used to determine the 2019 rankings. Based on our analysis, we concluded the data used by the BOG for Metric 8 are correct and can be relied upon.

Metric 9 – (Patents Awarded)

Metric 9, Utility Patents Awarded, is based on 100 or more total patents awarded by the United States Patent and Trademark Office (USPTO) for the most recent three-year period.

According to the October 2020 Preeminent Metrics Methodology Document, once a year, ODA staff searches the online database for the USPTO for all utility patents awarded during the most recent three-year period. The results of ODA’s research are reviewed, and approved, by Institutional Data
Administrators, before being included in the Accountability Plans.

We reviewed the number of utility patents awarded to the University during the period of January 1, 2018, through December 31, 2020, which was the most recent three-year reporting period available. The total reported utility patents for this period was 128 patents, which is consistent with the amount reported in the 2021 Accountability Plan.

**Metric 10 (Doctoral Degrees Awarded Annually)**

Metric 10, Doctoral Degrees Awarded Annually, involves having four hundred or more doctoral degrees awarded annually, including professional doctoral degrees awarded in medical and health care disciplines.

According to the October 2020 Preeminent Metrics Methodology Document, the data are calculated by the BOG based on the SIFD File submission. The reporting year for degrees includes the Summer, Fall, and Spring terms. This metric includes all doctoral research degrees, as well as health professional doctoral degrees with a Classification of Instructional Programs (CIP) code of 51.

**SIFD File Testing**

The SIFD File is used to identify the cohort of students who received degrees during a given semester and is submitted at the end of each semester. Our testing population consisted of SIFD File submissions data for degrees awarded for the terms, Summer 2020, Fall 2020, and Spring 2021.

We determined there were 529 doctoral degrees awarded, as reported in the University’s SIFD Files for this time frame, that met the BOG’s criteria.

To determine the validity of the SIFD File submissions data, we developed queries in the University’s Campus Solutions system, which is the University’s system of record, to obtain degrees awarded data for academic year 2020-2021. We reconciled the SIFD File data to the degrees awarded data from the University’s Campus Solutions system, by the student identification number and CIP code, to determine if the data submitted to the BOG were complete and valid.

Of the 529 degrees awarded records submitted to the BOG for Summer 2020, Fall 2020, and Spring 2021, all of these records were readily reconcilable to our query results using Campus Solutions source data. Based on our analysis, we concluded the data used by the BOG for this metric are correct and can be relied upon.

**Metric 11 (Number of Post-Doctoral Appointees)**

Measure 11, Number of Post-Doctoral Appointees, is based on having two hundred or more postdoctoral appointees annually.

According to the BOG October 2020 Preeminent Metrics Methodology Document, the ODA staff reviews NSF summary reports for each institution’s response to the National Science Foundation/National Institutes of Health annual Survey of Graduate Students and Post-doctorates in Science and Engineering (GSS). The NSF summary reports ranks institutions by the total number of postdoctoral appointees in science, engineering, and health fields. For this preeminent metric, rank does not matter — only the total postdoctoral count is relevant. The results of ODA’s research are
reviewed, and approved, by Institutional Data Administrators before being included in the Accountability Plans.

A postdoctoral scholar, as defined by the University, is an appointee who was awarded a Ph.D. or equivalent doctorate (e.g., Sc.D., M.D.) in an appropriate field, generally within five years prior to appointment. The appointment generally lasts four years. The NSF Survey stipulates that the counting period for the survey is any post-doctoral appointee in the Fall term. The range for the Fall 2020 count was from August 7, 2020, through December 21, 2020. The NSF Survey has specific terms of who can be counted and what broad fields they must be from (i.e., Science, Engineering, and Health). Only the following disciplines are included: agriculture sciences; biological and biomedical sciences; computer and information sciences; geosciences, atmospheric, and ocean sciences; mathematics and statistics; multidisciplinary and interdisciplinary studies; natural resources and conservation; physical sciences; psychology; social sciences; engineering; clinical medicine; and other health disciplines. The NSF has developed a crosswalk between the CIP codes and the GSS codes.

The Graduate School staff utilizes several methods to determine the number of post-doctoral appointees at the University. They begin with running two queries from Campus Solutions Human Resources of employees in particular job codes. Afterwards, they communicate with certain centers on campus about the names of current post-doctoral appointees in job codes not reported in the two queries. They then perform a final review to confirm the post-doctoral appointee listing before submitting the NSF Survey, which is due near the end of February each year.

The Fall 2020 submission to the NSF included 233 post-doctoral appointees. We reviewed the Campus Solutions query results to review the information for the appointees included in the submission to the NSF. There were 180 appointees included in the queries that were submitted to the NSF. Based on our testing, these 180 appointees were appropriately included in the NSF Survey. Of the 53 additional appointees not included in the query results, we took a sample of 21 and reviewed their information in Campus Solutions. While we found these appointees were in the appropriate discipline, we found an issue with the appointment dates of four of these 21 post-doctoral appointees. These four appointees were terminated prior to the start of the Fall 2020 term. We reviewed appointment dates for the remaining 32 appointees and had the same issue with 7 of these 32 appointments. In addition, we found six appointees included in the query results who were not included in the NSF survey, but should have been. The effect is immaterial on the calculation of this metric. We provided the information to the Graduate School and Data Administrator for further investigation.

Based on our analysis, we concluded that the data used by the BOG for this metric is materially correct and can be relied upon.

**Metric 12 (Endowment Size)**

Metric 12, Endowment Size, is based on an endowment of $500 million or more.

According to the October 2020 Preeminent Metrics Methodology Document, once a year, ODA staff reviews the National Association of College and University Business Officers (NACUBO) and Commonfund Institute’s annual online report of Market Value of Endowment Assets. The results of ODA’s research are reviewed, and approved, by Institutional Data Administrators before being included in the Accountability Plans.
We reviewed the FY 2020 Endowment Market Value reported by NACUBO, which was the most recent reporting period available. The University’s endowment size for this period, which was reported in the 2021 Accountability Plan, was $700 million. The University’s FY 2020 endowment size is made up of funds from The Florida State University Foundation, The Florida State University Research Foundation, Seminole Boosters, and The John and Mable Ringling Museum of Art Foundation. The table below details the funds from each of these entities.

<table>
<thead>
<tr>
<th>University Direct Support Organization</th>
<th>Total Amount of Endowment as of June 30, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Florida State University Foundation</td>
<td>$502,238,077</td>
</tr>
<tr>
<td>The Florida State University Research Foundation</td>
<td>117,441,336</td>
</tr>
<tr>
<td>Seminole Boosters</td>
<td>77,896,957</td>
</tr>
<tr>
<td>The John and Mable Ringling Museum of Art Foundation</td>
<td>2,336,375</td>
</tr>
<tr>
<td><strong>Total University Endowment</strong></td>
<td><strong>$699,912,745</strong></td>
</tr>
</tbody>
</table>

We reviewed documentation from each of these entities to confirm the total University endowment size. Based on our testing, we determined that the University’s endowment size reported in the 2021 Annual Accountability Plan is materially correct and can be relied upon.

**Conclusion for Objective #2:**

Based on our data accuracy testing for the Preeminent Research University Metrics, we determined the University’s data submitted to the BOG were complete and accurate, and in accordance with BOG guidance.

**Recommendations:**

We have no recommendations for Objective #2.

**Objective #3: Determine the current status since our conclusion in the 2020-21 Preeminent Research University Metrics audit concerning the University Data Administrator’s data resubmissions to the BOG.**

In our 2020-21 Preeminent Research University Metrics audit, we concluded that:

...in general, resubmissions by the University have been rare, were made timely before the BOG’s need for the data and did not affect the University’s performance towards achieving the Preeminent Research University Metrics.

**Current Findings:**

According to the University Data Administrator, there are three triggers for resubmissions: 1) the BOG staff determines that the way the institution is interpreting or reporting data is either incorrect or inconsistent with the way most of the other institutions are interpreting the requirements; 2) University staff determines there are inconsistencies with data in a current file that have to be cross-
validated with data on an earlier submission of a different file (e.g., Student Financial Aid File cohort must match SIF File cohort for the same term), requiring resubmission of the earlier file; 3) University staff finds new ways to improve upon the granularity of data being submitted and they choose to apply the new understanding or method to a previously submitted file. Near the end of 2015, the BOG began requiring that a SUDS Data Resubmission Form be completed and submitted to the BOG for every resubmission, unless the resubmission was required for changes initiated because of agreed-upon system-wide criteria changes, or BOG programmatic changes. This form details the reason for the resubmission, indicates whether the resubmission impacts Performance-Based Funding metrics, and is signed by the University Data Administrator.

From the BOG’s SUDS system, we searched for files that relate to FSU’s Preeminent Research University Metrics that were submitted between November 23, 2020, and November 23, 2021. We found that the University submitted 10 of these files to the BOG during this time and resubmitted only one of these files. The resubmitted file was the Fall 2020 Student Instruction File.

The resubmission, involving the Fall 2020 Student Instruction File, was due to IR discovering after submitting the file, they had failed to identify the new FLEX delivery method. The resubmission also had some additional person identification number changes that were not initially on the original submission. This resubmission was made in a timely manner, prior to the BOG’s need for the data for its Preeminent Research University Metrics calculations.

**Conclusion for Objective #3:**

We determined that, in general, resubmissions by the University have been rare, were made timely before the BOG’s need for the data and did not affect the University’s performance towards achieving the Preeminent Research University Metrics.

**Recommendations:**

We have no recommendations for Objective #3.

**Objective #4: Provide an objective basis of support for the University’s President and Board of Trustees Chair to sign the representations made in the Performance-Based Funding Metrics/Preeminent Research University Metrics - Data Integrity Certification.**

**Current Findings/Conclusion for Objective #4:**

Overall, we concluded that the University has adequate processes for collecting and reporting Performance-Based Funding Metrics/Preeminent Research University Metrics data to the Board of Governors. In addition, we can provide an objective basis of support for the University’s President and Board of Trustees Chair to sign the Performance-Based Funding Metrics/Preeminent Research University Metrics – Data Integrity Certification, which the BOG requested to be filed with it by March 1, 2022.

**Recommendations:**

We have no recommendations for Objective #4.
Acknowledgements

We would like to acknowledge the full and complete cooperation and support of all involved University faculty and staff, and especially the assistance of Dr. Richard R. Burnette III, the Florida State University Data Administrator, and Dr. James M. Hunt, Director of Institutional Research.

Respectfully submitted,

Sam M. McCall, Ph.D., CPA, CGFM, CIA, CGAP, CIG
Chief Audit Officer

President’s Response

I would like to thank the staff of the Office of Inspector General Services for their hard work on this audit. I am very pleased that no issues requiring corrective action were identified in this audit, and I am comfortable that Chairman Collins and I can rely on these results and sign the Data Integrity Certification without reservation.

Audit conducted by:  
Heather Friend, CPA, CIA, CIG
Jeffrey Caines, CIA, CFE, CGAP

Audit supervised by:  
Sam M. McCall, Ph.D., CPA, CGFM, CIA, CGAP, CIG
### Exhibit A: Preeminent Research University Metrics as Reported in the 2019, 2020, and 2021 Accountability Plans

<table>
<thead>
<tr>
<th>Metric</th>
<th>Description</th>
<th>2019 Data</th>
<th>2020 Data</th>
<th>2021 Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>1a</td>
<td>Average Grade Point Average (GPA)</td>
<td>4.2</td>
<td>4.2</td>
<td>4.3</td>
</tr>
<tr>
<td>1b</td>
<td>Average SAT/ACT Score</td>
<td>1314</td>
<td>1312</td>
<td>1328</td>
</tr>
<tr>
<td>2</td>
<td>National Public University Rankings</td>
<td>7</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>3</td>
<td>Freshman Retention Rate</td>
<td>93%</td>
<td>93%</td>
<td>94%</td>
</tr>
<tr>
<td>4</td>
<td>Four-Year Graduation Rate</td>
<td>72%</td>
<td>70%</td>
<td>74%</td>
</tr>
<tr>
<td>5</td>
<td>National Academy Memberships</td>
<td>8</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>6</td>
<td>Total Science and Engineering Research Expenditures ($M)</td>
<td>$267</td>
<td>$258</td>
<td>$270</td>
</tr>
<tr>
<td>7</td>
<td>Science and Engineering Research Expenditures in Non-Health Sciences ($M)</td>
<td>$241</td>
<td>$225</td>
<td>$233</td>
</tr>
<tr>
<td>8</td>
<td>National Ranking in Research Expenditures</td>
<td>7 of 8</td>
<td>7 of 8</td>
<td>7 of 8</td>
</tr>
<tr>
<td>9</td>
<td>Patents Awarded</td>
<td>115</td>
<td>127</td>
<td>128</td>
</tr>
<tr>
<td>10</td>
<td>Doctoral Degrees Awarded Annually</td>
<td>557</td>
<td>560</td>
<td>554</td>
</tr>
<tr>
<td>11</td>
<td>Number of Post-Doctoral Appointees</td>
<td>225</td>
<td>242</td>
<td>254</td>
</tr>
<tr>
<td>12</td>
<td>Endowment Size ($M)</td>
<td>$681</td>
<td>$704</td>
<td>$700</td>
</tr>
</tbody>
</table>
# Exhibit B: Acronyms Used in This Report

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>BOG</td>
<td>Board of Governors</td>
</tr>
<tr>
<td>CIP</td>
<td>Classification of Instructional Programs</td>
</tr>
<tr>
<td>FSU</td>
<td>Florida State University</td>
</tr>
<tr>
<td>FTIC</td>
<td>First Time in College</td>
</tr>
<tr>
<td>GPA</td>
<td>Grade Point Average</td>
</tr>
<tr>
<td>GSS</td>
<td>Survey of Graduate Students and Post-doctorates in Science and Engineering</td>
</tr>
<tr>
<td>HERD</td>
<td>Higher Education Research and Development Survey</td>
</tr>
<tr>
<td>IR</td>
<td>Institutional Research</td>
</tr>
<tr>
<td>ODA</td>
<td>BOG Office of Data and Analytics</td>
</tr>
<tr>
<td>NACUBO</td>
<td>National Association of College and University Business Officers</td>
</tr>
<tr>
<td>NSF</td>
<td>National Science Foundation</td>
</tr>
<tr>
<td>PBF</td>
<td>Performance-Based Funding</td>
</tr>
<tr>
<td>SIF</td>
<td>Student Instruction File</td>
</tr>
<tr>
<td>SIFD</td>
<td>Student Instruction File Degrees Awarded</td>
</tr>
<tr>
<td>SUDS</td>
<td>State University Database System</td>
</tr>
<tr>
<td>SUS</td>
<td>State University System</td>
</tr>
<tr>
<td>USPTO</td>
<td>United States Patent and Trademark Office</td>
</tr>
</tbody>
</table>
University Name: Florida State University

INSTRUCTIONS: Please respond “Yes” or “No” for each representation below. Explain any “No” responses to ensure clarity of the representation you are making to the Board of Governors. Modify representations to reflect any noted material or significant audit findings.

<table>
<thead>
<tr>
<th>Data Integrity Certification Representations</th>
<th>Yes</th>
<th>No</th>
<th>Comment / Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I am responsible for establishing and maintaining, and have established and maintained, effective internal controls and monitoring over my university’s collection and reporting of data submitted to the Board of Governors Office which will be used by the Board of Governors in Performance-based Funding decision-making and Preeminence or Emerging-preeminence Status.</td>
<td>☒</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>2. These internal controls and monitoring activities include, but are not limited to, reliable processes, controls, and procedures designed to ensure that data required in reports filed with my Board of Trustees and the Board of Governors are recorded, processed, summarized, and reported in a manner which ensures its accuracy and completeness.</td>
<td>☒</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>3. In accordance with Board of Governors Regulation 1.001(3)(f), my Board of Trustees has required that I maintain an effective information system to provide accurate, timely, and cost-effective information about the university, and shall require that all data and reporting requirements of the Board of Governors are met.</td>
<td>☒</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>4. In accordance with Board of Governors Regulation 3.007, my university provided accurate data to the Board of Governors Office.</td>
<td>☒</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>5. In accordance with Board of Governors Regulation 3.007, I have appointed a Data Administrator to certify and manage the submission of data to the Board of Governors Office.</td>
<td>☒</td>
<td>☐</td>
<td></td>
</tr>
</tbody>
</table>
Data Integrity Certification

Data Integrity Certification Representations

<table>
<thead>
<tr>
<th>Representations</th>
<th>Yes</th>
<th>No</th>
<th>Comment / Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>6. In accordance with Board of Governors Regulation 3.007, I have tasked my Data Administrator to ensure the data file (prior to submission) is consistent with the criteria established by the Board of Governors Data Committee. The due diligence includes performing tests on the file using applications, processes, and data definitions provided by the Board Office.</td>
<td>☒</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. When critical errors have been identified, through the processes identified in item #6, a written explanation of the critical errors was included with the file submission.</td>
<td>☒</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. In accordance with Board of Governors Regulation 3.007, my Data Administrator has submitted data files to the Board of Governors Office in accordance with the specified schedule.</td>
<td>☒</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. In accordance with Board of Governors Regulation 3.007, my Data Administrator electronically certifies data submissions in the State University Data System by acknowledging the following statement, &quot;Ready to submit: Pressing Submit for Approval represents electronic certification of this data per Board of Governors Regulation 3.007.&quot;</td>
<td>☒</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. I am responsible for taking timely and appropriate preventive/ corrective actions for deficiencies noted through reviews, audits, and investigations.</td>
<td>☒</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. I recognize that Board of Governors' and statutory requirements for the use of data related to the Performance-based Funding initiative and Preeminence or Emerging-preeminence status consideration will drive university policy on a wide range of university operations – from admissions through graduation. I certify that university policy changes and decisions impacting data used for these purposes have been made to bring the university’s operations and practices in line with State University System Strategic Plan goals and have not been made for the purposes of artificially inflating the related metrics.</td>
<td>☒</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Data Integrity Certification

<table>
<thead>
<tr>
<th>Representations</th>
<th>Yes</th>
<th>No</th>
<th>Comment / Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>12. I certify that I agreed to the scope of work for the Performance-based Funding Data Integrity Audit and the Preeminence or Emerging-preeminence Data Integrity Audit (if applicable) conducted by my chief audit executive.</td>
<td>☒</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td>13. In accordance with section 1001.706, Florida Statutes, I certify that the audit conducted verified that the data submitted pursuant to sections 1001.7065 and 1001.92, Florida Statutes [regarding Preeminence and Performance-based Funding, respectively], complies with the data definitions established by the Board of Governors.</td>
<td>☒</td>
<td>☐</td>
<td></td>
</tr>
</tbody>
</table>

**Data Integrity Certification Representations, Signatures**

I certify that all information provided as part of the Board of Governors Data Integrity Certification for Performance-based Funding and Preeminence or Emerging-preeminence status is true and correct to the best of my knowledge; and I understand that any unsubstantiated, false, misleading, or withheld information relating to these statements render this certification void. My signature below acknowledges that I have read and understand these statements. I certify that this information will be reported to the board of trustees and the Board of Governors.

Certification: _____________________________ Date __________________________
President

I certify that this Board of Governors Data Integrity Certification for Performance-based Funding and Preeminence or Emerging-preeminence status (if applicable) has been approved by the university board of trustees and is true and correct to the best of my knowledge.

Certification: _____________________________ Date __________________________
Board of Trustees Chair
CONSENT ITEM 0
MEMORANDUM

TO: President Richard McCullough
FROM: Sam M. McCall, Chief Audit Officer
Date: January 28, 2022
SUBJECT: Agenda Item for the February 8, 2022, BOT Meeting:

Proposed Revisions to FSU Regulation 2.027 – Fraud Prevention, Detection, Reporting and Investigation

Request for Approval to be placed on the BOT Agenda

Please find enclosed a request from the Chief Audit Officer and the Board of Trustees Audit and Compliance Committee for discussion of proposed revisions to FSU Regulation 2.027 – Fraud Prevention, Detection, Reporting and Investigation. I respectfully request this item to be included on the BOT Agenda for the February 8, 2022, BOT meeting.

Thank you

Attachment
FSU-2.027 Fraud Prevention, Detection, Reporting, and Investigation

(1) Intent. Florida State University is committed to the establishment of an environment and culture that promotes honest and accountable actions and the elimination of fraudulent activities in all areas of administration and operation. Further, the University reaffirms its longstanding duty and responsibility to aggressively combat and respond to fraudulent activity.

(2) Purpose. An antifraud framework is established for the prevention, detection, reporting, and investigation of alleged fraudulent activities affecting the University. This framework provides a definition of fraud, a university-wide statement and response to attempted and committed fraudulent acts, applicability of the framework to the University community, responsibility for designing, implementing, and overseeing the framework, processes for reporting alleged fraud, responsibility for investigating alleged fraud and reporting investigation conclusions, protections to persons reporting suspected fraud, actions to be taken when alleged fraud is identified or substantiated, and a requirement for annual evaluation and reporting to the Board of Trustees on the status of the framework.

(3) Definition of fraud. An intentional misrepresentation or concealment of a material fact for the purpose of obtaining a benefit that would not otherwise be received, or inducement of another to act upon the intentional misrepresentation or concealment to his or her detriment. Fraud can be committed through many methods, including mail, wire, telephone, and the internet. Fraudulent acts may include, but are not limited to:

a. Benefitting from the use or misappropriation of University funds, securities, property, supplies, or other assets;

b. Receiving reimbursement as a result of falsification of time sheets, travel claims, and other expenses;

c. Benefitting from the use of sponsored research personnel, property, labs, and other resources to develop software and other products and then selling the products through one’s own private company;

d. Receiving a benefit as a result of participating in the falsification of a record or document or an application for employment, admission, a student loan, scholarship, or grant; and

e. Diversion or use of University people, time, money, or other assets for private use.

(4) University-wide statement and response to attempted and committed fraudulent acts. The University will establish and maintain strong internal controls to provide reasonable assurance that
fraudulent acts committed against the University will be discovered. Further, the University affirms a “zero-tolerance” for persons determined to have committed a fraudulent act resulting in the loss or misuse of University resources. In support of this statement, the University will fully assist and cooperate in all applicable investigative processes and legal proceedings associated with alleged fraudulent activities.

(5) Applicability of the antifraud framework to the University community. Each employee, volunteer, board member, student, and vendor contracting or doing business with the University is responsible for compliance with this regulation. Such compliance requires an awareness of fraud prevention and detection activities, timely reporting of suspected fraudulent activity, and cooperating with investigative agencies by providing information and such other assistance as requested.

(6) Responsibility for designing, implementing, and overseeing the antifraud framework and strategies. The University Vice President for Finance and Administration shall be responsible for designing and overseeing the antifraud framework and strategies. The Vice President for Finance and Administration shall develop polices for the prevention, detection, reporting and investigation of suspected fraudulent activity. Prevention and detection policies shall include the development and adoption of strong internal controls. Administrators, deans, directors, and department heads are responsible for implementing and monitoring the antifraud framework and for making recommendations to the Vice President for Finance and Administration to further strengthen controls. Committees may be established as needed to assist in policy development, to communicate the antifraud framework, and to periodically report on progress or impediments to implementation.

(7) Processes for reporting alleged fraud. Suspected fraudulent activity should be reported to the Office of Inspector General Services (OIGS) which has primary responsibility for conducting fraud investigations. The OIGS should be notified directly, by mail or e-mail, through the OIGS website, or through the University fraud hotline. The OIGS will notify the Florida State University Police Department if reported fraudulent activity is indicative of a crime. The University Police Department and the OIGS will work together to coordinate efforts with external law enforcement and prosecutorial agencies as appropriate. Even in those cases where fraud is not substantiated, the OIGS may continue to investigate to determine whether administrative violations have occurred which warrant further University action.

(8) Protections afforded persons reporting suspected fraud. Faculty, staff, students, and others reporting suspected fraud in good faith will be provided maximum protections in accordance with applicable law, regulation, and policy.
(9) Actions to be taken when alleged fraud is identified or substantiated. University actions in response to identified or substantiated fraud may include appropriate disciplinary action, recovery of assets/losses, referral to law enforcement/prosecuting agencies, and/or review and remediation of internal control deficiencies and policies. Credible allegations that pose significant financial or reputational risk to the University shall be reported to senior management, the Board of Trustees, or the Board of Governors, as considered appropriate. Documents collected during the course of an investigation identified as confidential pursuant to law shall remain confidential. Other documents collected that do not have confidentiality protections in law shall remain confidential until such time as the final investigative report is issued.

(10) Any significant and credible allegation(s) of fraud, waste, mismanagement, misconduct, and other abuses made against the university president or a university board of trustees member shall be timely reported to the Board of Governors (BOG), through the BOG Office of Inspector General and Director of Compliance (OIGC). Such allegations will be handled as follows:

(a) The chair of the university board of trustees (or chair of the board of trustees’ committee responsible for handling audit matters if the allegations involve the board chair), in consultation with the chair of the Board of Governors, shall review the matter and may ask the OIGC to conduct a preliminary inquiry, in accordance with section 10.2.a. of the OIGC charter. If it is determined that an investigation is warranted, it shall take one of the following forms:

1. The board of trustees will hire an independent outside firm to conduct the investigation with OIGC guidance and monitoring; or

2. The OIGC will perform the investigation.

(b) At the conclusion of such investigation, the report shall be submitted to the subject, who shall have twenty (20) working days from the date of the report to submit a written response. The subject’s response and the investigator’s rebuttal to the response, if any, shall be included in the final report presented to the chair of the board of trustees and the Board of Governors’ Audit and Compliance Committee. In the event the board of trustees chair is the subject, the report shall be submitted to the chair of the board of trustees audit and compliance committee and to the Board of Governors Audit and Compliance Committee.

(11) Any significant and credible allegation(s) of fraud, waste, mismanagement, misconduct, and other abuses made against the university chief audit executive or chief compliance officer shall be
timely reported to the board of trustees and Board of Governors through the BOG OIGC. Such allegations
will be handled in the same manner as provided for in (10) (a) and (b) above.

(12) Periodic evaluation and reporting to the Board of Trustees on the antifraud framework.
At least annually, the OIGS shall perform an evaluation of the antifraud framework and make
recommendations, as needed, to improve the framework. The Chief Audit Officer shall discuss conclusions
and recommendations with the Vice President of Finance and Administration and shall present evaluation
results to the President and Board of Trustees.

Authority: Art. IX, Section 7, Fla. Const., BOG Regulation 3.003, 1.001(6), BOG Regulation Procedure July
FINANCE & BUSINESS COMMITTEE

ACTION ITEM #1
MEMORANDUM

TO: Richard McCullough, President

FROM: Kyle Clark, Vice President for Finance & Administration

DATE: February 3, 2022

SUBJECT: Request for Approval

In compliance with the Board of Governors Debt Management Guidelines, The Board of Trustees must adopt a formal resolution(s) requesting the Board of Governors approval to issue debt in an amount not to exceed $45,000,000 for the purpose of financing a portion of IRCB.

I recommend approval of the attached resolution, authorizing the FSU Research Foundation to issue debt not to exceed $45,000,000 for IRCB.

KC

Attachments