AGENDA

FLORIDA GULF COAST UNIVERSITY BOARD OF TRUSTEES

Audit and Compliance Committee

Tuesday, February 20, 2018  8:30 a.m.

EDWARDS HALL, ROOM # 309
FLORIDA GULF COAST UNIVERSITY

NOTE: Indicated times within the agenda are approximate and are subject to change. Agenda items may be taken out of order at the call of the Chair and with the concurrence of the Committee.

Committee Members:
Trustee Joseph Fogg III – Chair
Trustee Darleen Cors
Trustee Leo Montgomery
Trustee Kevin Price

8:30 a.m.  Call to Order, Roll Call, and Opening Remarks – Chair Joseph Fogg III

8:35 a.m.  Consent Agenda (Includes Public Comment) – Chair Joseph Fogg III
          • Minutes of December 8, 2017 Meeting (TAB #1)

8:40 a.m.  Action Items (Includes Public Comment):
          • Regulation: FGCU-PR-TBA Code of Ethics – Chief Compliance and Ethics Officer Stacey Chados (TAB #2)
          • Code of Conduct – Chief Compliance and Ethics Officer Stacey Chados (TAB #3)
          • Florida Department of Highway Safety and Motor Vehicles Agreed on Procedures Audit – Director of Internal Audit William Foster (TAB #4)
          • Florida Board of Governors University Data Integrity Audit – Director of Internal Audit William Foster (TAB #5)
8:55 a.m.  Information Items:  
- Complaints Processing – President Mike Martin  
- Relationship between Florida Gulf Coast University Board of Trustees and the University’s Direct Support Organizations – President Mike Martin

9:10 a.m.  Old Business – Chair Joseph Fogg III

9:15 a.m.  New Business – Chair Joseph Fogg III

9:20 a.m.  Closing Remarks, and Adjournment – Chair Joseph Fogg III

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Florida Gulf Coast University Board of Trustees
Audit and Compliance Committee
February 20, 2018

SUBJECT: Minutes of December 8, 2017

PROPOSED COMMITTEE ACTION

Approve minutes

BACKGROUND INFORMATION

The Audit and Compliance Committee met on December 8, 2017. Minutes of the meeting were kept as statutorily required.

Supporting Documentation Included: Minutes of December 8, 2017

Prepared by: Transcription Experts

Legal Review by: N/A

Submitted by: Vice President and Chief of Staff Susan Evans
FLORIDA GULF COAST UNIVERSITY BOARD OF TRUSTEES

AUDIT AND COMPLIANCE COMMITTEE MEETING

Friday, December 8, 2017

COHEN CENTER BALLROOM, ROOM #203-B
Florida Gulf Coast University

Minutes

Members:
Present: Trustee Joseph Fogg III - Chair; Trustee Darlene Cors; Trustee Leo Montgomery; and Trustee Kevin Price.

Others:
Staff: President Mike Martin; Vice President for Administrative Services and Finance, and Executive Director of FGCU Financing Corporation Steve Magiera; Vice President for University Advancement, and Executive Director of FGCU Foundation Chris Simoneau; Vice President and Chief of Staff Susan Evans; Vice President and General Counsel Vee Leonard; Chief Compliance and Ethics Officer Stacey Chados; Director of Internal Audit Bill Foster; Director of Operations Tiffany Reynolds; and Project Manager Melissa Pind.

Guests: Trustee-elect Richard Eide.

Item 1: Call to Order, Roll Call, and Opening Remarks
Chair Joseph Fogg called the meeting to order at 9:22 a.m. Roll call was taken with all members present, thus meeting quorum requirements.

Item 2: Consent Agenda (See Tab #1)
Chair Fogg stated there was one item on the Consent Agenda, the Minutes of the Conference Call Meeting on August 17, 2017.

Trustee Leo Montgomery made a motion to approve the Consent Agenda. Trustee Kevin Price seconded the motion. There was no public comment or Committee discussion. The vote was unanimous in favor of the motion.

Item 3: Action Items (See Tabs #2-6)
Chair Fogg informed the committee there were five action items to be approved for recommendation at the January 9, 2018 meeting of the FGCU Board of Trustees. He stated Director of Internal Audit Bill Foster, and Chief Compliance and Ethics Officer
Stacey Chados would be presenting these items, and then a vote for each item would be taken at the end of the staff presentation and any Committee discussion.

**Regulation: FGCU-PR-TBA Code of Ethics (Tab #2)**

Ms. Chados stated the first document to be considered was the Regulation on the Code of Ethics, which summarized the information contained in the Code of Ethics for Public Officers and Employees codified in the Florida Statutes. This Regulation mirrored information in the Florida Statutes and outlined matters such as restrictions on acceptance of gifts, hiring of relatives, and post-employment matters. It also outlined filing requirements for certain employees to make a public disclosure of financial interests to the Commission on Ethics. She stated before it was accepted, she would propose an addition to the Regulation, a copy of which had been distributed to the Committee. The amended section would read:

**E. PENALTIES**

“Violation(s) of this Regulation could subject you to progressive and cumulative discipline as outlined in the University’s Regulation on Disciplinary Actions or in the Collective Bargaining Agreement, as applicable. In addition, the State of Florida could subject you to civil fines and punishment as contained in Section 112.317, Florida Statutes, as well as a fine for failing to timely file a Statement of Financial Interests with the Florida Commission on Ethics as contained in Section 112.3144, Florida Statutes.”

Ms. Chados asked for acceptance of the Regulation on the Code of Ethics as amended and to recommend approval of the Regulation to the FGCU Board of Trustees.

Chair Fogg asked if there were any questions or comments.

Trustee Darleen Cors made a motion to accept the Regulation on the Code of Ethics as amended and to recommend approval to the FGCU Board of Trustees. Trustee Price seconded the motion. There was no public comment or Committee discussion. The vote was unanimous in favor of the motion.

**Code of Conduct (Tab #3)**

Chair Fogg asked Ms. Chados to present this item.

Ms. Chados said the Code of Conduct served as a guidance document and highlighted many of the requirements employees were expected to follow. It also served employees for answering basic questions or ethical dilemmas. The Code contained information about the University’s vision, mission and guiding principles, employee and manager responsibilities, principles of ethics and integrity, and information about the University’s Hotline. The Code applied to the members of the FGCU Board of Trustees; all University employees including the President, Cabinet, faculty, staff, and student employees; members of the boards of directors of the University’s Direct Support Organizations; as well as volunteers, contractors, vendors, and other representatives providing services to or acting on behalf of the University. She added the Code was
distributed to and vetted by the members of the FGCU Board of Trustees, the President and his Cabinet and other direct reports, the Deans, members of the FGCU Faculty Senate, and members of the Staff Advisory Council (SAC), as well as a sample of directors, department chairs, faculty and staff. She said changes were made to the Code based on comments made from these constituents. She added during the 2018 calendar year she would provide training on the Code. She asked the Committee to accept the Code of Conduct and recommend approval of the Code to the full Board.

Chair Fogg called for questions and comments.

Chair Fogg noted it was a clear, well-done and well-presented document. He suggested much of what was in the Code did not apply to the members of the FGCU Board of Trustees, and possibly in a separate memo or in an addition to the Code, it could be made clear what portions of the Code specifically applied to the trustees.

Ms. Chados agreed with Chair Fogg’s suggestion and said it could be done.

Chair Fogg asked if this suggestion was satisfactory to President Martin. President Martin responded it was.

Trustee Price asked if there was an annual affirmation of the Code for all employees.

Ms. Chados said that was a good question. She responded by saying in corporate America it was not unusual to have employees affirm and sign off on a code of conduct and understand they could reach out to contact the Compliance Office when they had questions. She said these procedures could be incorporated at FGCU, but as of right now, this was not being done.

Trustee Price said he would encourage this be done to ensure each year everyone was aware of the expectations.

President Martin said it was a good suggestion and asked Ms. Chados to consider doing something along those lines.

Chair Fogg called for a motion.

Trustee Price made a motion to accept the Code of Conduct with the changes described above and to recommend approval to the FGCU Board of Trustees. Trustee Cors seconded the motion. There was no public comment or further Committee discussion. The vote was unanimous in favor of the motion.

**FGCU Compliance and Ethics Program Plan (Tab #4)**

Chair Fogg asked Ms. Chados to present this item.

Ms. Chados said this Plan outlined how her Office would implement the seven elements of an effective Compliance and Ethics Program. The plan incorporated the Code of Conduct.
Conduct, and described the governance structure of compliance and ethics training that would be rolled out to the workforce. She said FGCU employees could report concerns without fear of retaliation. The plan explained how employees would self-assess and monitor compliance with regulatory requirements, incentivize and discipline the workforce, and respond to detected offenses.

Ms. Chados asked the Committee to accept the Program Plan and to recommend approval to the full Board. She added upon approval, a copy of the plan would be provided to the Board of Governors (BOG).

Chair Fogg complimented Ms. Chados for her work on this item, and pointed out the provisions in the Plan which stated any of the complaints made will be made in good faith. He said it was clearer what the role of this Committee was, versus the other areas of the University that had similar responsibility. He asked where the information concerning quarterly meetings with the Chair of this Committee was located.

Ms. Chados responded it was in the Compliance and Ethics Program Plan in the Governance Structure section.

Chair Fogg called for comments or questions.

Trustee Montgomery made a motion to accept the Compliance and Ethics Program Plan and to recommend approval to the FGCU Board of Trustees. Trustee Cors seconded the motion. There was no public comment or Committee discussion. The vote was unanimous in favor of the motion.

FGCU Financing Corporation Independent Auditor’s Report for the year ended 06/30/17 (Tab #5)

Chair Fogg asked Director of Internal Audit Bill Foster to present this item.

Mr. Foster said this action was to accept the FGCU Financing Corporation Independent Auditor’s Report for the Fiscal Year ending June 30, 2017, and to recommend the Report’s acceptance by the FGCU Board of Trustees. He stated each Direct Support Organization (DSO) of a state university was required to have an independent certified public accountant conduct an annual audit, and that audit report must be submitted to the FGCU Board of Trustees.

Mr. Foster said the CPA firm of Tuscan and Company completed the audit report for the year ending June 30, 2017. He directed the Committee’s attention to the Summary Memo for the key points of the report, and to the Opinion on page two. He said the auditors had determined a clean opinion, the best that can be obtained.

Mr. Foster continued that on pages four through nine, Management’s Discussion and Analysis, was a section where management described in reader friendly terms what occurred in the last fiscal year. He pointed out one key item to note was there was no additional debt taken on by the Financing Corporation during the year being reported.
Mr. Foster directed the Committee to page 10, Statement of Net Position, presented what was owned, owed and residual equity. He reported at year end the FGCU Financing Corporation had $228 million of total assets, $203 million in total liabilities, and a net position or residual equity of $25 million. He continued on page 11, there was a statement of Revenues, Expenses and Changes in Net Position. He reported for the year, there was $18 million in operating revenue, $14 million in operating expenses, and $10 million in non-operating expenses, which resulted in a decrease in net position of $6 million for the end of the year. He said page 12, Statement of Cash Flows, showed the effects to cash on the financial transactions for the year; the net effect was a $25,000 decrease in cash and cash equivalents. He said pages 13 through 24, Notes to the Financial Statement, contained a significant amount of information to explain the various line items in the Statement. He said compared to Management Discussion Analysis, these notes were not as reader friendly. He said pages 25 and 26 reported there were no deficiencies noted on internal control.

Chair Fogg called for questions or comments. He commented the Board of Governors’ (BOG) expectation of the need for this Audit and Compliance Committee to have more of a supervisory role with the Direct Support Organizations had been discussed at prior Committee meetings. He said it was still not clear to him exactly what that meant or exactly what was the increased responsibility. He said he thought it meant that he, the Chair, needed to attend the FGCU Financing Corporation Board of Directors meetings, and when he had, the FGCU Financing Corporation Board of Directors members rightfully wanted to know why he was in attendance. He said he thought it was a loose end which possibly President Martin could consider.

President Martin responded he agreed, and his plan was to possibly poll some of his president colleagues and ask how they were responding to that expectation, so responses could be consistent. He asked Mr. Foster to poll his counterparts as well. He added the expectation that Chair Fogg attend the meetings might be expecting too much of his time.

Trustee Montgomery stated his view was if Mr. Foster could attend the planning sessions and meet with the auditors in person pre-audit and subsequent to the audit with the audit committee of the FGCU Financing Corporation Board of Directors, this would give the FGCU Board of Trustees Audit and Compliance Committee comfort in knowing at least there was someone in the room who could advise on their observations.

Chair Fogg said he agreed with that, but some guidelines were needed as to exactly what was the role of the Audit and Compliance Committee. He added the Board of Governors (BOG) also should be asked because they made the rule.

Trustee Montgomery said his biggest concern was the Committee was approving something for which they did not know anything about. He asked if they were approving the Auditor’s Report or accepting it.
Trustee Fogg said that was a good point.

Vice President for Administrative Services and Finance, and Executive Director of FGCU Financing Corporation Steve Magiera said the Committee needed to accept the Report because the FGCU Financing Board of Directors had already approved it. He said it would become quite awkward if for some reason the FGCU Board of Trustees did not approve it. He said he thought what the Board of Governors (BOG) wanted was to have a trustee attend the Audit Exit, in particular, so the trustee was there at the meeting when the independent auditor was presenting. He said the BOG thought it was important the Audit and Compliance Committee hear first-hand from the auditors and not from the staff. He said attendance at the meeting would give the Chair of this Committee an opportunity to ask the auditor any questions.

Chair Fogg stated he had done so for the FGCU Foundation, but not for the FGCU Financing Corporation.

Mr. Magiera said he believed Mr. Foster had gone to the FGCU Financing Corporation meetings as a representative. He said as Mr. Foster worked as staff, it was acceptable.

Chair Fogg continued by referring to page 7 of the Financial Statements, first paragraph, last line, which reported a decrease of a half million dollars in net student residence rental income, primarily from a decrease in occupancy. He said this was something the FGCU Board of Trustees should be thinking about because depending on admissions and enrollment, this could cause a real impact on debt service and could cause future problems.

Mr. Magiera said the Financing Corporation had met Wednesday, December 6 and addressed many of these issues. He said there was a drop in the revenue numbers which had to do with enrollment. He reported the number one factor for the revenue was the freshman class. He said part of the plan was to increase the number of freshmen, which would help take care of the residences. He said in January Financing Corporation Board Chair Joe Catti would be presenting other things which were being done to increase revenue, such as summer programs and lakefront improvements. He said for the year housing would be at about 95 percent, which was still very good and their break point was 83 percent occupancy. He added housing was financially sound at the moment with $11 million of unrestricted balance, which needed to be higher.

Chair Fogg said he was not suggesting there was a problem, but the FGCU Board of Trustees needed to be reassured people were looking at this area.

President Martin said at some future meeting it would be a good idea to have Director of University Housing Brian Fisher give an overview of the entire strategy for housing on campus. He said there were a number of things going on in campus housing such as a new dining hall in North Lake Village, and a plan for a new Recreation and Wellness Center in South Village that help to make University Housing attractive. He said FGCU
faced ever-increasing competition from the private sector, and it would be beneficial to get the input of the full Board on the strategies for on-campus housing.

Chair Fogg asked Vice President and Chief of Staff Susan Evans to read the motion. Ms. Evans stated that a motion had not yet been made but it would be to accept the Financing Corporation Independent Audit and recommend its approval to the full Board of Trustees on January 9.

Trustee Montgomery made a motion to accept the FGCU Financing Corporation Independent Auditor’s Report and recommend it approval to the full Board of Trustees in January. Trustee Price seconded the motion. There was no public comment or further Committee discussion. The vote was unanimous in favor of the motion.

FGCU Foundation Independent Auditor’s Report (Tab #6)

Chair Fogg asked Mr. Foster to present this report. Mr. Foster presented the Foundation Audit Report for the fiscal year ending June 30, 2017. He said page two indicated the statement had been given a clean opinion. He said pages 4 through 11, the Management Discussion and Analysis, pointed out the major transactions and presented comparative figures from the prior year. He said page 12 was a Statement on Net Position and reported at year end there were $127 million of total assets, $3 million total liabilities, and net position (residual equity) of $124 million.

He stated on page 13, Statement of Revenues, Expenses and Changes in Net Position, showed that for the year, there was $14 million in operating revenue, $17 million operating expenses, $10 million net non-operating revenue (primarily $9 million in investment gains), and $6 million net contributions to endowments, arriving at a $13 million increase in net position at year end. He continued that pages 14 and 15, Statement of Cash Flows, showed the effects to cash from the financial transactions for the year. The net effect was an $893,000 increase in cash and cash equivalents for the year. He reported that on pages 16 through 31, Notes to the Financial Statements, was a significant amount of information to explain the various line items in the financial statements, and compared to Management’s Discussion and Analysis, these notes are not necessarily as reader friendly. He added pages 32 through 42 contained supplementary information and included additional required State schedules and provided a breakdown of the financial statements by account type. He said pages 43 and 44, Auditor’s Report on Internal Control and Compliance, related financial reporting and compliance with Government Auditing Standards. There were no deficiencies in internal controls noted.

Chair Fogg stated that he had similar comments for this audit report as he provided during the FGCU Financing Corporation’s audit report, so he would not repeat them.

Chair Fogg asked for questions or comments. Hearing none, he called for a motion.
Trustee Cors made a motion to accept the FGCU Foundation Independent Auditor’s Report and recommend its approval to the full FGCU Board of Trustees in January. Trustee Montgomery seconded the motion. There was no public comment or Committee discussion. The vote was unanimous in favor of the motion.

**Item 4: Summary of Direct Support Organizations and Other Attestation Services issued to date during 2017-2018 (Tab #7)**

Chair Fogg stated there were two information items, and he called on Mr. Foster to first present Tab #7.

Mr. Foster said as the Committee had just reviewed the Audit Reports of the two Direct Support Organizations, he stated he just wanted to be sure the Committee knew that he did review the audits and had no issues at all.

There were no further comments or discussion.

**Item 5: Lines of Reporting for Whistleblower and Other Complaints (Tab #8)**

Chair Fogg asked President Martin to present this item.

President Martin said there had been some confusion about the corridors through which various kinds of complaints and concerns would be responded; who would do it and when; and when would it be known it was completed. He said there was a large organization available, including the Office of Institutional Equity and Compliance, Office of Compliance & Ethics, Office of Internal Audit, Office of the General Counsel, University Police Department, and Office of University Ombuds. He said he was confused about the process himself, but he was working to define it for everyone. He indicated that he has assembled a team to work through these processes. He said the questions to be answered included who would be responsible for investigations, for ultimately adjudicating the outcome, and who would declare if it was a frivolous and non-significant issue or that some action must be taken. He said he hoped to come back with a much clearer definition of the wiring network which would get through these issues. He said it had been noted earlier in the full Board meeting by Director of Institutional Equity and Compliance and Title IX Coordinator Precious Gunter that there has been an uptick in issues coming through, and FGCU needed to be satisfied these issues were being handled appropriately. He said it needed to be clarified what various members of the team would do to ensure the University was compliant with all the regulations and expectations. He added that it might be necessary to change the titles of some offices to be clearer for everyone to know where to go to report their issues.

Chair Fogg asked President Martin if the Committee would hear more about this at the next meeting in February, and he responded positively.

Trustee Price suggested a picture of a decision tree might help emphasize and force the focus. President Martin agreed that was a good idea.
Item 6: Old Business

There was no old business for discussion.

Item 7: New Business

There was no new business for discussion.

Item 8: Closing Remarks, and Meeting Adjournment

Chair Fogg adjourned the meeting at 10:02 a.m.

Minutes prepared by Transcription Experts, and reviewed by Tiffany Reynolds, Director of Operations.

Agenda Items:

A. See Tabs #1 – 8

B. Handouts

Attachment:

A. Record of Votes
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ITEM:  2

Florida Gulf Coast University Board of Trustees
Audit and Compliance Committee
February 20, 2018

SUBJECT:  Regulation FGCU-PR-TBA Code of Ethics

PROPOSED COMMITTEE ACTION

Review the revised Code of Ethics Regulation, and approve a recommended version for approval by the FGCU Board of Trustees.

The following revisions have been made to the Regulation since the document was initially presented to the Committee on December 8, 2017:
   ▪ The word “corruptly” was added to the Misuse of Public Position section and a definition of “Corruptly” was added to the Definitions section;
   ▪ The definition of “Relative” was expanded to include “any person who the employee intends to marry or form a household”;
   ▪ The term “Directors” was deleted from the Lobbying section under Post Employment Restrictions; and
   ▪ The phrase “Directors, Assistant or Deputy Directors under each University office or program” was deleted from the Who Must File section under Public Disclosure of Financial Interests and the following phrase was added: “Directors of University offices or programs primarily responsible for financial matters.”

BACKGROUND INFORMATION

The Code of Ethics Regulation summarizes information contained in the Code of Ethics for Public Officers and Employees codified in the Florida Statutes (Chapter 112, Part III), and is intended to ensure that FGCU employees conduct themselves in the best interest of the University and do not use their University position for personal gain other than compensation provided by law.

Supporting Documentation Included:  Regulation FGCU-PR-TBA Code of Ethics

Prepared by:  Chief Compliance and Ethics Officer Stacey Chados

Legal Review by:  Vice President and General Counsel Vee Leonard (February 6, 2018)

Submitted by:  Chief Compliance and Ethics Officer Stacey Chados
A. GENERAL STATEMENT

Florida Gulf Coast University (FGCU) is firmly committed to fair and ethical behavior, and as such, prescribes to the Code of Ethics for Public Officers and Employees, adopted by the Legislature as Part III of Chapter 112, Florida Statutes. The ethics laws generally consist of two types of provisions, those prohibiting certain actions or conduct and those requiring that certain disclosures be made to the public. This Code of Ethics is intended to ensure that University employees conduct themselves independently, impartially, and in the best interest of the University; and do not use their University position for personal gain other than compensation provided by law.

B. COVERAGE

The laws summarized below apply to the President, Vice Presidents, Deans, Directors, Faculty, and Staff, hereinafter referred to as the employees of the University. The descriptions of these laws have been simplified to provide employees with a brief notification of the requirements. Employees should consult the full citation of the law and/or University policy [as shown in the brackets below], or the University’s Vice President and General Counsel or Chief Compliance and Ethics Officer for clarification, as necessary.

This Code of Ethics applies to all University employees and is complemented by FGCU’s Code of Conduct. The FGCU Board of Trustees also has a Code of Ethics.

C. DEFINITIONS

1. **Agency**: means any state, regional, county, local, or municipal government entity of Florida, including a state University.

2. **Business Entity**: means any corporation, partnership, limited partnership, company, limited liability company, proprietorship, firm, enterprise, franchise, association, self-employed individual, or trust, whether fictitiously named or not, doing business in Florida.

3. **Conflict or Conflict of Interest**: means a situation in which regard for a private interest tends to lead to disregard of a public duty or interest.
1.4. **Corruptly**: means done with a wrongful intent and for the purpose of obtaining, or compensating or receiving compensation for, any benefit resulting from some act or omission of a public servant, which is inconsistent with the proper performance of his or her public duties.

5. **Gift**: means a tangible or intangible item that is paid for or given to an employee, or to any other person on his/her behalf, by a person or entity that either does or seeks to do business with FGCU, for which equal or greater consideration is not given within 90 days of receipt of the gift. Gift, for purposes of ethics in government and financial disclosure required by law, is further defined in Section 112.312 (12) (a), (b) Fla. Stat., also available at the following link: http://www.leg.state.fl.us/statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=0100-0199/0112/Sections/0112.312.html

6. **Honorarium**: means a payment of money or anything of value given to an employee, directly or indirectly, as consideration for a speech or other oral presentation or for any writing other than a book that has been published or is intended to be published.

7. **Material Interest**: means direct or indirect ownership of more than five (5) percent of the total assets or capital stock of any Business Entity.

8. **Purchasing Agent**: means a University employee having the authority to commit the expenditure of funds through a contract for, or the purchase of, any goods, services, or interest in real property for FGCU, as opposed to the authority to request or requisition a contract or purchase by another person.

9. **Relative**: means an individual who is related to an employee as father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half-brother, half-sister, any person who the employee intends to marry or form a household, or any other person having the same legal residence as the employee.

**D. CODE OF ETHICS FOR UNIVERSITY EMPLOYEES**

1. **Prohibited Actions or Conduct**

   a. **Solicitation or Acceptance of Gifts and Honoraria**

      1) You may not solicit, directly or indirectly, any Gift or Honorarium for personal benefit from a person or entity that does or seeks to do business with FGCU. [FGCU Policy 1.012 (V) (A)]

      2) You may not accept a Gift or Honorarium with a value greater than one hundred dollars ($100) for personal benefit when acceptance gives the
appearance of influencing your objectivity with respect to University business. [FGCU Policy 1.012 (V) (B)]

3) If you file a Statement of Financial Interests with the Florida Commission on Ethics or serve as a Purchasing Agent on behalf of FGCU, you may not accept a Gift or an Honorarium worth more than $100 from a political committee, lobbyist, or vendor doing business with FGCU. [Sections 112.3148 and 112.3149, Fla. Stat.]

4) If you file a Statement of Financial Interests with the Florida Commission on Ethics or serve as a Purchasing Agent on behalf of FGCU, you may accept a Gift valued at more than $25 but not exceeding $100 from a lobbyist, political committee, or vendor doing business with FGCU. However, the donor (the person who gives you the Gift) must report the Gift on Commission on Ethics Form 9 (Quarterly Gift Disclosure) by the last day of the quarter for Gifts given in the preceding quarter, and the donor must inform you that the Gift will be disclosed. [Section 112.3148(6), Fla. Stat.]

5) If you file a Statement of Financial Interests with the Florida Commission on Ethics or serve as a Purchasing Agent on behalf of FGCU; and if you receive a payment for expenses related to an Honorarium event from someone who is prohibited from giving you an Honorarium, you must disclose on Commission on Ethics Form 10 (Annual Disclosure of Gifts from Governmental Entities and Direct Support Organizations and Honorarium Event Related Expenses), the name, address, and affiliation of the donor, the amount of the expenses, the date of the event, and the total value of the expenses. The donor paying the expenses must provide you with a statement about the expenses within 60 days of the Honorarium event, and the statement should be attached to the Form 10. [Section 112.3149(6), Fla. Stat.]

6) The decision to accept a Gift which is made for tax deductible purposes shall be made by the University Foundation. The decision to accept any other Gifts to the University shall be made in consultation with administration of the relevant University component and the University Foundation. [FGCU Policy 1.012 (V) (D)]

b. Unauthorized Compensation

You, as well as your spouse and minor child, are prohibited from accepting any compensation, payment, or thing of value when you know or, with the exercise of reasonable care should know, that the unauthorized compensation is given to you or your spouse or minor child, to influence your vote or other official action. [Section 112.313(4), Fla. Stat.]
c. **Misuse of Public Position**

You may not *corruptly* use or attempt to use your FGCU position, or the resources thereof, to obtain a special privilege or benefit for yourself or others. [Section 112.313(6), Fla. Stat.]

d. **Disclosure or Use of Certain Information**

You may not disclose or use information not available to the public and obtained by reason of your FGCU position for the personal benefit of yourself or others. [Section 112.313(8), Fla. Stat.]

2. **Prohibited Employment and Business Relationships**

a. **Doing Business with FGCU.** You may not rent, lease, or sell any realty, goods, or services to FGCU while acting in your private capacity. In addition, if you serve as a Purchasing Agent on behalf of FGCU, you may not purchase, rent, or lease any realty, goods, or services for the University from a Business Entity in which you or your spouse or child owns a Material Interest. [Section 112.313(3), Fla. Stat.]

b. **Conflicting Employment or Contractual Relationship.** You may not be employed by, or hold a contract with, any Business Entity or Agency doing business with FGCU. In addition, you may not hold any employment or have a contractual relationship which poses a frequently recurring conflict between your private interests and your FGCU duties, or which impedes the full and faithful discharge of your FGCU duties. [Section 112.313(7), Fla. Stat.]

c. The conflicts discussed in the preceding paragraph may not apply when:

1) The business is rotated among all qualified suppliers within a city or county.

2) The contract is awarded by sealed, competitive bidding to the lowest or best bidder and neither you nor your spouse or child, participated in or influenced the determination of the bid specifications or the lowest or best bidder.

3) An emergency purchase must be made to protect the public.

4) The aggregate of any such transactions does not exceed $500 in a calendar year. [Section 112.313(12), Fla. Stat.]

3. **Restrictions on Employing and Contracting with Relatives**

a. **Nepotism.** Employment of Relatives at FGCU is permitted, provided there is no direct supervisory responsibility between related persons and the functions...
of their positions do not create a Conflict of Interest. You are considered to be in the direct supervisory line of a Relative even when you are separated by intermediary positions within the chain of command. [Section 112.3135, Fla. Stat.; FGCU-PR 5.010]

b. Ownership Interest. You are prohibited from procuring contractual services on behalf of FGCU from a Business Entity in which a Relative is an officer, partner, director, or proprietor, or in which you, your spouse, or child owns a Material Interest. [Section 112.3185(6), Fla. Stat.]

4. Post Employment Restrictions

a. Lobbying. The President, Vice Presidents, and Deans and Directors of FGCU are prohibited from being compensated for personally representing another person or entity before the University for a period of 2 years after leaving their position, unless employed by another Agency of state government. [Section 112.313(9), Fla. Stat.]

b. Lifetime Representational Ban. Once you leave FGCU, you are prohibited from having an employment or contractual relationship with any Business Entity (other than a public Agency) in connection with a contract for services in which you participated personally and substantially through decision, approval, disapproval, recommendation, rendering of advice, or investigation, while an FGCU employee. However, if your position is eliminated and your duties are subsequently performed by the Business Entity, under certain conditions you may enter into an employment or contractual relationship with the Business Entity, if the President provides a written determination that the best interests of FGCU will be served. [Section 112.3185(3), Fla. Stat.]

c. Two Year Representational Ban. For two years after you leave FGCU, you are prohibited from having an employment or contractual relationship with any Business Entity (other than a public Agency) in connection with a contract for services that was within your responsibility while serving as an FGCU employee. However, if your position is eliminated and your duties are subsequently performed by the Business Entity, this subsection may be waived if the President provides a written determination that the best interests of FGCU will be served. [Section 112.3185(4), Fla. Stat.]

d. Contractual Services to FGCU. If you terminate employment from FGCU (by retiring or resigning from your position) and then return under a contractual arrangement, you are prohibited during your first year after leaving FGCU from being paid more than the annual salary you received at the time of your termination. This subsection may be waived if the President determines that such waiver will result in significant time or cost savings to FGCU. [Section 112.3185(5), Fla. Stat.]
5. Public Disclosure of Financial Interests

a. Overview

Conflicts of Interest can occur when you make decisions in your capacity as a University employee that affect your personal financial interests. To demonstrate transparency and avoid Conflicts of Interest, certain University officials and employees must file a Statement of Financial Interests with the Florida Commission on Ethics. The disclosure process serves to remind you of the obligation to put your University employment above personal gain. It also helps citizens to monitor the considerations of employees who participate in University policy decisions encumbering and expending tax dollars.

b. Who Must File

The President, Vice Presidents, Director of Internal Audit, Chief Compliance and Ethics Officer, Deans, Directors, and Assistant or Deputy Directors of each University offices or programs primarily responsible for financial matters, as well as business managers and Purchasing Agents with the authority to make a purchase exceeding the threshold amount provided for in Section 287.017, Fla. Stat. for CATEGORY ONE, must file a Statement of Financial Interests with the Florida Commission on Ethics. [Section 112.3145, Fla. Stat.]

c. What Must Be Disclosed

The disclosure requirements are set forth fully on the Commission on Ethics Form 1, Statement of Financial Interests. In general, you are required to report the name of your employer(s), addresses of real property holdings, and certain relationships with, and ownership interests in, specified types of businesses such as banks, insurance companies, and utility companies. Although you will provide specific information about your income, real and personal property, and business arrangements, you are not required to disclose any dollar amounts. [CE Form 1, Statement of Financial Interests]

d. When Must an Employee File

You must file an initial financial disclosure report within 30 days of your appointment or the beginning of your employment. Thereafter, you must file an annual financial disclosure report by July 1 following each calendar year in which you held the position. Finally, you must file a final financial disclosure report within 60 days of leaving your position. [Section 112.3144, Fla. Stat.]
E. PENALTIES

Violation(s) of this Regulation could subject you to progressive and cumulative discipline as outlined in the University’s Regulation on Disciplinary Actions or in the Collective Bargaining Agreement, as applicable. In addition, the State of Florida could subject you to civil fines and punishment as contained in Section 112.317, Florida Statutes, as well as a fine for failing to timely file a Statement of Financial Interests with the Florida Commission on Ethics as contained in Section 112.3144, Florida Statutes.

Action by Florida Gulf Coast University Board of Trustees

Approved:

Specific Authority

Sections 112.312 (12) (a) & (b), 112.313(6), 112.3144, 112.3145, 112.3148, 112.3149, 112.3185(3), 112.3185(4), 112.3185(5), 112.313(9), Fla. Stat.; FGCU-PR5.010, Nepotism, FGCU Policy 1.012, Gifts and Honoraria

History of Regulation

New

Effective Date of Regulation

___________________
ITEM: 3

Florida Gulf Coast University Board of Trustees
Audit and Compliance Committee
February 20, 2018

SUBJECT: Code of Conduct

PROPOSED COMMITTEE ACTION

Review the Code of Conduct, and approve a recommended version for approval by the FGCU Board of Trustees.

Based on a January 26, 2018 meeting with the Faculty Senate, a few changes were made to the Code of Conduct, primarily on Page 12, concerning Outside Activities. The term “manager” was changed to “supervisor” and the terms “receive approval” and “obtain approval” were changed to “notify my supervisor.”

At the suggestion of Trustee Price, an Acknowledgement Form was developed and will accompany the electronic distribution of the Code.

At the suggestion of Trustee Fogg, a memo highlighting conflicts of interest and acceptance of gifts will accompany the distribution of the Code to the members of the FGCU BOT in order to remind members of important sections of the Code to which they should be aware.

BACKGROUND INFORMATION

The Code of Conduct serves as the foundation of an effective compliance and ethics program. The Code reiterates the University’s mission, vision, and guiding principles and articulates the values the University wishes to foster in its leaders and employees. The Code serves as a guidance document to support day-to-day decision-making; empowers employees to handle ethical dilemmas, helps employees locate policies and regulations, and provides employees with a list of resource references to ask questions or bring forward good-faith concerns without fear of retaliation.

Supporting Documentation Included: (1) FGCU Code of Conduct; (2) Acknowledgement Form; and (3) Memo
SOAR WITH INTEGRITY

CODE OF CONDUCT
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A MESSAGE FROM THE PRESIDENT

We take seriously our responsibility to prepare our students for gainful employment and successful lives as responsible, civically engaged, and environmentally conscious citizens. We uphold our fiduciary responsibility to be good stewards of the public funds we receive to conduct our operations. We pride ourselves on a diverse and inclusive culture that embraces learning and fosters trust, while concurrently remaining inquisitive. We successfully forge partnerships with the southwest Florida business community. We practice and promote environmental sustainability. We possess the capabilities, skills, passion, and expertise to help our students achieve better lives.

However, none of this matters unless we do it in the right way. The manner in which we conduct our operations, meet our obligations, and show respect for one another matters. How we behave and treat one another and make decisions matters. That is where this Code of Conduct comes into play. This Code of Conduct serves as the foundation for our unwavering commitment to acting with integrity, displaying ethical conduct, and complying with laws, regulations, rules, policies, and procedures. The Code holds you to the highest ethical standards, assists you with recognizing and resolving ethical issues that arise in the workplace, and encourages you to ask questions and raise concerns without fear of retaliation. The Code assists you with making decisions that are in the best interest of our University and align with our Vision, Mission, and Guiding Principles.

Please join me in sustaining a University environment where we are proud to work, where we know we have done the right thing by acting honestly and treating each other and our students fairly and with dignity and respect.

Together, we can soar with integrity.

Michael V. Martin, Ph.D.
President, Florida Gulf Coast University
#GoEagles
Florida Gulf Coast University, a comprehensive institution of higher education, offers undergraduate and graduate degree programs of strategic importance to Southwest Florida and beyond.

FGCU seeks academic excellence in the development of selected programs and centers of distinction in science, technology, engineering and mathematics (STEM) disciplines, health professions, business, and marine and environmental sciences.

Outstanding faculty and staff supported by a strong community of advisors prepare students for gainful employment and successful lives as responsible, productive and engaged citizens.

FGCU emphasizes innovative, student-centered teaching and learning, promotes and practices environmental sustainability, embraces diversity, nurtures community partnerships, values public service, encourages civic responsibility, and cultivates habits of lifelong learning and the discovery of new knowledge.

**VISION**

Florida Gulf Coast University will achieve national prominence in offering exceptional value in high-quality educational programs that address regional and statewide needs. Our programs, firmly grounded in the liberal arts and sciences, will employ emerging instructional technologies. Possessing an entrepreneurial spirit, graduates will be well prepared for productive lives as civically engaged and environmentally conscious citizens with successful careers, ready to pursue further education.

**MISSION**

Florida Gulf Coast University, a comprehensive institution of higher education, offers undergraduate and graduate degree programs of strategic importance to Southwest Florida and beyond.

FGCU seeks academic excellence in the development of selected programs and centers of distinction in science, technology, engineering and mathematics (STEM) disciplines, health professions, business, and marine and environmental sciences.

Outstanding faculty and staff supported by a strong community of advisors prepare students for gainful employment and successful lives as responsible, productive and engaged citizens.

FGCU emphasizes innovative, student-centered teaching and learning, promotes and practices environmental sustainability, embraces diversity, nurtures community partnerships, values public service, encourages civic responsibility, and cultivates habits of lifelong learning and the discovery of new knowledge.
GUIDING PRINCIPLES

STUDENT SUCCESS
is at the center of all University endeavors.

ACADEMIC FREEDOM
is the foundation for the transmission and advancement of knowledge.

DIVERSITY
is a source of renewal and vitality.

INFORMED AND ENGAGED CITIZENS
are essential to the creation of a civil and sustainable society.

SERVICE TO SOUTHWEST FLORIDA,
including access to the University, is a public trust.

TECHNOLOGY IS A FUNDAMENTAL TOOL
in achieving educational quality, efficiency, and distribution.

CONNECTED KNOWING AND COLLABORATIVE LEARNING
are basic to being well educated.

ASSESSMENT OF ALL FUNCTIONS
is necessary for improvement and continual renewal.
FGCU’S CODE OF CONDUCT

FGCU’s Code of Conduct
is designed to help you recognize and resolve compliance and ethics issues. The Code provides general information and practical advice about behavior expectations, and it highlights some of the FGCU policies and regulations you must follow. The Code contains links to informational resources and provides you with a list of employees to whom you may bring forward a question or concern. Consider this Code your roadmap for doing things the right way and soaring with integrity.

Our Code applies to the following members of the University community:

- FGCU Board of Trustees or a committee of the FGCU Board of Trustees;
- President, Cabinet, faculty, staff, and student employees;
- FGCU Foundation Board of Directors;
- FGCU Financing Corporation Board of Directors; and
- Volunteers, contractors, vendors, and other representatives providing services to or acting on behalf of FGCU.

FGCU’s Chief Compliance and Ethics Officer is responsible for promoting, monitoring, and enforcing our Code, and each of you is responsible for abiding by the Code to promote and sustain FGCU’s ethical culture of excellence.

A separate Student Code of Conduct governs our students when acting as students in an academic or campus setting.

- **Student Code of Conduct**

  Be civil, show respect, cherish the environment in which our beautiful campus resides, practice sustainability, make our students the priority, take pride in green and blue, and watch out for alligators.
YOUR RESPONSIBILITIES

EMPLOYEES

- Know and comply with the rules applicable to the work you do and the decisions you make;
- Be familiar with University policies and regulations and state and federal laws, rules and regulations governing FGCU;
- Be familiar with the University’s Regulation on Ethics and this Code of Conduct;
- Be sensitive to situations that could lead, or appear to lead, you or others to engage in illegal, improper, or unethical behavior;
- Report illegal, improper, or unethical behavior; and
- Cooperate with internal reviews of unethical behavior.

VICE PRESIDENTS, DEANS, DIRECTORS, MANAGERS, AND SUPERVISORS

- Lead by example;
- Honor integrity;
- Encourage ethical decision making;
- Create an open atmosphere in which subordinate employees are comfortable raising good-faith concerns;
- Communicate clearly that the University neither tolerates nor condones improper behavior;
- Inform employees about resources that may help them in addressing ethical concerns;
- Prevent retaliation against employees who bring forward good-faith concerns; and
- Take appropriate corrective and/or disciplinary action for Code violations, when necessary.

We rely on our leaders to reinforce the principles of our Code throughout all areas of the University.
ETHICAL STANDARDS

FGCU relies on you to represent the institution and its vision, mission, and guiding principles. You are expected to conduct yourself and the University’s operations with honesty and integrity and in conformance with University policies and regulations, as well as state and federal laws, rules, and regulations.

Following are some ethical principles of fairness, good faith, and respect to assist you in interacting with internal and external constituents:

- Treat others with respect and dignity; be respectful, fair, and civil to coworkers, students, vendors, contractors, volunteers and all others with whom you interact on behalf of the University.
- Earn trust by accepting and honoring agreements and keeping promises.
- Work to understand the University’s vision, mission, guiding principles, and strategic plan and proactively support these initiatives through discussion, communication, and action.
- Never undermine a supervisor/manager, colleague, subordinate, or student.
- Work jointly and in good faith to resolve disagreements.
- Contribute constructively by exercising the highest level of professional and ethical behavior.
- Promote informal conflict resolution.
RESPECT FOR OTHERS

FGCU is committed to equal treatment, opportunity, and respect for its faculty, administrators, staff, students, and all others who come in contact with the University. As someone employed by or associated with FGCU, you are prohibited from discriminating against another individual based solely upon the individual’s race, color, religion, age, disability, sex, national origin, marital status, genetic predisposition, sexual orientation, gender identity/gender expression, veteran status, or any other legally protected status; physically assaulting, emotionally abusing, or harassing anyone; and depriving anyone of rights to his/her physical or intellectual property.

FGCU strives to attract, develop and retain faculty and staff that are as diverse as FGCU’s student population.

You promote diversity and inclusion when you:

- Respect the talent, ability, and experience of others;
- Value the input of others; and
- Foster an atmosphere of trust, openness, and candor.

COMPLIANCE WITH LAWS

You are expected to comply with all University policies and regulations and state and federal laws, rules, and regulations governing higher education, FGCU, and your area of responsibility. If you have a question about the applicability or interpretation of a particular policy, regulation, law, or rule, please contact your supervisor, Vice President and General Counsel, or the Chief Compliance and Ethics Officer.

- FGCU Policies
- FGCU Regulations
- Code of Ethics for Public Officer and Employee
PRINCIPLES OF ETHICS AND INTEGRITY

CONFLICTS OF INTEREST

You are expected to devote your primary professional allegiance to FGCU; ensure that decisions pertaining to FGCU are made in an impartial manner, considering only the best interest of the University; and ensure that outside activities do not interfere with your University duties. In addition, you may not use your position with the University for your own personal benefit or for the personal gain or benefit of any other person or business entity; and you are expected to avoid situations in which your financial or other relationships could create a conflict of interest between the University and your own private interests or cause harm to the University’s reputation.

Situations that create a conflict of interest must be disclosed and then mitigated or avoided. Having a conflict is not necessarily wrong, but failing to disclose it is.

Here are some scenarios in which a conflict may arise:

- You, or a family member, either work for a company or have a substantial investment interest in a company that does or seeks to do business with FGCU.
- You use FGCU time and/or resources to support activities outside the scope of your FGCU responsibilities.
- You are a purchasing agent for FGCU and you frequently accept gifts from a company that does business with FGCU.

To determine if you have a conflict of interest that should be disclosed, you should ask yourself these questions:

- Do my outside interests influence, or appear to influence, my ability to make sound business decisions on behalf of FGCU?
- Do I stand to benefit from my involvement in the situation?
- Does a family member stand to benefit from my involvement in the situation?
- Does my participation in this activity interfere with my ability to do my job?
- Is the situation causing me to put my own interests ahead of FGCU’s interests?
- If the situation showed up on the front page of the local newspaper or a blog, would I be embarrassed? Would FGCU be embarrassed?
GIFTS AND HONORARIA

We serve as stewards of the public funds that FGCU receives from state and federal entities; therefore, we must avoid the perception that favorable treatment is sought, received, or given in exchange for business courtesies.

You may not solicit or accept anything of value, such as a gift or honoraria, when acceptance gives the appearance of inappropriately influencing your objectivity with respect to University business. And, your spouse or minor child may not solicit or accept anything of value on your behalf when you know, or reasonably should know, the gift was given to influence an action on your part.

What is a gift?

“Gift” means anything accepted by you or on your behalf, whether directly or indirectly, for your benefit, and for which equal or greater consideration is not given within 90 days of the receipt of the gift.

“Gift” includes real property or the use thereof; tangible or intangible personal property or the use thereof; a preferential rate or term on a transaction not available to the general public; forgiveness of a debt; transportation, lodging, or parking costs unrelated to official University business; food or beverage; dues, fees, and tickets; plants and flowers; personal services for which a fee is normally charged by the provider; and any other thing or service having an attributable value.

What is an honorarium?

“Honorarium” means a payment of money or anything of value given to you, directly or indirectly, as consideration for a speech or other oral presentation or for any writing other than a book which has been published or is intended to be published.

Gift and Honoraria Policy

Side note: University Advancement employees responsible for fundraising on behalf of FGCU may accept gifts on behalf of the University through the FGCU Foundation.

In general, there is no prohibition against providing or accepting promotional items of nominal value (e.g., coffee mugs, pens, calendars or similar tokens) provided the gifts are allowed by law. In deciding whether a gift is appropriate, consider its value and whether the public disclosure of the gift could be perceived as an attempt to influence a University matter.
**PRINCIPLES OF ETHICS AND INTEGRITY**

**OUTSIDE ACTIVITIES**

An outside activity is a professional or business activity, including additional teaching and research, conducted outside the normal course and scope of your University position that may or may not involve compensation.

While there generally is no prohibition against a University employee conducting an outside activity, you must remember that your primary loyalty and duty must be to your University position. Accordingly, your outside activity cannot materially interfere with your obligation to the University.

What behavior is expected?

- Inform your supervisor, in writing, about your outside activity by completing an Outside Activity Form.
- Be aware of potential conflict of interest situations and contact your supervisor or the Chief Compliance and Ethics Officer with any questions or concerns.
- Avoid any outside activity that interferes with the proper and effective performance of your University duties.
- Ensure all outside activities are conducted on your own time using your own resources, unless you obtain pre-approval from your supervisor to use University resources.

Executive Service, Administrative and Professional, and Support Personnel employees, as well as out-of-unit faculty should refer to the University’s Regulation on Outside Activities/Employment for the requirements to receive approval for an outside activity.

In-unit faculty should refer to the collective bargaining agreement (Article 19 Conflict of Interest/Outside Activity), which provides criteria by which a faculty member’s Outside Activity Form will be reviewed by the University.

FGCU encourages its employees to engage in activities beyond their regular University duties when such activities contribute to individual growth, extend knowledge, or advance the mission of the University. To avoid conflicts of interest, submit an Outside Activity Form to your supervisor.

Q I have a Support Personnel position at FGCU and belong to the YMCA where I coach a youth basketball league. Do I need to obtain approval to conduct this activity?

A No. Volunteer activities that involve hobbies, sports, civic, or religious non-profit organizations and do not relate in any way to the University or its mission are not considered outside activities.

Q I am a professor at FGCU conducting research under a sponsored program. I have been asked by a pharmaceutical company in SW Florida to perform similar research. Do I need to notify my supervisor about this activity?

A Yes. Whenever you conduct an outside activity that is similar to or relates to your FGCU position or duties, you must submit an Outside Activity Form to your supervisor for conflict of interest considerations. In addition, as the recipient of sponsored program funds, FGCU has a fiduciary responsibility to safeguard the intellectual property that could result from the research.

Q How do I obtain approval for an outside activity?

A You should complete the Request for Approval of Outside Activity form.

- **Outside Activity Form**
PRINCIPLES OF ETHICS AND INTEGRITY

ACADEMIC FREEDOM

FGCU promotes academic freedom, including the freedom to discuss all relevant matters in the classroom; explore all avenues of scholarship, research, and creative expression; speak openly on all matters of University governance; and speak or write as a private citizen without institutional restraint or discipline.

You are expected to foster intellectual honesty and freedom of inquiry, respect those with differing views, and acknowledge when speaking as a private citizen that you neither represent nor speak for the University.

Academic freedom means that:

▸ FGCU faculty and students may engage in intellectual debate without fear of censorship or retaliation.

▸ FGCU faculty and students have the right to challenge one another’s views and not be penalized for holding differing views.

▸ FGCU faculty have latitude in deciding how to teach the courses for which they are responsible.

Academic freedom does NOT mean that:

▸ FGCU faculty may harass, threaten, intimidate, ridicule, or impose their views on students.

▸ FGCU faculty have the right to ignore University regulations and policy.

▸ FGCU faculty are protected from disciplinary action for misconduct and sanction violations proven through due process investigations.

FGCU faculty members help the University meet its commitment to maintaining an environment that respects diversity and is free from discrimination and harassment.

Source: Article 5, Academic Freedom and Responsibility, CBA. Article on Defining Academic Freedom; Cary Nelson, AAUP President; December 21, 2010
PRINCIPLES OF ETHICS AND INTEGRITY

RESPONSIBLE CONDUCT IN RESEARCH

You are responsible for ensuring the integrity of the research process, including the conduct and reporting of research, in order to sustain the highest degree of intellectual honesty and integrity and appropriate regard for human and animal subjects. FGCU adheres to Federal guidelines that prohibit research misconduct. You are not to fabricate data or results; change or knowingly omit data or results to misrepresent results in the research record; or intentionally misappropriate the ideas, writings, research, or findings of others. You are also expected to demonstrate accountability for sponsored research funds and comply with specific terms and conditions of contract and grant fund requirements.

Behavior expectations:

Exercise intellectual honesty, discipline, adherence to professional ethics and good judgment in extending the boundaries of knowledge and in transmitting and applying new information.

For information on intellectual property, responsible conduct in research, and information on the FGCU Institutional Review Board, contact the Associate Vice President for Research and Dean of Graduate Studies.
PRINCIPLES OF ETHICS AND INTEGRITY

ACCURATE REPORTING

All FGCU records including but not limited to accounting, financial, and tax matters; expense, timesheet, and effort reports; analyses that show support for and progress towards meeting BOG metrics; and all those submitted to a state or federal entity for compliance or other purposes, must be accurate and complete. All published financial reports will make full, fair, accurate, and timely disclosures, as required.

Reports include:

- Time records
- Revenue and expense reports
- Employment applications
- Performance on metrics for the Board of Governors
- Responses to audits and inquiries

Behavior Expectations:

- Accurately and honestly provide information in reports and records
- Do not mislead or misinform others by supplying inaccurate information in University records
- Comply with public records requests but do not compromise proprietary or confidential information

RECORDS MANAGEMENT

University records and documents, including both hardcopy and electronic, must be retained, secured, and disposed of in accordance with University policy, as well as state and federal law.

For further information, refer to Records Management Policy 3.032.

- Records Management Policy
PRINCIPLES OF ETHICS AND INTEGRITY

EMAIL, INTERNET AND INFORMATION SYSTEMS

You must use University email and internet accounts responsibly and protect the security of our information systems.

FGCU’s information technology systems are a key component of our University operations and are provided for authorized business purposes. Your use of these systems must comply with our and Email Policy.

• Acceptable Use Policy
You may engage in reasonable incidental personal use of phone, email and the internet as long as such usage does not:

▸ Consume large amounts of time and resources
▸ Interfere with your work performance or that of others
▸ Involve illegal, sexually explicit, discriminatory or otherwise inappropriate material

▸ Relate to outside business interests
▸ Violate any University policy or regulation

To safeguard FGCU information systems, you should never:

▸ Share your University system passwords with anyone
▸ Leave laptops or other mobile devices unattended while traveling or in an exposed location where they can be stolen
▸ Download unauthorized or unlicensed software on University computers

If you suspect a data breach or become aware of any situation in which data has been compromised, including the loss or theft of a laptop or handheld device, immediately report the situation to the Business Technology Services Help Desk: (239) 590-1188 or helpdesk@fgcu.edu.
PRINCIPLES OF ETHICS AND INTEGRITY

ENVIRONMENTAL HEALTH AND SAFETY

You are expected to comply with all applicable environmental laws and regulations which govern environmental health and safety; make every reasonable effort to ensure that students, faculty, staff, and visitors are protected from undue health risks and unsafe conditions; ensure that FGCU has obtained all necessary licenses, permits, and approvals for environmental matters; and employ the proper procedures and controls in the handling and disposition of radioactive and toxic materials and the handling and disposition of hazardous and biohazardous wastes.

You should always speak up and raise a concern if you:

› Are asked to complete a task you consider unsafe
› Are asked to complete a task for which you are not properly trained and that may harm you or others
› Suspect that a golf cart or piece of equipment is not operating properly and may be unsafe
› Observe or are made aware of an unsafe condition or a potential danger to yourself or others

Safety is everyone’s responsibility; support FGCU’s efforts to maintain a healthy and safe workplace.
PRINCIPLES OF ETHICS AND INTEGRITY

SUSTAINABILITY

FGCU promotes and practices environmental sustainability and is dedicated to environmental operations that foster a sustainable future and lead to improvements in SW Florida. We provide our students with the knowledge and skills to be environmentally responsible citizens. We are committed to continuous improvements in:

- Demonstrating institutional practices that promote sustainability, protecting our natural resources, and actively reducing our environmental impact.
- Enhancing the health of campus ecosystems and increasing the diversity of native species.
- Promoting health, productivity, and safety practices on campus through education, maintenance, and design of campus buildings.
- Incorporating environmentally responsible concerns in University decision making.

The FGCU EMERALD GREEN and COBALT BLUE school colors are symbols of the earth and water, in keeping with the University’s environmental mission.

SUSTANCE ABUSE

FGCU prohibits you from:

- Being under the influence of alcohol, illegal drugs, or controlled substances while on campus;
- Possessing, selling, using, transferring, or distributing illegal drugs or controlled substances while on campus; and
- Using tobacco products and smoking devices on campus.

Consuming alcohol and/or using an illegal substance can negatively impact your ability to perform safely, be productive, and serve as a role model to our students.

- FGCU Drug Free Environment
- FGCU Smoke Free and Tobacco Free Campus
- FGCU Alcohol Policy

The FGCU sustainability symbol is representative of the words sustainability and stewardship. The “S” in the shape of the infinity symbol represents unlimited capacity, energy, excellence, or knowledge.
SEEKING GUIDANCE AND REPORTING CONCERNS

If you have a concern and cannot find an answer in this Code of Conduct, or if you have questions on how to interpret the Code, please seek guidance. Similarly, if you are aware of something that may be a violation of our guiding principles, Code of Conduct, University policies or regulations, or state or federal laws or regulations, you should speak up and report it so the matter can be addressed.

You have several resources to seek guidance or make a report:

- Your supervisor or manager
- University Ombuds for informal conflict resolution
- Director of Institutional Equity and Compliance for harassment, discrimination, and sexual misconduct allegations
- Director of Internal Audit for fraud, waste, and abuse allegations
- Chief Compliance and Ethics Officer for violations of University policies or regulations and state or federal laws, regulations, and rules

If you choose to use one of the University’s internal resources to seek guidance or make a report, you have the right to remain confidential to the extent permitted under the law.

In addition to the resources listed above, you may ask questions, raise concerns, or make reports of suspected violations through the university’s EthicsPoint Hotline. If you choose to use the Hotline, you have the option of remaining anonymous.
When should you seek guidance?

If you are about to take action on a University matter and you are not sure it is the appropriate action, ask yourself:

- Am I sure this course of action is legal?
- Is it consistent with the University’s mission, vision, and guiding principles?
- Does it align with the University’s Code of Conduct, policies, and regulations?
- Could it be considered unethical or dishonest?
- Could it hurt FGCU’s reputation?
- If it winds up on the front page of a local newspaper or on a blog, how will it make my parents, my spouse, or my children feel?

If you are not sure about the answers to any of the above questions, please seek additional guidance to make the right decision before you take action on behalf of FGCU.
The Hotline is an alternative mechanism for any employee, student, vendor, contractor, or concerned citizen to ask questions; report good-faith concerns alleging fraud, waste, or abuse of University resources; or report violations of University policies or regulations or state or federal laws or regulations.

FGCU has collaborated with third party provider Navex Global to offer the EthicsPoint case management reporting system for individuals who may be reluctant to report suspected misconduct to University administrators. The EthicsPoint Hotline is available 24 hours a day, 365 days a year and offers a way to report with complete anonymity. EthicsPoint does not generate or maintain any internal connection logs to identify IP addresses, and telephone calls are not traced or recorded.

You can contact the EthicsPoint Hotline by:

- Calling the Hotline at (844) 300-1073 or
- Completing an online form at the following link:
  - FGCU Ethics Point

After you submit your report, you will be assigned a unique code called a “report key.” You will use this report key along with the password of your choosing to return to EthicsPoint through the website or telephone to get a response to your question, review follow up questions based on the information you provided, submit more information, or receive a status update.

You should provide as much information as possible regarding suspected violations and you should expect some follow-up questions to clarify the information you provide. Your confidentiality will be protected to the extent permitted under the law or you may choose to remain anonymous. What matters is what is being reported, not who reports it.
NO RETALIATION

The University prohibits retaliation and will take no adverse action against an employee who in good-faith:

- Reports a suspected violation of this Code, our policies or regulations, or the law;
- Raises a compliance question or seeks advice about a particular University business practice; or
- Cooperates in an investigation of a potential violation.

What is an adverse action?

An adverse employment action occurs when the terms and conditions of your FGCU employment are materially affected for bringing forward a protected activity and there is a connection between bringing forward a concern and the adverse action. An adverse action includes things like termination, demotion, change in job duties, reassignment to a less desirable task, or a disciplinary suspension.

What is a good-faith report?

A good-faith report is the honest belief that the information you provide about a potential violation is truthful based on your knowledge of a situation.

Conversely, you are not operating in good faith if you report a potential violation or make statements during an investigation that are knowingly false or that involve willful disregard or purposeful ignorance of the facts. Moreover, disciplinary action can be taken against you if you attempt to use the Hotline, or any other University reporting process, to intentionally harm or slander another employee through false accusations.

What is retaliation?

Retaliation is an adverse employment action (or credible threat of an adverse employment action) taken against a University employee for raising a good-faith concern or participating in an investigation of a potential violation.

What happens when I contact the EthicsPoint Hotline?

EthicsPoint Hotline calls are answered by an independent third party with expertise in handling hotline calls. An interview specialist will ask you questions and then send a report to FGCU’s Chief Compliance and Ethics Officer for review. Appropriate university compliance liaisons will investigate concerns, and if warranted, remedial actions will be taken.
Stacey P. Chados  
Chief Compliance and Ethics Officer  
Florida Gulf Coast University  
10501 FGCU Boulevard South EH-319  
Fort Myers, Florida 33965-6565  
schados@fgcu.edu  
239-590-1039

Code of Conduct  
Acknowledgment Form

I acknowledge that I have received a copy of the FGCU Code of Conduct and that I have read, understand, and will abide by the Code. I know that I can contact the Chief Compliance and Ethics Officer, at the telephone number, email address, or office location listed above, with questions about the Code, any other ethics-related matter, or to bring forward a good faith concern without fear of retaliation. I also understand that violations of the Code are cause for corrective action, which may result in disciplinary action in accordance with FGCU Regulation FGCU-PR5.016, Disciplinary Actions, and/or Article 16, Disciplinary Action and Job Abandonment, of the Collective Bargaining Agreement.

Printed Name: ______________________________

Signature: ______________________________

Position Title: ______________________________

Date: ______________________________
February 20, 2018

To: Joseph G. Fogg III, Trustee and Chair, Audit and Compliance Committee

From: Stacey Chados, Chief Compliance Officer

Subject: Applicability of the Code of Conduct to the Members of the FGCU BOT

FGCU’s Code of Conduct (Code) outlines the Mission, Vision, and Guiding Principles of the University, and it articulates ethical principles of fairness, good faith, and respect the University wishes to foster in its leaders and employees. The Code highlights some Regulations and Policies leaders and employees must follow, and it provides a list of resources to whom our leaders and employees can bring forward concerns and ask questions.

Many of the specific passages contained in the Code are not applicable to you or the other members of the FGCU Board of Trustees. Nonetheless, in order to support the University’s comprehensive compliance and ethics program promulgated by the Board of Governors, and to comply with your fiduciary responsibilities outlined in the Association of Governing Boards of Universities and Colleges, you should be cognizant of the information contained in the Code in order to make careful, good-faith decisions in the best interest of the University.

Specifically, you and the other members of the FGCU Board of Trustees should avoid situations in which your financial or other relationships could create a conflict of interest: between the University and your own private interests, or cause harm to the University’s reputation. In addition, you and the other members of the FGCU Board of Trustees should refrain from soliciting or accepting anything of value, such as a gift or honoraria, when acceptance gives the appearance of inappropriately influencing your objectivity with respect to University business.

Regarding University athletic and other student events, please be advised that these events provide you and the other members of the FGCU Board of Trustees with the opportunity to engage donors, supporters, regional state officials, and business leaders in the advancement of the University’s teaching, research, and community engagement mission.
When attending these events, you and the other members of the FGCU Board of Trustees do so in your official capacity on behalf of the University. Accordingly, it is permissible for you and the other members of the FGCU Board of Trustees to accept, from time to time, a reasonable number of tickets to attend such University events without breaching the Code. In addition, post-season participation in athletic events is a means to further recognize and promote the University and its athletic programs. Post-season activities shall be undertaken consistent with state law, University policy, conference/NCAA rules, and prudent management.

Finally, you and the other members of the FGCU Board of Trustees should abide by the Ethical Standards, Respect for Others, Compliance with Laws, Conflicts of Interest, Gifts and Honoraria, Accurate Reporting, Records Management, and Email, Internet and Information Systems sections of the Code, as applicable. When actual or apparent conflict of interest situations arise, you should refer to the Code or Ethics Policy for the FGCU Board of Trustees, and you should direct any questions to me or the Vice President and General Counsel.

I hope this information is helpful; thanks to you and the other members of the FGCU Board of Trustees for embracing the values expressed in the Code.
SUBJECT: Florida Highway Safety and Motor Vehicles Agreed on Procedures Audit

PROPOSED COMMITTEE ACTION

Accept the Florida Highway Safety and Motor Vehicles Agreed on Procedures Audit Report dated January 16, 2018 and recommend its acceptance by the FGCU Board of Trustees.

BACKGROUND INFORMATION

This report presents the results of the audit required by the Florida Department of Highway Safety and Motor Vehicles (DHSMV) to assess the adequacy of internal controls when FGCU’s departments of Undergraduate Admissions, Graduate Admissions and Registrar access DHSMV data.

Upon acceptance of the report by the Audit and Compliance Committee, the report will be forwarded to the FGCU Board of Trustees for its consideration at its meeting immediately following this one.


Prepared by: Director of Internal Audit William Foster

Legal Review by: Vice President and General Counsel Vee Leonard (January 18, 2018)

Submitted by: Director of Internal Audit William Foster
INTEROFFICE MEMORANDUM

To: Susan Byars, University Registrar  
   Marc Laviolette, Director, Admissions  
   Francisco Marquez, Director, Graduate Studies

Cc: Dr. Michael Martin, President  
   Susan Evans, Vice President & Chief of Staff

From: Viviana Lauke, Staff Auditor  
   William Foster, Director, Internal Audit

Date: January 16, 2018

Re: Florida Highway Safety and Motor Vehicles Agreed on Procedures Audit (FINAL REPORT)

Please see the attached final report of the Florida Highway Safety and Motor Vehicles Agreed on Procedures Audit. On January 18, 2018, Vee Leonard, General Counsel, completed a legal review of the audit report.

The audit was performed by Viviana Lauke, Staff Auditor and reviewed by William Foster, Director, Internal Audit.
MEMORANDUM

To: Ms. Teresa Mann, Florida Department of Highway Safety and Motor Vehicles

From: William D. Foster, MBA, CPA, CIA, CGAP, CFE, CRMA, CCSA
      Director, Internal Audit

Date: January 16, 2018

Re: Agreed on Procedures Audit of Internal Controls over Personal Data Pursuant to Florida Department of Highway Safety and Motor Vehicles Contract Number HSMV-0363-15

Pursuant to your request, we have performed an agreed on procedures audit of the adequacy of internal controls over personal data accessed and used by Florida Gulf Coast University’s (FGCU) departments of Undergraduate Admissions, Graduate Admissions and Registrar. Based on our evaluation, we have concluded that the system of controls is adequate to protect personal data from unauthorized access, distribution, use, modification, or disclosure.

Background

The departments of Undergraduate Admissions, Graduate Admissions and Registrar access driver license and motor vehicle information under authorization by a Memorandum of Understanding (MOU) with the Florida Department of Highway Safety and Motor Vehicles (DHSMV). The MOU establishes specific requirements regarding the University’s access to, use of, and safeguarding of the driver information. The MOU permits authorized University employees to access certain driver license data for assisting in the enrollment process to verify residency information through the DHSMV’s Driver and Vehicle Information Database (DAVID).

According to Section VI, Part A, Compliance and Control Measures of the MOU, the agreement is contingent upon the departments having appropriate internal controls over personal data. In furtherance of this requirement, the DHSMV requested FGCU to submit an attestation form from either a certified public accounting firm or its internal auditor.
Objective Scope and Methodology

Our audit of the three departments was conducted in accordance with the Driver and Vehicle Information Database Audit Guideline provided by DHSMV.

During the audit, we reviewed the MOU, conducted interviews, obtained and reviewed procedures, inquired about current practices, and tested selected activity reports.

This agreed on procedures audit was conducted in accordance with the Driver and Vehicle Information Database Audit Guideline provided by DHSMV and included tests of the records and other audit procedures as we considered necessary in the circumstances. Audit fieldwork was conducted during November 2017.

Conclusion

During the audit, we identified opportunities for the three departments to further strengthen their internal controls. We discussed our detailed observations and recommendations that pertain to quarterly quality control reviews, annual confidential data access training and acknowledgement and timely removal of employee access upon termination or re-assignment.

Prior to the conclusion of our work, we determined the three departments effectively implemented stronger controls for the areas identified. Therefore, we are satisfied the current internal controls are adequate to protect the personal data obtained from the DAVID database from unauthorized access, distribution, use, modification, or disclosure.

Attachment: Attestation Statement

Audit Performed by: Viviana Lauke, Staff Auditor
Audit Reviewed by: William Foster, MBA, CPA, CIA, CGAP, CFE, CRMA, CCSA
            Director, Internal Audit
ATTESTATION STATEMENT

Contract Number     HSMV-0363-15

In accordance with Section VI, Part B, of the Memorandum of Understanding between Department of Highway Safety and Motor Vehicles and Florida Gulf Coast University Board of Trustees (Requesting Agency), this MOU is contingent upon the Requesting Party having appropriate internal controls over personal data sold or used by the Requesting Party to protect the personal data from unauthorized access, distribution, use, modification, or disclosure. Upon request from the Providing Agency, the Requesting Party must submit an attestation stating that a currently licensed Certified Public Accountant performed an audit in accordance with the American Institute of Certified Public Accountants (AICPA), “Statements on Standards for Attestation Engagement.” In lieu of submitting the attestation from a currently licensed Certified Public Accountant, the Requesting Party may submit an alternate certification with pre-approval from the Department. In the event the Requesting Party is a governmental entity, the attestation may be provided by the entity’s internal auditor or inspector general. The attestation must indicate that the internal controls over personal data have been evaluated and are adequate to protect the personal data from unauthorized access, distribution, use, modification, or disclosure. The attestation must be received by the Providing Agency within 180 days of the written request. The Providing Agency may extend the time to submit attestation upon written request and for good cause shown by the Requesting Agency.

Florida Gulf Coast University Board of Trustees (Requesting Agency) hereby attests that Requesting Agency has evaluated and has adequate controls in place to protect the personal data from unauthorized access, distribution, use and modification or disclosure and is in full compliance as required in the contractual agreement.

Signature of Authorized Official

William Foster, MBA, CPA, CIA, CGAP, CFE, CRMA,CCSA
Printed Name
Director, Internal Audit
Title
01/16/2018
Date
Florida Gulf Coast University Board of Trustees
NAME OF AGENCY
SUBJECT: Florida Board of Governors University Data Integrity Audit

PROPOSED COMMITTEE ACTION

Accept the Florida Board of Governors University Data Integrity Audit Report dated January 31, 2018 and recommend its acceptance by the FGCU Board of Trustees.

BACKGROUND INFORMATION

This report presents the results of the audit required by the Board of Governors (BOG) in its letter dated June 30, 2017 to then President Wilson Bradshaw and FGCU Board of Trustees Chair Dudley Goodlette. The purpose of the audit, which was required for all of the state universities, was to determine whether the University’s processes operate effectively to provide complete, accurate, and timely data submissions that support the Performance Funding Metrics to the BOG.

Upon acceptance of the report by the Audit and Compliance Committee, the report and the Performance Based Funding Data Integrity Certification will be forwarded to the FGCU Board of Trustees for its consideration at its meeting immediately following this one.

Supporting Documentation Included: (1) Performance Based Funding Data Integrity Audit issued January 31, 2018; (2) Performance Based Funding Data Integrity Certification Form; and (3) Florida Board of Governors Letter dated June 30, 2017 to President Bradshaw and Chair Goodlette including Attachment 1

Prepared by: Director of Internal Audit William Foster

Legal Review by: N/A

Submitted by: Director of Internal Audit William Foster
Performance Based Funding
Data Integrity Audit

Florida Gulf Coast University

January 31, 2018
William Foster, MBA, CPA, CIA, CGAP, CFE, CRMA, CCSA
Director, Internal Audit
Executive Summary

At the direction of the Florida Board of Governors (BOG), audit procedures were performed to determine whether Florida Gulf Coast University (University) has effective internal controls, processes and procedures in operation to ensure the completeness, accuracy, and timeliness of the data submissions to the BOG which support the University’s Performance Funding Metrics. Certain procedures were applied to the data submitted during the period October 1, 2016 through September 30, 2017. The procedures were originally established jointly by the State University Internal Audit leaders to ensure that the audit guidelines provided by the BOG were fully addressed.

Specifically, responsible management and other personnel were interviewed, detailed narratives related to data compilation and submission were reviewed, and various samples of data reported to the BOG were verified. These procedures were performed by Mauldin & Jenkins, an independent audit firm, as an Agreed Upon Procedures Engagement performed in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The Mauldin & Jenkins report, which appears as Appendix A to this report, is intended solely for the information and use of Florida Gulf Coast University.

It is the University’s responsibility to conclude on the completeness, accuracy, and timeliness of the data submissions based upon the procedures applied. The University was involved in the development of the appropriate audit procedures to be applied, in accordance with the International Standards for the Professional Practice of Internal Auditing, issued by the Institute of Internal Auditors, and in the implementation of the agreed upon procedures. Internal Audit personnel acted as liaison between Mauldin & Jenkins auditors and University management and staff. Our responsibilities included ensuring that accurate information was provided by University personnel to Mauldin & Jenkins and that any initial anomalies during testing were appropriately resolved.

Our audit, which incorporates the Mauldin & Jenkins Agreed Upon Procedures Report, was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing, issued by the Institute of Internal Auditors. The audit procedures provided a reasonable basis for my opinion and the following reportable observations.

Background

The Florida Board of Governors (BOG) has broad governance responsibilities that affect administrative and budgetary matters for Florida’s public universities. Beginning in fiscal year 2013–14, the BOG instituted a performance funding program which is based on 10 performance metrics used to evaluate the institutions on a range of issues.
The 2016-17 metrics are listed below:

<table>
<thead>
<tr>
<th>No.</th>
<th>Performance Based Funding 2016-17 Metrics</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Percent of Bachelor’s Graduates Enrolled or Employed, earning at least $25,000</td>
</tr>
<tr>
<td>2</td>
<td>Median Wages of Bachelor’s Graduates Employed Full-Time One Year After Graduation</td>
</tr>
<tr>
<td>3</td>
<td>Cost to Student, net tuition and fees per 120 credit hours</td>
</tr>
<tr>
<td>4</td>
<td>Six Year FTIC Graduation Rate</td>
</tr>
<tr>
<td>5</td>
<td>Academic Progress Rate, FTIC 2nd year retention, GPA above 2.0</td>
</tr>
<tr>
<td>6</td>
<td>Bachelor’s Degrees within Programs of Strategic Emphasis</td>
</tr>
<tr>
<td>7</td>
<td>University Access Rate, percentage of undergraduates with Pell grants</td>
</tr>
<tr>
<td>8</td>
<td>Graduate Degrees within Programs of Strategic Emphasis</td>
</tr>
<tr>
<td>9</td>
<td>Percent of Bachelor’s Degrees Without Excess Hours (Board of Governors’ Choice)</td>
</tr>
<tr>
<td>10</td>
<td>Bachelor’s Degrees Awarded to Minorities (Board of Trustees’ Choice)</td>
</tr>
</tbody>
</table>

According to information published by the BOG in March 2016, the following are key components of the funding model:

- Institutions are evaluated on either Excellence or Improvement for each metric.
- Data is based on one-year data.
- The benchmarks for Excellence are based on the Board of Governors 2025 System Strategic Plan goals and analysis of relevant data trends, whereas the benchmarks for Improvement were determined after reviewing data trends for each metric.
- The Florida Legislature and Governor determine the amount of new state funding and an amount of institutional funding that will come from each university’s recurring state base appropriation.

The amount of the state investment appropriated by the Legislature and Governor for performance funding will be matched by an amount reallocated from the university system base budget. Starting in 2016-17, the highest point value for each metric is 10 points. All 10 of the metrics have equal weight. From a total possible 100 points, a university is required to earn more than 50 points and not be in the bottom three in order to be eligible for new funding.

Universities need to be strategic in the investment of performance funds to focus on improving metrics.

The Agreed Upon Procedures report included as part of this report discloses two observations regarding one late submission and one data entry change at the departmental level due to revised information from the student.
Observations

*Hours to Degree Submission (HTD):* Academic Administration directed Institutional Research & Analysis (IRA) to hold the Hours to Degree submission for additional reviews of the data to ensure that the University received every possible credit for its performance. The submission is critical to FGCU’s Performance Metrics score, and compiling the data is time intensive. Management wanted a final review at the highest level to ensure accurate data.

<table>
<thead>
<tr>
<th>Submission</th>
<th>Term or Year</th>
<th>Due Date</th>
<th>Date Submitted</th>
<th>Business Days Late</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hours to Degree (HTD)</td>
<td>Annual 2015 – 2016</td>
<td>10/21/2016</td>
<td>11/30/2016</td>
<td>27</td>
</tr>
</tbody>
</table>

*Student Instruction Preliminary Submission (SIFP):* Of the thousands of data elements tested by Mauldin & Jenkins, only one piece of data, that the student was a first time in college applicant, was inaccurately provided by one student to Admissions. When conflicting information was later verified, all but one piece of data was corrected.

In my opinion, these observations did not affect the overall integrity of the data submissions. These observations do not require Management to create a new corrective action plan to address the observations. Overall, FGCU staff provide accurate and timely information to the Board of Governors.

**Conclusion**

*In my opinion, based upon the work performed, the internal controls, processes and procedures Florida Gulf Coast University has in place to ensure the completeness, accuracy, and overall timeliness of data submissions to the BOG that affect performance based funding metrics are operating effectively.*

Audit Report Prepared by: William Foster, MBA, CPA, CIA, CGAP, CFE, CRMA, CCSA, Director, Internal Audit.

**APPENDIX A**
FLORIDA GULF COAST UNIVERSITY
INDEPENDENT ACCOUNTANT’S REPORT
ON APPLYING
AGREED-UPON PROCEDURES

January 19, 2018
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</tr>
<tr>
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</table>
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Joseph G. Fogg III, Chair Audit and Compliance Committee
Florida Gulf Coast University
Fort Myers, Florida 33965-6565

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees of Florida Gulf Coast University (the “University”), solely to assist the University in determining whether the University has processes established to ensure the completeness, accuracy and timeliness of data submissions to the Board of Governors (BOG) which support the Performance Funding Metrics of the University as of September 30, 2017. The University’s management is responsible for all processes and procedures for the complete, accurate and timely submission of data to the BOG. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

We reviewed all of the BOG submissions relating to the Performance Funding Metrics identified and published by the State University System of Florida specific to the certification. See Attachment I for a listing of the submissions tested as provided by the University to us.

a) Verify the appointment of the Data Administrator by the University President and that duties related to these responsibilities are incorporated into the Data Administrator’s official position description.

1. Review the Data Administrator’s position description; note details of the description, paying special attention to responsibilities related to coordinating the gathering of data from departmental sources, quality assurance procedures applied and other data integrity checks prior to submission to the BOG.
2. Determine if the Data Administrator was appointed by the President.
3. Conclude on whether the Institutional Data Administrator’s responsibilities include the requirements identified in BOG Regulation 3.007, SUS Management: Information System. (For example, verify the Data Administrator’s data submission statements indicated, “I certify that this file/data represents the position of this University for the term being reported.”).
Florida Gulf Coast University
January 24, 2018

Procedures Performed

- Reviewed the Position Description for the Director of Institutional Research and Analysis dated February 18, 2016. Verified description included the requirements identified in the BOG Regulation 3.007.
- Reviewed the original appointment for the Director of Institutional Research by the Provost dated April 23, 2004. Also, reviewed the re-affirmation appointment by the President dated September 8, 2014.
- Observed the SUDS submission screen and the “Submit for Approval” button that represents the University’s certification of complying with BOG regulation 3.007.

Findings

No exceptions were identified as a result of applying these procedures.

b) Review the processes used by the Data Administrator to ensure the completeness, accuracy and timely submission of data to the Board of Governors.

1. Interview the Data Administrator and other key data managers to understand the internal processes in place to gather, test and ensure that only valid data, as defined by the BOG, is timely submitted to the BOG.
2. Identify and evaluate key processes over data input and submission. Consider evaluating the processes from the point of incoming information to the submission of the data file to the BOG.
3. Review internal records such as time management schedules and relevant correspondence which purport to demonstrate that complete and accurate data is timely submitted to the BOG. (See due dates addressed in the SUS data workshop). http://www.flbog.edu/board/office/irm/doc/2017_Workshop_Proceedings_with_notes.pdf
4. According to BOG Regulation 3.007, prior to submitting the file, the universities shall ensure the file is consistent with the criteria established in the specifications document by performing tests on the file using applications/processes provided by the BOG Information Resource Management (IRM) office. Review process for timely and accurately addressing data file error reports.
5. Evaluate the results and document your conclusion on the Data Administrator’s processes.

Procedures Performed

- Interviewed the following people who are key in the data being reported and submitted to the BOG:
  - Director of Institutional Research and Analysis
  - Associate Vice President and IT Officer
Florida Gulf Coast University
January 24, 2018

- Director, University Budgets
- University Registrar
- Associate Vice President, Academic and Curriculum Support
- Associate Director, Undergraduate Admissions
- Director, Student Financial Services

- For those interviewed, we discussed key internal controls and processes in place over data input, Banner access, State University Database System (SUDS) access, validation tables, data submission procedures, error resolution, staff training, and other controls specific to the department and submission of accurate and timely data. Detailed review and evaluation of these processes is performed by the internal audit department during their normal internal audit reviews.

- Reviewed the metrics specific to each department to ensure controls are in place and a clear understanding exists to ensure only valid data is being submitted based on the data definitions.

- Reviewed weekly email communications (the “HitList”) from the Institutional Research and Analysis (IRA) department to department heads. These emails detail the upcoming submissions due in the next two (2) months to the BOG and who is responsible for the data being submitted. Department heads review the data requests and are responsible to ensure the data is accurate and ready for timely submission.

- Reviewed submission schedule maintained by the IRA department.

- Verified submission files tested were submitted by the Due Date as published by the State University System of Florida (SUS) and identified on the SUDS website.

- Tested the submission file criteria definitions used by the University to ensure they meet the data definitions published by the SUDS.

- Obtained the data definition tables from the SUDS website and verified tables documented in the University processes agreed to the SUDS tables.

- Reviewed processes over testing and validating data submissions and procedures for the resolution of errors prior to the final submission.

Findings
We identified the following file that was not submitted by the required due date:

<table>
<thead>
<tr>
<th>Submission</th>
<th>Term or Year</th>
<th>Reporting Time Frame</th>
<th>Due Date</th>
<th>Date Submitted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hours to Degree</td>
<td>Annual 2015</td>
<td>20152016</td>
<td>10/21/2016</td>
<td>11/30/2016</td>
</tr>
</tbody>
</table>
Florida Gulf Coast University  
January 24, 2018

c) **Evaluate any available documentation including policies, procedures, and desk manuals of appropriate staff; and assess their adequacy for ensuring data integrity for University data submissions to the Board of Governors.**

1. Request the Data Administrator provide its policies, procedures, minutes of meetings, and any other written documentation used as resources to ensure data integrity; note whether these documents are sufficiently detailed, up-to-date, and distributed to appropriate staff.
2. Evaluate the results and document your conclusion. If necessary, consider benchmarking with peer universities.

**Procedures Performed**

- Discussed key processes with those interviewed to ensure procedures are in place to ensure data accuracy for their department.
- Ensured each department, that is key to the submission process, had written policy and procedures regarding data they are responsible for.
- Reviewed the project meeting minutes for each meeting that was held in regards to the Performance Funding project and verified data integrity was a significant objective.
- We do not perform benchmarking as this is a process the University would perform.

**Findings**

No exceptions were identified as a result of applying these procedures.

d) **Review system access controls and user privileges to evaluate if they are properly assigned and periodically reviewed to ensure only those authorized to make data changes do so.**

1. Obtain a list of individuals that have access to the State University Database System (SUDS).
3. Review the procedures to grant system access and/or initiate, monitor and cancel user privileges.
4. Perform a test of system access controls and/or user privileges to determine if only appropriate employees have access or need the privilege.
5. Consider other IT systems and related system access controls or user privileges that may impact the data elements used for each measure reviewed.
6. Evaluate the results and conclude on the reasonableness of procedures and practices in place for the setup and maintenance of system access, specifically addressing employees with SUDS access.
Florida Gulf Coast University  
January 24, 2018

Procedures Performed

- Obtained a current listing of all those individuals who have access to the SUDS system from the BOG’s application portal manager.
- Obtained the role definitions in the SUDS system for each type of user.
- Discussed procedures with the Director of Institutional Research and Analysis for granting access to the SUDS system and monitoring to ensure user privileges are cancelled in a timely manner. Reviewed current listing of SUDS users and obtained reason for any new additions.
- Reviewed user listing and discussed with the Director of Institutional Research and Analysis to ensure only personnel that need access have access to the SUDS system, and only a limited amount have the ability to submit data.
- Reviewed Banner access/termination procedures with each department listed in section b of this report and ensured procedures are in place for authorization of adding a new user and timeliness of terminating personnel access.
- Reviewed email sent to department heads informing them the Banner Security Class Reports were created and stored on the common drive for them to review. Reports are created on a quarterly basis and we reviewed a sample of reports that were on the drive.
- Selected a sample of users who are significant to the submissions being tested and verified authorization was obtained for the new user, proper workorder was initiated by an authorized person, and determined the class approved agreed to their current Banner access privileges.
- Discussed procedures for terminating a Banner user with the Associate Vice President and IT Officer.

Findings

No exceptions were identified as a result of applying these procedures.

e) Testing of data accuracy

1. Identify and evaluate data validity controls to ensure that data extracted from the primary systems of record are accurate and complete. This may include review of controls over code used to create the data submission. Review each measure’s definition and calculation for the consistency of data submissions with the data definitions and guidance provided by the BOG.
2. As appropriate, select samples from data the University has submitted to the BOG for its Performance Funding Model. Vouch selected data to original source documents.
3. Evaluate the results of the testing and conclude on the completeness and accuracy of the submissions examined.
Florida Gulf Coast University  
January 24, 2018

Procedures Performed

For each submission file listed in Attachment I we performed the following procedures for the specific metrics identified in the Performance Funding Metrics published by the SUS:

- Obtained complete submission file for time period being tested.
- Selected a sample size of thirty (30) data items to test for each file submission and each metric specific to the performance funding testing.
- Verified data reported in the submission files specific to the metrics identified by the SUS agreed to the source system Banner.
- Verified the data reported for each metric agreed with the SUDS data dictionary.

To ensure completeness of the files being submitted we performed the following procedures:

- For each term and reported time frame we obtained, from the Business Technology Services department, a file which was extracted from Banner and compared to submission files extracted by the Institutional Research and Analysis department. For each comparison, we identified any person that was on the Banner report that was not in the file submission. We then selected a sample size based on the size of the file and errors returned and verified the student was properly omitted for the specific submission based on the current data definitions. Selected files and corresponding sample sizes are as follows:

1. All students enrolled were compared to the Student Instruction (SIF) files submitted. Three (3) differences were identified and reconciled.
2. All students who received Pell grants were compared to the Student Financial Aid (SFA) files submitted. Two (2) differences were identified and reconciled.
3. All students who had a degree awarded were compared to the Degrees Awarded (SIFD) files submitted. We selected ten (10) variances and all were reconciled.
4. All students admitted were compared to the Admissions (ADM) files submitted. We selected ten (10) variances and all were reconciled.

Findings

We identified one (1) variance:

<table>
<thead>
<tr>
<th>File Submission</th>
<th>UNIV ID</th>
<th>Data Definition Number</th>
<th>Field Name</th>
<th>Banner Screen</th>
<th>In Banner</th>
<th>In Submission</th>
</tr>
</thead>
<tbody>
<tr>
<td>SIFP</td>
<td>D-166796</td>
<td>01067</td>
<td>Last Institution</td>
<td>SOAPCOL</td>
<td>France</td>
<td>F10000000</td>
</tr>
</tbody>
</table>
Florida Gulf Coast University
January 24, 2018

f) Evaluate the veracity of the University Data Administrator’s data submission statements that indicate, “I certify that this file/data represents the position of this University for the term being reported.”

1. Interview the University Data Administrator to consider the reasonableness of the various coordination efforts with the Data Administrator’s staff, the other data custodians’ staff, BOG IRM, and other knowledgeable individuals which form the basis for personal and professional satisfaction that data submitted to the BOG is complete, accurate and submitted timely.
2. Inquire how the Data Administrator knows the key controls are in place and operating effectively. If not already done, consider verifying these key controls are in place and adequate to support the Data Administrator’s assertions.

Procedures Performed

- Interviewed personnel listed in section b. of this report and verified communication with the Institutional Research and Analysis is on-going and clear to ensure accurate and timely data submission. Also verified controls are in place specific to the metrics being tested.
- Verified with the Director of Institutional Research and Analysis communication with the BOG and IRM to ensure data being submitted meets the data definitions.

Findings

No exceptions were identified as a result of applying these procedures.

g) Review the consistency of data submissions with the data definitions and guidance provided by the Board of Governors through the Data Committee and communications from data workshops.

1. Evaluate the University’s procedures for periodically obtaining and communicating definitions and due dates as provided by the BOG through the Data Committee and communications from data workshops.
2. Verify with the University Data Administrator that the most current data file definitions are used as a basis for preparation of data to be submitted to the BOG.
4. Request evidence of the most recent formal staff training/workshops, internal discussions or communications with other responsible employees and the BOG Data Committee necessary to ensure the overall integrity of data to be submitted to the BOG.
5. Conclude as to the consistency of the submissions.
Florida Gulf Coast University
January 24, 2018

Procedures Performed

- Reviewed email communications (the “HitList”) from the Institutional Research and Analysis (IRA) department to department heads. These emails detail the upcoming submissions due in the next two (2) months to the BOG and who is responsible for the data being submitted. Department heads review the data requests and are responsible to ensure the data is accurate and ready for timely submission.
- Obtained the most recent data definition tables on the SUDS website and verified data definitions outlined in the file processes agreed to the SUDS data tables.
- Verified process with the Institutional Research and Analysis department of their communication to department heads of the data definitions and communication of any new or changed metric.
- Obtained the SUDS release notes and workshop agendas during the testing period and verified any changes were properly incorporated into the data file submissions.
- Reviewed staff training with each personnel interviewed as listed in section b. in relation to both Banner and SUDS security and knowledge training.
- Our testing was performed on all file submissions from October 1, 2016 through September 30, 2017, for the specific metrics tested to review for consistency among data submissions.

Findings

No exceptions were identified as a result of applying these procedures.

h) Review the University Data Administrator’s data resubmissions to the Board of Governors with a view toward ensuring these resubmissions are both necessary and authorized. This review should also evaluate how to minimize the need for data resubmissions.

1. Interview the University Data Administrator about the types and quantity of recent data resubmissions and the level(s) of approvals necessary for corrective action.
2. Request and examine any correspondence between the University and the BOG IRM office related to data resubmissions that pertain to the performance metrics. Determine if these resubmission problems tend to be reoccurring and what, if any, actions management has taken or plans to take in order to reduce them.
3. Conclude as to the frequency, need and authorization of the resubmission process.

Procedures Performed

- Interviewed the Director of Institutional Research and Analysis about the resubmission process followed by the department.
- There were no resubmissions during our testing period.

Findings

No exceptions were identified as a result of applying these procedures.
Florida Gulf Coast University
January 24, 2018

i) 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.

1. Review the Performance Based Funding Data Integrity Certification statement to identify additional procedures that should be designed to support the representations.

Procedures Performed

- We reviewed the Data Integrity Certification and performed procedures agreed upon by Florida Gulf Coast University’s Board of Trustees to meet the objectives of the certification.

Findings

Mauldin & Jenkins was engaged to perform procedures that were provided by you and were outlined in our engagement letter. Management has identified these procedures to meet the objectives of the certification. The Board of Trustees must conclude as to the adequacy of these procedures and findings in meeting their certification objectives.

We were not engaged to and did not perform an audit, the objective of which would be the expression of an opinion on the processes and procedures for the complete, accurate and timely submission of data to the BOG. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Florida Gulf Coast University’s Board of Trustee’s and management and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC
Bradenton, Florida
January 24, 2018
### Submissions Tested

<table>
<thead>
<tr>
<th>Due Date</th>
<th>Submission</th>
<th>Term or Year</th>
<th>Rept Time Frame</th>
</tr>
</thead>
<tbody>
<tr>
<td>10/14/2016</td>
<td>Student Financial Aid (SFA)</td>
<td>Annual 2015</td>
<td>20152016</td>
</tr>
<tr>
<td>10/14/2016</td>
<td>Degrees Awarded (SIFD)</td>
<td>Summer 2016</td>
<td>201605</td>
</tr>
<tr>
<td>10/21/2016</td>
<td>Student Instruction Preliminary (SIFP)</td>
<td>Fall 2016</td>
<td>201608</td>
</tr>
<tr>
<td>10/21/2016</td>
<td>Hours to Degree (HTD)</td>
<td>Annual 2015</td>
<td>20152016</td>
</tr>
<tr>
<td>1/23/2017</td>
<td>Student Instruction (SIF)</td>
<td>Fall 2016</td>
<td>201608</td>
</tr>
<tr>
<td>1/25/2017</td>
<td>Retention (RET)</td>
<td>Annual 2015</td>
<td>20152016</td>
</tr>
<tr>
<td>2/10/2017</td>
<td>Degrees Awarded (SIFD)</td>
<td>Fall 2016</td>
<td>201608</td>
</tr>
<tr>
<td>2/24/2017</td>
<td>Admissions (ADM)</td>
<td>Spring 2017</td>
<td>201701</td>
</tr>
<tr>
<td>3/3/2017</td>
<td>Student Instruction Preliminary (SIFP)</td>
<td>Spring 2017</td>
<td>201701</td>
</tr>
<tr>
<td>6/19/2017</td>
<td>Student Instruction (SIF)</td>
<td>Spring 2017</td>
<td>201701</td>
</tr>
<tr>
<td>6/29/2017</td>
<td>Degrees Awarded (SIFD)</td>
<td>Spring 2017</td>
<td>201701</td>
</tr>
<tr>
<td>9/22/2017</td>
<td>Admissions (ADM)</td>
<td>Summer 2017</td>
<td>201705</td>
</tr>
<tr>
<td>9/29/2017</td>
<td>Student Instruction (SIF)</td>
<td>Summer 2017</td>
<td>201705</td>
</tr>
</tbody>
</table>
Name of University: Florida Gulf Coast 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 audit findings.

<table>
<thead>
<tr>
<th>Performance Based Funding 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.</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>1 student indicated he was FTIC (less than 12 credits) on his application. When his transcript subsequently arrived from a school in France, it had 16 credits.</td>
</tr>
<tr>
<td>4. In accordance with Board of Governors Regulation 3.007, my university shall provide 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>
## Performance Based Funding

### Data Integrity Certification

<table>
<thead>
<tr>
<th>Performance Based Funding Data Integrity Certification Representations</th>
<th>Yes</th>
<th>No</th>
<th>Comment / Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>6.</strong> 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 provided by the Board Office.</td>
<td>☒</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td><strong>7.</strong> 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><strong>8.</strong> 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>There was 1 late submission.</td>
</tr>
<tr>
<td><strong>9.</strong> 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, “Ready to submit: Pressing Submit for Approval represents electronic certification of this data per Board of Governors Regulation 3.007.”</td>
<td>☒</td>
<td>☐</td>
<td></td>
</tr>
<tr>
<td><strong>10.</strong> 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><strong>11.</strong> I recognize that the Board’s Performance Based Funding initiative will drive university policy on a wide range of university operations – from admissions through graduation. I certify that university policy changes and decisions impacting this initiative 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 performance metrics.</td>
<td>☒</td>
<td>☐</td>
<td></td>
</tr>
</tbody>
</table>
# Performance Based Funding

## Data Integrity Certification

<table>
<thead>
<tr>
<th>Performance Based Funding Data Integrity Certification Representations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Representations</strong></td>
</tr>
<tr>
<td>I certify that all information provided as part of the Board of Governors Performance Based Funding Data Integrity Certification 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.</td>
</tr>
<tr>
<td><strong>Certification:</strong></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

| I certify that this Board of Governors Performance Based Funding Data Integrity Certification 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** |
June 30, 2017

MEMORANDUM

To: Chairs, University Boards of Trustees
   University Presidents

From: Tom Kuntz, Chair

Subject: Performance Based Funding
         Data Integrity Certification Process and Audit

Since it was approved by the Board of Governors in January 2014, the Performance Based Funding Model has incentivized universities and their boards of trustees to achieve excellence and performance improvements in key areas aligned to the SUS Strategic Plan goals. Over the past five years, the Performance Based Funding state investment has totaled $720 million in additional state funding, demonstrating unprecedented support for the System. This is a great testament to the value of the state university system to educational and economic growth of this great state. These investments have allowed the system to keep tuition flat for our students.

For the 2017-2018 fiscal year, performance based funding investment has grown to an all-time high of $520 million including $245 million in state investment and $275 million in institutional investment. With this investment, universities have demonstrated the ability to achieve excellence and improvements in the 10 key metrics, including graduation and retention rates. Because of your focus and attention on these key metrics, we continue to demonstrate to our elected leaders that the Performance Based Funding Model works!

This October, we will again evaluate tweaks to components of the model with a goal for continued improvement while not radically changing the model that has served us so well.
A key component of the model’s success is the ability of the Board of Governors to rely on information you provide for Performance Based Funding decision-making. I would like to commend you, your Data Administrators, and the many university staff responsible for ensuring reliable, accurate, and complete information is timely submitted to the Board of Governors. I would also like to thank your Chief Audit Executives for focusing a significant portion of their office’s resources to auditing your university’s Performance Based Funding-related controls, processes, and data submissions. Collectively, these efforts allow you to confidently certify data submissions to the Board of Governors and enhance public trust and confidence in this process.

As a result, I am asking that each university President again complete a Data Integrity Certification (attached). When completing this certification, you should evaluate each of the prepared representations. If you are able to affirm the representation, do so. If you are not able to make the representation as prepared, provide an explanation or modification in the space provided. It is important that representations be modified to reflect audit findings. The certification document shall be signed by the President and board of trustees Chair after being approved by the board of trustees. The completed Data Integrity Certification shall be submitted to the Office of Inspector General and Director of Compliance.

To make such certifications meaningful, university boards of trustees shall 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. It is our intent that such audits include testing of data that supports performance funding metrics. Such testing is essential to determining if processes are in place and working as intended.

The scope and objectives of the audit should be set jointly between the Chair of the university board of trustees and the university Chief Audit Executive. The audit 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.

The results of this audit shall be provided to the Board of Governors after being accepted by the university’s board of trustees. The audit report shall include the university’s corrective action plan designed to correct any audit findings. The audit results shall support the President’s certification which shall include any noted audit findings. The completed Data Integrity Certification and audit report shall be
submitted to the Office of Inspector General and Director of Compliance no later than March 1, 2018.
I ask that you consider this deadline when establishing dates for your 2018 board of trustees meetings as we will need these audits and certifications included in our March Board of Governors meeting materials.

We appreciate your cooperation and assistance in ensuring the integrity of the performance funding process.

If you have questions regarding these requirements, please do not hesitate to contact the Board of Governors Inspector General at BOGInspectorGeneral@flbog.edu or 850-245-0466.

TGK/jkm
Attachment