

#### **UCF-4.034 University Direct Support Organizations.**

- (1) As provided in Section 1004.28, Florida Statutes, and Florida Board of Governors Regulation 9.011, a Direct Support Organization is an organization certified by the University of Central Florida Board of Trustees as operating in a manner consistent with the goals of the University and the best interest of the State.
- (2) To obtain certification as a Direct Support Organization, the organization will submit to the Board of Trustees the following:
  - (a) The proposed Articles of Incorporation.
  - (b) The proposed Bylaws, which will describe the operating procedures and specific individual responsibilities of the board of directors, committees, and officers of the organization.
- (3) The Articles of Incorporation and the Bylaws, together, will provide:
  - (a) The director or chief executive officer will report to the President of the University or the President's designee.
  - (b) The Chair of the Board of Trustees will appoint at least one Trustee representative to the board of directors and any executive committee of the organization. The President of the University or their designee will also serve on the board of directors and any executive committee of the organization. The Board of Trustees will approve all appointments to each Direct Support Organizations board of directors, except for the Chair's Trustee representative and the President (or President's designee). The Chair's Trustee representative may not be the University President; nor may the Chair and President appoint the same person to represent both the Chair and the President on any one Direct Support Organization board.
  - (c) Any subsequent amendments to the Articles of Incorporation or Bylaws of the organization will be submitted to the Board of Trustees for approval prior to becoming effective.
  - (d) The organization will provide equal employment opportunities for all persons regardless of race, color, religion, sex, sexual orientation, age, national origin, disability, marital status, veteran status, or any other basis protected by law. Personal services provided to the organization will comply with Section 1012.976, Florida Statutes.
- (4) Upon certification by the Board of Trustees, a Direct Support Organization is authorized to use the property, facilities, and personal services of the University.
- (5) All debt issued by a Direct Support Organization is subject to the Florida Board of Governors Debt Management Guidelines and all public-private partnership transactions involving a Direct Support Organization are subject to the State University System Public-Private Partnership Guidelines.
- (6) DSOs will require approval by the Board of Trustees for the purchase of goods and services, acquisition of real property, and the construction or renovation of facilities, at the thresholds more particularly set forth in the Resolution on Presidential Authority, as the delegated authorities may be updated from time to time.

(7) As of July 1, 2019, any transfer of a state appropriation to a DSO is limited to funds pledged for capital projects.

- (a) This regulation does not prohibit the transfer of non-state funds between university DSOs, or the transfer of non-state funds to the DSO, as long as the original source of funding was not a state appropriation.
- (b) A DSO may transfer funds and provide the use of DSO property, facilities or personal services without any charge to the university.
- (c) Annually, each university will report to the Legislature and the Board of Governors all transfers of state funds to each university DSO, using the format and instructions specified by the Chancellor.

(8) A Direct Support Organization is responsible for submitting any forms that may be required by the Internal Revenue Service, including but not limited to, the Recognition of Exemption Form (Form 1023) and its Return of Organization Exempt from Income Tax form (Form 990). The University Board of Trustees designates the Direct Support Organization's board of directors (or its applicable committee) as the appropriate reviewing and approval authority. Copies of the Form 1023 and Form 990 will be provided to the Board of Governors by the University.

(9) A Direct Support Organization will prepare, at least annually, a budget to be reviewed and approved by the organization's governing board and the Board of Trustees.

(10) A Direct Support Organization will prepare quarterly expenditure plans for review and approval by the President or designee, who will be a vice president or other senior officer of the university reporting directly to the President.

(11) A Direct Support Organization will provide for an annual audit by an independent certified public accountant, as prescribed by applicable law and rules, which will be forwarded to the Board of Trustees for review, as well as the Board of Governors and Auditor General.

(12) A Direct Support Organization may not use state funds for travel expenses incurred by the Direct Support Organization.

(13) The Direct Support Organization is prohibited from giving, either directly or indirectly, any gift to a political committee as defined in section 106.011, Florida Statutes, for any purpose.

(14) The University President may request the Board of Trustees decertify a Direct Support Organization if the President determines the organization is no longer serving the best interest of the University. The request for decertification will include a plan for disposition of the Direct Support Organization's assets and liabilities.

(15) The Direct Support Organization will comply with all other obligations required by law and regulation, including those required by Section 1004.28, Florida Statutes and Florida Board of Governors Regulation 9.011.

*Authority: BOG Regulations 1.001 and 9.011. History—New 4-3-03; Formerly 6C7-4.034; Amended 5-11-09, 9-15-14, 1-24-19, 7-18-19, 6-17-21.*