

NOTICE OF PROPOSED REGULATION AMENDMENT

Date: June 14, 2019

REGULATION TITLE:
University Direct Support Organizations

REGULATION NO.:
UCF-4.034

SUMMARY OF REGULATION AMENDMENT: This regulation is amended to remove reference to the Materiality Guidelines that, at the May 16, 2019 Board of Trustees meeting, were rescinded and replaced by the Delegation of Authority to the President.

AUTHORITY: BOG Regulations 1.001 and 9.011.

NAME OF PERSONS WHO INITIATED PROPOSED REGULATION AMENDMENT:
Regulations Administrator

COMMENTS CONCERNING THE PROPOSED REGULATION AMENDMENT SHOULD BE SUBMITTED WITHIN 14 DAYS OF THE DATE OF THIS NOTICE TO THE CONTACT PERSON IDENTIFIED BELOW. The comments must identify the regulation you are commenting on.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED REGULATION AMENDMENT IS:

Regulations Administrator
4365 Andromeda Loop N.
Millican Hall, Suite 360
Orlando, FL 32816-0015
Phone: (407) 823-2482
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FULL TEXT OF THE PROPOSED REGULATION AMENDMENT:

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 that is 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 must submit to the Board of Trustees the following:

- (a) The proposed Articles of Incorporation.
- (b) The proposed Bylaws, which shall 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, shall provide that:

- (a) Persons employed by the organization shall not be considered to be employees of the State of Florida by virtue of employment by the organization.
- (b) The chief executive officer or director of the organization shall be selected and appointed by the governing board of the organization, subject to prior approval by the President of the University. The director or chief executive officer shall report to the President of the University or the President's designee, who shall be a vice president or other senior officer reporting directly to the President.
- (c) The chair of the Board of Trustees shall appoint a Trustee representative to the board of directors and executive committee of the organization, and the President of the University or his/her designee shall serve on the board of directors and executive committee of the organization. The Board of Trustees shall approve 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.
- (d) Any subsequent amendments to the Articles of Incorporation or Bylaws of the organization must be submitted to the Board of Trustees for approval prior to becoming effective.
- (e) The organization shall provide equal employment opportunities for all persons regardless of race, color, religion, sex, age, or national origin. Personal services provided to the organization must 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) Direct support organizations shall conduct business in accordance with the ~~Board of Trustees' Materiality Guidelines~~, UCF Debt Management Guidelines, and the Delegation of Authority to the President. As required therein, the Board of Trustees shall approve: purchases, acquisitions, and project expenditures with an annual financial commitment, obligation, or contingent risk of five million dollars or .5% of the university budgets, whichever amount is smaller; a contractual obligation of either more than five (5) years' duration or an aggregate net value of five million or more dollars; and the issuance of debt by a direct support organization. The provisions of this paragraph are not intended to apply to either: (i) the receipt by or award of funds to a direct support organization, such as donations or sponsored research funding or (ii) a direct support organization expenditure where the funding is supplied by a third party (including but not limited to a granting agency, awarding entity, or donor) as part of a grant, award, sponsored research contract, or donation.

(6) The President of the University shall have the authority to monitor and control the use of University name and resources by the organization, monitor compliance of the organization with state and federal laws and rules of the Board of Trustees, and approve salary supplements and other compensation or benefits paid to the University faculty and staff from organization assets.

(7) The President of the University shall determine the compensation of organization employees from organization assets and such authority may not be delegated.

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

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

(10) Direct support organizations shall provide for an annual audit by an independent certified public accountant, as prescribed by applicable law and rules, which shall be forwarded to the Board of Trustees for review and oversight.

(11) The University President may request that the Board of Trustees decertify a direct support organization if the President determines that the organization is no longer serving the best interest of the university. The request for decertification shall include a plan for disposition of the direct support organization's assets and liabilities.

(12) The organization shall comply with all other obligations required by law and regulation, including those required by Section 1004.28, Florida Statutes and Florida Board of Governor Regulation 9.011. As set forth therein, the organization shall not use state funds for travel expenses.

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