

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



**Direct Support Organizations Committee Teleconference  
Thursday, January 11, 2018  
3:00 p.m. – 4:00 p.m.**

**Committee Members:** Thomas Dortch – Chair; Dave Lawrence – Vice Chair  
Bettye Grable, Devin Harrison, Kelvin Lawson

**AGENDA**

- |     |               |                      |
|-----|---------------|----------------------|
| I.  | Call to Order | Thomas Dortch, Chair |
| II. | Roll Call     | Ms. Angie Wiggins    |

**ACTION ITEMS**

- |      |   |  |
|------|---|--|
| III. | Acceptance of DSO Budgets: FY 2017-2018 | Chair Dortch   |
|      | 1. FAMU Foundation, Inc.                | Shawnta Friday-Stroud, Ph.D., Interim Vice President<br>University Advancement |
|      | 2. FAMU Rattler Boosters                | Dr. Friday-Stroud  |
| IV.  | New Business                            | Chair Dortch   |
| V.   | Adjournment                             |  |

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



**ACTION ITEM**

**Direct Support Organizations Committee  
Thursday, January 11, 2018  
Agenda Item: III. 1.**

**Item Origination and Authorization**

Policy \_\_\_\_ Award of Bid \_\_\_\_ Budget Amendment \_\_\_\_ Change Order \_\_\_\_  
Resolution \_\_\_\_ Contract \_\_\_\_ Grant \_\_\_\_ Other \_\_\_\_

**Action of Board**

Approved \_\_\_\_ Approved w/ Conditions \_\_\_\_ Disapproved \_\_\_\_ Continued \_\_\_\_ Withdrawn \_\_\_\_

**Subject:** Acceptance of DSO Budget: FAMU Foundation, Inc.

**Rationale:** The revised FY 2017-2018 FAMU Foundation Budget is presented for acceptance by the DSO Committee. The Foundation has been operating under the FY 2016-2017 Budget until the FY 2017-2018 Budget is approved.

**Attachment:** Foundation Operating Budget (see Attachment)

**Recommendation:** Acceptance of the FAMU Foundation Operating Budget

## FAMU FOUNDATION, INC.

## APPROVED FY 2017-2018 OPERATING BUDGET w/ Proposed Revisions

(Revised 2017-2018 Budget approved by BOD on 12/20/2017; pending approval by BOT)

|   | APPROVED<br>BUDGET | Proposed<br>Revisions | REVISED<br>BUDGET  |
|---|--------------------|-----------------------|--------------------|
| <b>REVENUE AND SUPPORT</b>                    |                    |                       |                    |
| <b>Operating Revenue</b>                      | \$2,132,640        |                       | \$2,132,640        |
| <i>Endowment Administrative Fees [1.5%]</i>   | \$1,781,640        |                       | \$1,781,640 (1)    |
| <i>Incoming Gifts Fees [5% or 7%]*</i>        | \$300,000          |                       | \$300,000 (2)      |
| <i>Earnings on Non-Endowed Funds</i>          | \$0                |                       | \$0 (3)            |
| <i>Admin Fees on Miscellaneous Revenue</i>    | \$45,000           |                       | \$45,000 (4)       |
| <i>Admin Fees on Disbursements</i>            | \$6,000            |                       | \$6,000 (5)        |
| <b>License Tags Revenue</b>                   | \$425,000          |                       | \$425,000          |
| <b>Rents &amp; Fees 625 E TN ST</b>           | \$75,000           | (\$10,000)            | \$65,000 (6)       |
| <b>Contingency Revenue</b>                    | \$85,000           | (\$67,000)            | \$18,000 (14)      |
| <b>TOTAL REVENUE AND SUPPORT</b>              | <b>\$2,717,640</b> | <b>(\$77,000)</b>     | <b>\$2,640,640</b> |
| <b>EXPENDITURES</b>                           |                    |                       |                    |
| <b>Foundation Operations</b>                  |                    |                       |                    |
| <b>Staff Salaries and Benefits</b>            | \$959,036          | (\$249,871)           | \$709,165 (7)      |
| Contractual Services                          | \$16,300           | \$8,700               | \$25,000           |
| General Counsel & Legal Services              | \$48,000           |                       | \$48,000           |
| Auditing and Accounting Services              | \$55,000           |                       | \$55,000           |
| <b>Foundation Board Support</b>               | \$116,000          | (\$25,000)            | \$91,000 (8)       |
| <b>Staff Travel</b>                           | \$45,000           | (\$15,000)            | \$30,000 (9)       |
| Memberships & Subscriptions                   | \$5,000            |                       | \$5,000            |
| Insurance                                     | \$22,000           |                       | \$22,000           |
| Janitorial Services                           | \$22,000           |                       | \$22,000           |
| Office Security Monitoring                    | \$10,000           |                       | \$10,000           |
| Office Utilities                              | \$62,000           | \$14,000              | \$76,000           |
| Pest Control                                  | \$4,000            |                       | \$4,000            |
| Grounds Maintenance                           | \$12,000           |                       | \$12,000           |
| <b>Software Maintenance</b>                   | \$53,000           | \$45,500              | \$98,500 (10)      |
| Telephone                                     | \$2,500            |                       | \$2,500            |
| Office Equipment/Furniture                    | \$10,000           | \$20,000              | \$30,000           |
| Materials, Printing & Postage                 | \$30,000           |                       | \$30,000           |
| 625 E TN Street Renovations                   | \$50,000           |                       | \$50,000           |
| 625 E TN Street Reserve Fund                  | \$0                |                       | \$0                |
| Bank Fees                                     | \$5,000            |                       | \$5,000            |
| <b>Donor Outreach Support / Other</b>         | \$2,229            | \$25,671              | \$27,900 (11)      |
| Operating Contingency                         | \$10,000           | \$5,000               | \$15,000           |
| <b>Total Foundation Operations</b>            | <b>\$1,539,065</b> | <b>(\$171,000)</b>    | <b>\$1,368,065</b> |
| <b>Office of University Advancement</b>       |                    |                       |                    |
| Advancement Operations/Development Support    | \$80,000           |                       | \$80,000           |
| Fundraising Activities [75% lic tag rev]      | \$318,750          |                       | \$318,750          |
| <b>Total Office of University Advancement</b> | <b>\$398,750</b>   | <b>\$0</b>            | <b>\$398,750</b>   |

| <b>APPROVED<br/>BUDGET</b> | <b>Proposed<br/>Revisions</b> | <b>REVISED<br/>BUDGET</b> |
|----------------------------|-------------------------------|---------------------------|
|----------------------------|-------------------------------|---------------------------|

**University Support**

|  |                  |                 |                       |
|--|------------------|-----------------|-----------------------|
| University President Compensation            | \$0              |                 | \$0                   |
| Interim University President Compensation    | \$233,090        |                 | \$233,090             |
| Office of the President/Spec Request         | <b>\$10,000</b>  | <b>\$17,000</b> | <b>\$27,000</b>       |
| University Auxiliary Support                 | \$250,485        |                 | \$250,485             |
| Board of Trustees Assessment                 | <b>\$36,000</b>  | <b>\$10,000</b> | <b>\$46,000</b>       |
| Board of Governors Assessment                | \$14,000         |                 | \$14,000              |
| Lobbying Expenses                            | \$70,000         |                 | \$70,000              |
| University Stadium Support                   | \$60,000         |                 | \$60,000              |
| License Tags Scholarships [25% lic tags rev] | \$106,250        |                 | \$106,250             |
| <b>Athletics Salary Support</b>              | <b>\$0</b>       | <b>\$67,000</b> | <b>\$67,000</b> (12)  |
| <b>Total University Support</b>              | <b>\$779,825</b> | <b>\$94,000</b> | <b>\$873,825</b> (13) |

**TOTAL EXPENDITURES**

|                    |                   |                    |
|--------------------|-------------------|--------------------|
| <b>\$2,717,640</b> | <b>(\$77,000)</b> | <b>\$2,640,640</b> |
|--------------------|-------------------|--------------------|

**REVENUE LESS EXPENDITURES**

|            |            |            |
|------------|------------|------------|
| <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |
|------------|------------|------------|

**NOTES:**

|   |  |
|---|--|
| (1) Operating Revenue - Endowment Administrative Fee        | Annual administrative fee of 1.5% on \$120,580,049, the 12 quarter average market value of the total Investment Portfolio, charged to each endowment. Seven Endowment funds currently have lower than 1.5% fee.  |
| (2) Operating Revenue - Incoming Gift Fees                  | Incoming gifts below \$5K are charged 7%, gifts of \$5K and above are charged 5%. Projected cash gifts of \$6M. Additional fundraisers to support Campaign. * Based on my preliminary assessment of last year's actual, and the account balance as of today, I am noting that \$150,000 is a more realistic projection. (Friday-Stroud, 1/8/18)* |
| (3) Operating Revenue - Earnings on Non-Endowed Funds       | With the change to the Spend Policy in 2014 to calculate spend and admin fees on the 12 quarter average total Investment Portfolio, the earnings on Non-Endowed funds are now categorized under Operating Revenue - Endowment Administrative Fee.  |
| (4) Operating Revenue - Admin Fees on Miscellaneous Revenue | New 7% fee for payments received on non-gifts (dues, subscription, registrations, etc.). Revenue estimated at \$640K.  |
| (5) Operating Revenue - Admin Fees on Disbursements         | Check processing fee of \$2.50 at estimated 2,400 checks to be processed.  |
| (6) Rents & Fees 625 E TN ST                                | Decrease due to no tenants and half way through the fiscal year. Anticipated rental income for building.   |
| (7) Staff Salaries and Benefits                             | Decreased three vacant Fundraising positions by \$48,137 and removed the portion of E&G paid Fundraising salaries at \$201,734 to redirect funds to Athletics salary supplement  |
| (8) Foundation Board Support                                | Line title changed to more accurately describe expenditures, non-board meeting expenses included with Others.  |
| (9) Staff Travel  | Decreased by \$15K to redirect funds to Athletics salary supplement  |
| (10) Software Maintenance                                   | Increased by \$45.5K to redirect funds paid for Fundraising software; Raiser's Edge Fundraising Solutions \$32K annually, \$13.5K NetCommunity annually.   |
| (11) Donor Outreach Support / Other                         | Budget line updated to include funds of \$25,671 redirected from Foundation Board Support, titled as Donor Outreach Support.   |
| (12) Athletics Salary Support                               | New budget line item of \$67,000 for University Support - University request for \$134K adjusted for remaining six months of fiscal year   |
| (13) Total University Support                               | Increased by \$94,000 for Athletics salary support and University Support  |
| (14) Contingency Revenue                                    | Reduction for 50% of \$134K requested for Coach's salary since half of fiscal year has passed.   |

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



**ACTION ITEM**

**Direct Support Organizations Committee  
Thursday, January 11, 2018  
Agenda Item: III. 2.**

| Item Origination and Authorization |                    |                        |                    |  |
|------------------------------------|--------------------|------------------------|--------------------|--|
| Policy _____                       | Award of Bid _____ | Budget Amendment _____ | Change Order _____ |  |
| Resolution _____                   | Contract _____     | Grant _____            | Other _____        |  |

| Action of Board |                              |                   |                 |                 |
|-----------------|------------------------------|-------------------|-----------------|-----------------|
| Approved _____  | Approved w/ Conditions _____ | Disapproved _____ | Continued _____ | Withdrawn _____ |

**Subject:**                   **Acceptance of DSO Budget: FAMU Rattler Boosters**

**Rationale:**               The FY 2017-2018 Budget for the Rattler Boosters was made available during the DSO Committee Meeting held November 29, 2017. The Boosters' Budget was placed on hold to provide the former Vice President for University Advancement, George Cotton, Sr., an opportunity to review and to bring back a recommendation to the Committee as is the process in place for DSO's.

Dr. Shawnta Friday-Stroud, Interim Vice President for University Advancement, has reviewed the Budget and recommends acceptance by the DSO Committee.

**Attachment:**           FAMU Rattler Boosters (see Attachment)

**Recommendation:**   Acceptance of the FAMU Rattler Boosters Budget

**Florida A&M University Boosters, Inc.**  
**Draft Fiscal Year 2017-2018 Operating Budget**

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|   | <b>BUDGET</b>    |
|---|------------------|
| <b>REVENUE</b>                              |                  |
| Member Dues [500 members @ \$100]           | \$50,000         |
| Life Members [30 members @ \$750]           | \$22,500         |
| Subscribing Members [30 members @ \$250]    | \$7,500          |
| 2017 Kickoff Luncheon [400 tickets @ \$25]  | \$10,000         |
| 2018 Fang Luncheon [400 tickets @ \$25]     | \$10,000         |
| 2017-2018 Homecoming Campaign               | \$100,000        |
| Contributions/Sponsorships                  | \$10,000         |
| <b>TOTAL REVENUE</b>                        | <b>\$210,000</b> |
| <b>EXPENDITURES</b>                         |                  |
| Contractual Services                        | \$20,000         |
| Travel Expenses                             | \$10,000         |
| Entertainment Expenses                      | \$6,000          |
| Professional Memberships                    | \$1,000          |
| Office Supplies & Equipment                 | \$10,000         |
| Membership Awards                           | \$10,000         |
| 2017 Kickoff Luncheon [Actual Gross Amount] | \$7,000          |
| 2018 Fang Luncheon [400 meals @ \$15]       | \$6,000          |
| Athletic Donations (Homecoming Campaign)    | \$100,000        |
| Scholarships Funds                          | \$10,000         |
| Life Membership Endowment                   | \$30,000         |
| <b>TOTAL EXPENDITURES</b>                   | <b>\$210,000</b> |
| <b>REVENUE LESS EXPENDITURES</b>            | <b>\$0</b>       |