



**Report No. 19-20-0005**  
**Advisory Services Report**  
**Process for Adopting and Changing Policies**



**ACCOUNTABILITY • INTEGRITY • EFFICIENCY**

November 20, 2019



# Processes for Adopting and Changing Policies

## EXECUTIVE SUMMARY

### WHAT WE DID

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We performed a review of the processes for adopting and changing policies. As part of the review, we submitted a Board of Trustee policy and University policy through the current policy adoption process. Additionally, we reviewed four adopted policies to determine if they had been updated to align with current regulations, laws, and best practices. The four policies reviewed addressed the adoption and review process, athletics, and direct support organizations.

### WHAT WE FOUND

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We found that the processes for adopting and changing policies were not operating effectively to establish a sound system of internal controls. Specifically:

- The University did not possess a central repository for University policies. Instead, policies are posted on individual department websites. Therefore, staff, students, and management are unable to determine, in totality, the policies in place with which they are expected to comply.
- The University does not use technology to manage the policy review and adoption process. The manual process the University currently uses is cumbersome, time consuming, and inefficient.
- All four policies reviewed required updating due to out dated legal or regulatory references, inconsistencies with current University practice, or were not in alignment either Florida Statutes or best practices.

### OPPORTUNITIES FOR IMPROVEMENT

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The University could improve the current process for adopting and changing policies by implementing:

- A central repository for all University policies, procedures, and regulations.
- Additional dedicated personnel resources either through staffing or contract.
- Policy management software to automate and manage the process for adopting and changing policies.
- A policy review checklist to help guide reviewers.
- An annual policy review requirement.
- Training for all regulation and policy representatives.



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## BACKGROUND

### Internal Audit Standards:

Professional auditing standards<sup>1</sup> state that the internal audit activity must assist the organization in maintaining effective controls by evaluating their effectiveness and efficiency and by promoting continuous improvement. Additionally, the internal audit activity must evaluate the adequacy and effectiveness of controls in responding to risks within the organization’s governance, operations, and information systems regarding compliance with laws, regulations, policies, procedures, and contracts. The University must have current policies to guide the behavior and expectations of management, staff, and students.

### COSO Internal Control – Integrated Framework:

The Committee of Sponsoring Organizations of The Treadway Commission (COSO) established the Internal Control – Integrated Framework<sup>2</sup> (Framework), which is currently the leading framework for designing, implementing, and conducting internal control and assessing the effectiveness of internal control. The Framework is composed of five components: control environment, risk assessment, control activities, information and communication, and monitoring activities. Establishing and managing an effective policy adoption and review process directly impacts Florida A&M University’s ability to meet the following control principles included in the COSO Framework:

- **Control Environment:** Management establishes, with board oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives.
- **Control Environment:** The organization holds individuals accountable for their internal control responsibilities in the pursuit of objectives.
- **Control Activities:** The organization deploys control activities through policies that establish what is expected and procedures that put policies into action.
- **Information and Communication:** The organization internally communicates information, including objectives and responsibilities for internal control, necessary to support the functioning of internal control.
- **Monitoring Activities:** The organization selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning.

<sup>1</sup> International Standards for the Professional Practice of Internal Auditing (Standards) – Performance Standards 2130 - Control

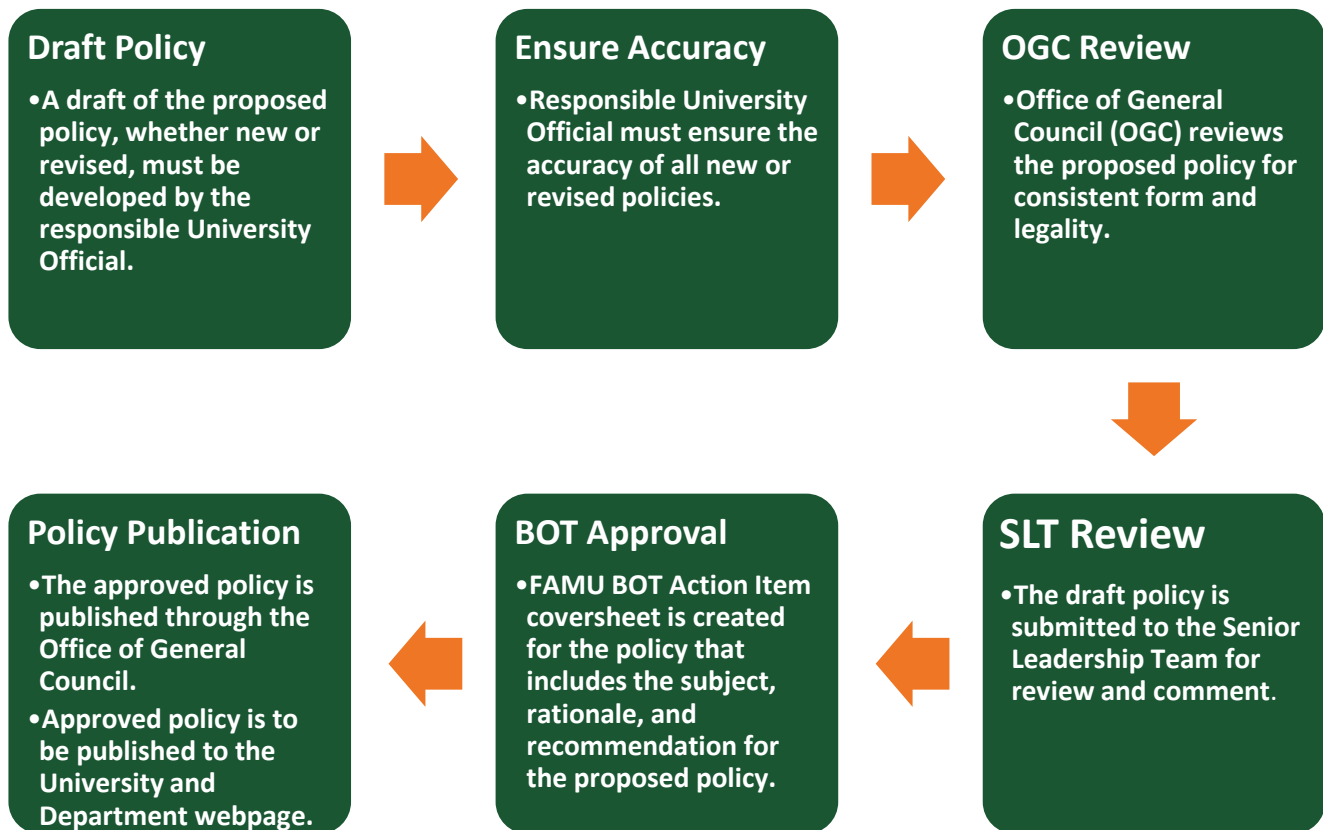
<sup>2</sup> COSO Internal Control – Integrated Framework (2013) - Components and Principles



### FAMU Policy Process Overview

The process for adopting and changing policies at the University is governed by University Policy UP-01-01: Regulations, Policies, and Internal Operating Procedures. The purpose of the policy was to establish “a framework for the creation and revision of regulations, policies, and internal operating procedures, this Policy is established to ensure that all University regulations, polices, and internal operating procedures are developed and adopted with uniformity.”<sup>3</sup> The policy discusses the development and revision of new policies, administrative areas of responsibilities for policy development by topic area, publication of policies, policy annual review requirement, and the hierarchy of policies to resolve conflicts. The policy was last revised and approved by Legal Affairs and the University President on October 9, 2017. Figure 1 and Figure 2 provide flowcharts of the BOT and University policy adoption processes respectively. Please note that the revision of adopted policies, follow the same process, but changes must be indicated in redline format.

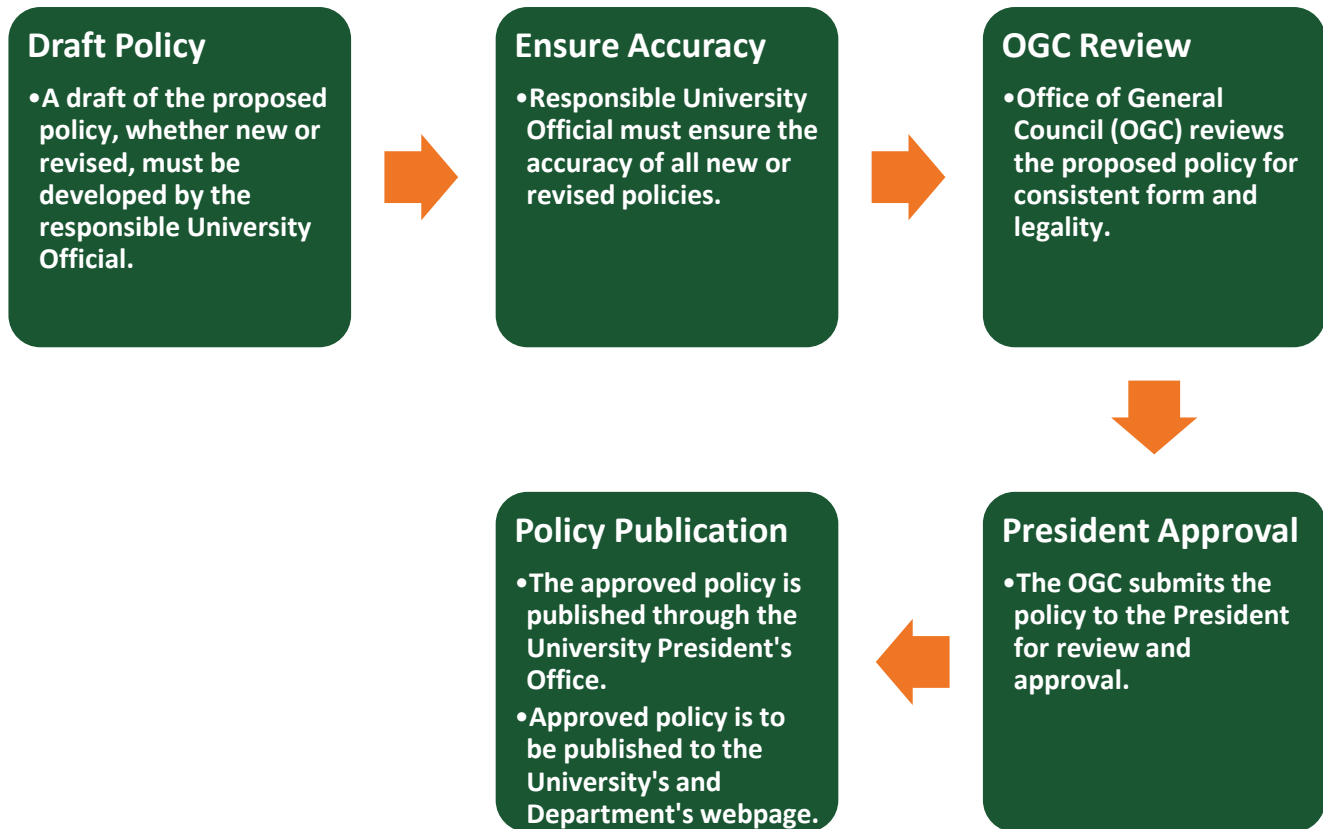
**Figure 1: FAMU BOT Policy Adoption Flowchart**



<sup>3</sup> Florida A&M University Policy UP-01-01: Regulations, Policies, and Internal Operating Procedures – Policy Purpose and Intent.



**Figure 2. University Policy Adoption Flowchart**





## POLICY ADOPTION PROCESS REVIEW

The Division of Audit performed a review of the process for adopting policies. As part of that process, we submitted a Board of Trustee policy and University policy through the current policy adoption process after assessing that the University had a fundamental need to provide governance over internal controls and enterprise risk management. Specifically, we submitted a draft BOT Policy: Internal Controls and Enterprise Risk Management (Appendix B) and University Policy: Internal Controls and Enterprise Risk Management (Appendix C).

Policy Review Steps	Description	Comments
<b>Draft Policy</b>	Joseph Maleszewski, Vice President and Deidre Melton, Internal Auditor/Investigator from the Division Audit drafted for consideration a BOT & University policy related to internal controls and enterprise risk management.	The draft was in response to commentary from the Board of Trustees during the June 6, 2019, Audit and Compliance Committee meeting and the August 16, 2019, Board of Trustee Meetings.
<b>Ensure Accuracy</b>	Mr. Maleszewski reviewed the policies for form, content, and alignment with the COSO Internal Controls – Integrated Framework, COSO Enterprise Risk Management – Integrating with Strategy and Performance Framework, and education industry best practices for the governance of internal control and enterprise risk management.	Due to the fact that the policies would impact all University Departments, VP Maleszewski presented both policies to the entire Senior Leadership Team for review and feedback on August 20, 2019. Based on feedback received, modifications were made to the original draft.
<b>Office of General Counsel Review</b>	Drafts of the University and BOT Policy were provided to the Office of General Counsel for review of September 9, 2019.	Revisions were made to the policies by General Counsel Denise Wallace and submitted back to VP Maleszewski on September 9, 2019.
<b>Senior Leadership Team Review</b>	Due to the policies already being reviewed by the Senior Leadership Team. Both policies were presented to the Board of Trustees for review and feedback during the September 19, 2019, Board of Trustees Meeting.	Members of the Board of Trustees did not provide feedback during or after the meeting regarding changes for either document.



<b>Board of Trustee/President Approval</b>	<p>Board of Trustee Approval: On the agenda for the December 4 – 5 Board of Trustee Meetings.</p> <p>University President: Submitted for approval on _____.</p>	
<b>Policy Publication</b>	N/A	N/A





## POLICY REVIEW PROCESS REVIEW

The Division of Audit reviewed the University’s policy review process to determine whether policies were being reviewed regularly for updates to regulations, statutes, industry best practices, forms and alignment with University practices. Four policies were selected for this review:

- **Regulations, Policies, and Internal Operating Procedures (University Policy Number: UP-01-01):** The purpose of this policy is to provide a framework for the creation and revision of regulations, policies, and internal operating procedures and are developed and adopted with uniformity.
- **Audits of University Athletics Finances (Board of Trustees Policy Number: 2005-16):** The purpose of this policy is to provide guidance regarding annual audits, internal audits, and reviews of the financial condition of University Athletics.
- **FAMU Direct Support Organizations (Board of Trustees Policy Number: 2018-01):** The purpose of this policy is to establish uniform criteria for certifying FAMU Direct Support Organizations and uniform policies regarding the operation and oversight of FAMU Direct Support Organizations.
- **Intercollegiate Athletics Policy (Board of Trustees Policy Number 2005-17):** The purpose of this policy is to establish the guiding principles, implementation, and authority for University Athletics.

The below chart depicts the results of our review of each policy by category. For any indicated deficiency noted in the chart, the Division of Audit provided recommended changes to the policy in redline format in the referenced appendix.

Policy	Up to Date Regulations?	Up to Date Statutes?	Up to Date Industry Best Practices?	Up to Date Forms?	Aligned with University Practice?	Appendix
UP-01-01	No	No	No	No	No	D
BOT 2005-16	No	No	No	N/A	No	F
BOT 2005-17	No	Yes	No	N/A	No	G
BOT 2018-01	Yes	Yes	No	Yes	No	H

Additionally, based on the results above the Division of Audit created a recommended Policy Review Checklist to help guide reviewers during the policy review process (See Appendix E).



## APPENDIX A: PURPOSE, SCOPE, AND METHODOLOGY

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### **Purpose and Scope**

The purpose of this advisory service was to review the process for adopting and changing policies for efficiency, effectiveness, and completeness. As part of the review, we submitted a Board of Trustee policy and University policy through the current policy adoption process. Additionally, we reviewed four adopted policies to determine if they had been updated to align with current regulations, laws, and best practices. The four policies reviewed addressed the adoption and review process, athletics, and direct support organizations.

### **Methodology**

As part of the engagement we:

- Reviewed current University policy, Florida Statutes, Florida Board of Governors Regulations; NCAA bylaws and constitution, and industry best practices related to athletics, audits, and policy developments;
- Reviewed past audits, investigations, advisory work, risk assessments, University practices, and University website information; and
- Engaged senior leadership and Legal Affairs staff in discussions on the current policy development process and areas of athletics that require strengthening through policy.



## APPENDIX B: DRAFT BOT Policy: Internal Controls and Enterprise Risk Management



### FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY Board of Trustees Policy

<b>Board of Trustees Policy Number:</b> 2019-01	<b>Date of Adoption:</b> <b>Date of Revision:</b>
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<b>Subject</b>	Internal Controls and Enterprise Risk Management
<b>Authority</b>	Section 7(c), Article IX, Florida Constitution; Section 1010.01(5), Florida Statutes
<b>Applicability</b>	This policy applies to all University units and employees.

<p><b>I. Policy Statement and Purpose</b></p> <p>A. The Board of Trustees (BOT) has emphasized the importance of having appropriate risk management processes and systems to identify challenges early, to bring them to the attention of University leadership, and to develop solutions. To that end, the University seeks to modernize existing efforts by requiring implementation of both the Enterprise Risk Management (ERM) capability and the internal control framework championed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in its publications <i>Internal Controls – Integrated Framework</i> and <i>Enterprise Risk Management - Integrating with Strategy and Performance</i>. This integrated governance structure will improve mission delivery, reduce costs, and focus corrective actions toward mitigating key risks.</p> <p>B. The Board of Trustees expects the University administration to develop an internal control environment governed by policies and procedures necessary to provide reasonable assurances that business processes result in effective and efficient operations, reliable financial reporting, and compliance with applicable laws and regulations. The system of internal control is meant to keep the University on focusing on its mission and to minimize surprises.</p> <p>C. The University administration has the responsibility to establish and maintain an adequate system of internal controls and to furnish to the BOT, governmental agencies, University creditors and other constituencies with reliable financial information on a timely basis. An adequate system of internal controls is necessary for the administration to discharge these responsibilities.</p> <p>D. Controls help ensure that assets are not exposed to unauthorized access and use, transactions are properly recorded in the financial records, and the resultant financial information is reliable. External organizations and supporters of the University rely on financial information to make decisions toward appropriations, loans and other debt, gifts and grants, and other contractual</p>
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relationships. University resources are dependent upon a system of internal controls. The Auditor General is required annually to report upon the adequacy of the University’s systems for control over financial reporting and compliance. The safeguarding of University assets and the reliability upon which the University and others can place upon the University’s financial records are dependent upon the effectiveness of the internal control process.

**II. Definitions**

- A. **Abuse:** “Abuse” means behavior that is deficient or improper when compared with behavior that a prudent person would consider a reasonable and necessary operational practice given the facts and circumstances. The term includes the misuse of authority or position for personal gain.
- B. **Enterprise Risk Management:** Enterprise risk management is a process, effected by an entity’s board of directors, management and other personnel, applied in strategy setting and across the enterprise, designed to identify potential events that may affect the entity, and manage risk to be within its risk appetite, to provide reasonable assurance regarding the achievement of entity objectives.
- C. **Fraud:** “Fraud” means obtaining something of value through willful misrepresentation, including, but not limited to, intentional misstatements or intentional omissions of amounts or disclosures in financial statements to deceive users of financial statements, theft of an entity’s assets, bribery, or the use of one’s position for personal enrichment through the deliberate misuse or misapplication of an organization’s resources.
- D. **Internal Control:** Internal Control is a process, effected by an entity’s board of directors, management, and other personnel designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance.
- E. **Waste:** “Waste” means the act of using or expending resources unreasonably, carelessly, extravagantly, or for no useful purpose.

**III. Procedures, Approvals/Responsibilities**

- A. The President and his/her administration shall be responsible for establishing, maintaining, and consistently applying internal controls designed to:
  - a) Prevent and detect fraud, waste, and abuse as defined in Section 11.45(1), Florida Statutes;
  - b) Promote and encourage compliance with applicable laws, rules, contracts, grant agreements, and best practices;
  - c) Support economical and efficient operations;
  - d) Ensure reliability of financial records and reports; and
  - e) Safeguard University assets.
- B. Each employee is responsible for internal controls relevant to that individual’s role within the university and that support the following objectives:



- a) **Operations Objectives** – pertain to effectiveness and efficiency of the university’s operations, including operational and financial performance goals. These objectives promote orderly, economical operations and assist in achieving outcomes consistent with the university’s mission. Operations should safeguard resources against loss due to waste, mismanagement, errors, and fraud.
- b) **Reporting Objectives** – pertain to internal and external financial and nonfinancial reporting. These objectives encompass reliability, transparency, and other terms as set forth by regulators, recognized standard setters, and university policies.
- c) **Compliance Objectives** – pertain to adherence to laws and regulations to which the university is subject.

**C. Components of Internal Controls**

The system of internal controls must be designed and implemented to support the following components:

**Control Environment** – the set of standards, processes, and structures that provide the basis for carrying out internal controls across the university. The control environment comprises the commitment to integrity and ethical values that establish oversight responsibility and enforce accountability.

**Risk Assessment** – the process to identify, analyze and assess risks to the achievement of objectives.

**Control Activities** – the actions established through policies and procedures to mitigate risks to the achievement of institutional objectives.

**Information and Communication** – the use of relevant information to disseminate clear messages. Sound internal controls establish expectations and procedures to support the reliability and integrity of financial information and reporting.

**Monitoring Activities** – the use of evaluations to ascertain whether internal controls are present and functioning.

- D. University-implemented internal controls shall be appropriate, reliable, cost effective, comprehensive, reasonable, and directly related to control objectives.
- E. The President shall be responsible for assessing the effectiveness of the University’s system of internal controls and reporting annually to the Board of Trustees regarding the University’s internal controls, any identified weaknesses, and associated corrective actions.

**IV. Roles and Responsibilities**



**A. Board of Trustees**

1. Internal Controls

- a. Provide oversight for the system of internal controls.
- b. Define expectations about integrity and ethical values, transparency, and accountability for the performance of internal control responsibilities.

2. Enterprise Risk Management

- a. Provide oversight to ensure that management has implemented an effective system to identify, assess, manage, respond to, and monitor risks to the institution and its strategic objectives.
- b. Understand and assess the risks inherent in the University’s strategy, and encourage management to pursue prudent risk to generate sustainable performance and value.
- c. Understand the key drivers of success for the institution, and be knowledgeable about business management, governance, and emerging risks that may affect the institution.
- d. Work with management to establish and annually review the institution’s risk philosophy.
- e. Review risk information provided by management and the Audit Committee, including ERM annual report, institutional risk portfolio, and reports on the status of risk response.
- f. Collaborate and actively engage with management in discussions of risks, especially regarding philosophy, interaction and aggregation of risks, and underlying assumptions.
- g. Define the role of the full BOT versus its standing or other committees with regard to risks oversight.
- h. Understand and assess risks associated with BOT’s decisions and key strategies identified by the BOT.
- i. Provide for an appropriate culture of risk awareness across the University; monitor critical alignments of people, strategy, risks, controls, compliance, and incentives.

**B. Board of Trustees Audit and Compliance Committee**

1. Internal Controls

- a. Provide oversight of the entire financial reporting process. To do so effectively, the BOT should be familiar with the processes and controls that management has established and determine whether they are designed and operating effectively.



- b. Review major issues regarding accounting principles and the presentation of the financial statements. These include significant changes in the University’s selection or application of accounting principles, the adequacy of internal controls, and any special audit steps adopted in response.

2. Enterprise Risk Management

- a. Represent the BOT in providing oversight of the University’s ERM practices.
- b. Work with management to understand and agree on the types, frequency, and format of risk information that the BOT will review.
- c. Review risk information prior to its presentation to the full BOT, including ERM annual report, institutional risk portfolio, and reports on the status of risk response.
- d. Receive quarterly reports on enterprise risks and the status of risk response.
- e. On behalf of the full Board, periodically assess the BOT’s risk oversight process.

<b>Attachment(s)</b>	n/a
<b>Hyperlink Addresses</b>	



## APPENDIX C: DRAFT BOT Policy: Internal Controls and Enterprise Risk Management



<b>University Policy Number:</b> UP-01-02		<b>Effective/Revision Date:</b>
<b>Subject</b>	Internal Controls and Enterprise Risk Management DRAFT	
<b>Authority</b>	Section 7(c), Article IX, Florida Constitution; Section 1010.01(5), Florida Statutes; BOT 2019-01	
<b>Applicability</b>	This policy applies to all University units and employees.	
<b>Related</b>		

### I. POLICY PURPOSE AND INTENT

- A. This policy is intended to improve mission delivery, reduce costs, and focus corrective actions toward key risks through the modernization of existing efforts by requiring the implementation an Enterprise Risk Management (ERM) capability coordinated with the strategic planning and strategic review process, and the internal controls processes.

### II. STATEMENT OF POLICY

- A. The Board of Trustees (BOT) has directed the University to modernize existing efforts by requiring the implementation of an Enterprise Risk Management (ERM) capability coordinated with the strategic planning and strategic review process, and the internal controls processes championed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in its publications Internal Controls - Integrated Framework and Enterprise Risk Management - Integrating with Strategy and Performance.
- B. Successful implementation of this policy requires University leadership to establish and foster an open, transparent culture that encourages people to communicate information about potential risks and other concerns with their superiors without fear of retaliation or blame. An open and transparent culture results in the earlier identification of risks and allows the opportunity to develop a collaborative response, ultimately leading to more resilient operations.
- C. This policy applies to all members of the Senior Leadership Team and their respective divisions, departments, related activities, supervisors, and employees in carrying out those responsibilities they are charged with in administering the affairs of the University.

### III. DEFINITIONS





- A. **Enterprise Risk Management:** Enterprise risk management is a process, effected by an entity’s board of directors, management and other personnel, applied in strategy setting and across the enterprise, designed to identify potential events that may affect the entity, and manage risk to be within its risk appetite, to provide reasonable assurance regarding the achievement of entity objectives.
- B. **Internal Control:** Internal Control is a process, effected by an entity’s board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance.

**IV. PROCEDURES**

- A. Annually, the University will develop a risk profile aligned with its strategic and performance goals. Management must provide assurances on internal control effectiveness to the BOT. Information regarding identified material or significant weaknesses and corrective actions should be included in Management assurance reports.
- B. The primary compliance indicators that management must consider when implementing this policy include:
  - a) Management is responsible for the establishing a governance structure that effectively implements, directs and oversees implementation of this policy and all the provisions of a robust process of risk management and internal controls.
  - b) Implementation of this policy should leverage existing offices or functions within the University that currently monitors risks and the effectiveness of the University’s internal controls.
  - c) The University should develop a maturity model approach to the adoption of an ERM framework consistent with COSO’s Enterprise Risk Management – Integrating with Strategy and Performance. The University must continuously build risks identification capabilities into the framework to identify new or emerging risks, and/or changes in existing risks
  - d) Management must evaluate the effectiveness of internal controls annually using COSO’s Internal Controls – Integrated Framework.
- C. Effective systems of internal administrative and accounting control provide the basic foundation upon which a structure of public accountability must be built. Effective systems of internal administrative and accounting control are necessary to attain the University’s goals and objectives; promote operational efficiency and effectiveness; comply with applicable Federal, State, and local laws, regulations, and policies; safeguard assets and funds; and protect the integrity and reliability of financial and operational information.
- D. Effective systems of internal administrative and accounting control are necessarily dynamic and must be continuously evaluated and, where necessary, established, changed, or improved. Irregularities, noncompliance, and failure to meet goals and objectives are more



likely to occur from a lack of effective systems of internal administrative and accounting control at the University.

- E. The President and Senior Leadership Team are responsible for establishing and maintaining systems of internal administrative and accounting control. The Division of Audit assists the BOT and the President by examining, evaluating, and reporting on the adequacy and effectiveness of the University's systems of internal control. Reports regarding the adequacy of the systems of internal administrative and accounting control of each University division aid in evaluating the division's performance of its public responsibilities and accountability.
- F. The University will annually, provide to the BOT an assurance statement and summary information including an analysis of the University's systems, controls, and legal compliance. It should include a summary of the University's process for assessing internal control effectiveness and resulting material weaknesses and corrective action plans. The assurance statement is an accountability statement; therefore, only essential information should be included.

**G. Standards:**

- a) FAMU shall have an adequate system of internal administrative control to provide reasonable assurance that:
  - a. Goals and objectives of the University will be attained;
  - b. Operating and program results are in accordance with President's and BOT's intent;
  - c. Operations are efficient and effective; and
  - d. Applicable laws, regulations, and policies have been complied with.
- b) FAMU shall have an adequate system of internal accounting control to provide reasonable assurance that:
  - a. Funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation; and
  - b. Revenues, expenditures, obligations, and other transactions applicable to University operations are properly recorded and accounted for in order to permit the preparation of reliable financial and statistical reports and analyses and to maintain accountability over assets.

**H. RESPONSIBILITIES:**

- a. President
  - i. Internal Control



1. Provide guidance for the establishment of each divisions' systems of internal administrative and accounting control. The President may modify such guidelines from time to time as deemed necessary.
2. Arrange for professional and technical support to the various University departments in establishing systems of internal administrative and accounting control.

ii. Enterprise Risk Management

1. Lead the setting of strategic objectives for the institution.
2. Inspire and foster cultural change in support of ERM as a value and best practice for the institution.
3. Lead management discussions with the BOT regarding institutional strategy and risk philosophy.
4. Review and approve recommendations from the Enterprise Risk Management Advisory Committee (ERMAC) (taking into consideration accompanying independent assessments from non-voting ERMAC members) regarding the development and implementation of the ERM program; ERM policy; institutional risk philosophy; institutional risks or opportunities with sufficient impact on the University's strategic objectives to warrant development of risk response plans; and proposed response plans for these risks.
5. Review and approve risk information and ERM progress reports prior to their submittal to the Audit Committee or the full BOT.

b. Division of Finance and Administration

i. Internal Control

1. The Division of Finance and Administration has the primary responsibility for internal control over financial reporting and compliance with applicable laws, rules, and regulations.
2. Develop for the President's approval procedures establishing the guidelines for the establishment of systems on internal control. These procedures shall be consistent with the COSO's *Internal Controls - Integrated Framework*.
3. Establish guidance for the University, by each department, of its systems for internal control over cash.



4. Arrange for professional and technical support to the various University departments in establishing systems for internal control over cash.
  5. The Division of Finance and Administration is the University source for information and assistance to faculty and staff leadership on this topic and will make resources available to any business function on campus to assist in administering this policy.
- ii. Enterprise Risk Management
1. University’s chief budget officer has the responsibility to ensure that risks associated with achieving the university’s strategic goals are captured in the annual budget planning process.
- c. Chief Risk Officer
- i. Primary responsibility for the design and implementation of Enterprise Risk Management consistent with COSO’s *Enterprise Risk Management: Integrated with Strategy and Performance* under the direction of the Vice President for Strategic Planning, Analysis and Institutional Effectiveness.
  - ii. Responsible and accountable to the President for overseeing the development, implementation, and fostering of a collaborative, campus-wide approach to ERM at the University.
  - iii. Promote the consistent use of risk management and ownership of risk at all levels of the institution.
  - iv. Build a risk-aware culture, including appropriate education and training.
  - v. Lead the institution’s processes for identifying, analyzing, evaluating, responding to and controlling, monitoring, and reporting on key risks.
  - vi. Submit risk information for review on a regular basis to the Board Audit Committee and the full BOT.
  - vii. As the Responsible Official for the University’s ERM policy, oversee its development and approval by the President.
  - viii. Charge, appoint, and oversee the work of an ERM Advisory Committee (ERMAC).
- d. General Counsel
- i. Act as legal counsel to the ERMAC.



- ii. Prepare for the President an independent assessment of ERMAC reports/recommendations from the legal perspective.
  - iii. As the University’s chief legal counsel, advise on risks and opportunities related to governance, legal, and compliance risk.
- e. Chief Compliance and Ethics Officer
  - i. Internal Control
    - 1. The Chief Compliance and Ethics Officer has primary responsibility for the design and implementation of the University’s Compliance and Ethics program consistent with Board of Governors Regulation 4.003 *State University System Compliance and Ethics Programs*.
  - ii. Enterprise Risk Management
    - 1. Non-voting, ex officio member of the ERMAC, provide counsel on compliance and privacy matters.
    - 2. Prepare for the President an independent assessment of ERMAC reports/recommendations from the compliance and privacy perspectives.
    - 3. Evaluate and provide reports on compliance and privacy risks to the University’s senior management and ERMAC.
    - 4. Work with ERMAC and the Chief Risk Officer on risks that are both compliance and key risks.
- f. Office of Human Resources
  - i. The Office of Human Resources is responsible for internal controls over employee recruitment, hiring, separation, promotion, job classification, employee rights, and salary administration.
  - ii. The Chief Human Resources and Diversity Officer is the University’s source for information and assistance to faculty and staff leadership on this topic and will make resources available to any business function at the University to assist in administering this policy.
- g. Division of Audit
  - i. Internal Control



1. Conduct an independent review and assessment of the adequacy and effectiveness of internal controls at all levels of the university.
  2. Report findings related to the Division of Audit’s evaluation of internal control systems to the President and BOT.
  3. Provide technical assistance to the President and the Senior Leadership Team regarding internal control systems.
  4. The Division of Audit, which must remain independent and objective, shall not have responsibility for establishing or maintaining the university's internal control systems.
- ii. Enterprise Risk Management
1. Non-voting, ex officio member of the ERMAC, provide independent consultation and advice
  2. Provide assurance to the BOT and the President on the effectiveness of the risk management process, including the evaluation, reporting, and management of key risks.
  3. Consult and advise on identifying and responding to risks and on the effectiveness of the risk assessment process.
- h. Senior Management (Vice-Presidents, Deans, and Separate Directors)
- i. Demonstrate full commitment to ERM as a value and best practice.
  - ii. Support the President, Chief Risk Officer, and ERMAC in creating the appropriate internal environment and institutional culture for ERM.
  - iii. Through an interview process, annually identify risks and opportunities that may affect the achievement of University objectives.
  - iv. As responsible officials, assess and manage institutional risks under the oversight of the President, Chief Risk Officer, ERMAC, and the Board of Trustees; may make presentations to the ERMAC or BOT committees upon request.
  - v. Assess and manage unit-level risks within unit-level plans, budgets, and resources.
  - vi. Include a discussion of risks and opportunities relevant to the mission of the senior management’s unit or the University, as well as the status of any response to such risks or opportunities, in their annual workplan and budget submission.



i. Employees

i. Internal Control

1. Each university employee with an oversight role for the use of university funds and for financial operations and budgets is accountable for upholding control principles and is responsible for ensuring that internal controls are established, documented, and functioning to achieve the university's and the unit's mission and objectives. This responsibility includes requiring that staff are educated and well-trained on university financial policies.

ii. Enterprise Risk Management

1. Each employee of the university has a role in the system of internal control. Each employee should understand:
  - a. The risks that relate to their roles and their activities;
  - b. How the management of risks relate to the success of the institution;
  - c. How the management of risks help them to achieve their own goals and objectives;
  - d. Their accountability for particular risks and how they can manage them;
  - e. How they can contribute to continuous improvement of risk management;
  - f. That risk management is a key part of the organization's culture; and
  - g. The need to report in a systematic and timely way to senior management any perceived new or emerging risks and any near misses or failures of existing control measures within the parameters agreed.

I. **EXCEPTIONS:** There shall be no exceptions to this policy.

J. **ADMINISTRATION:** The Division of Finance and Administration shall be responsible for administering this policy.



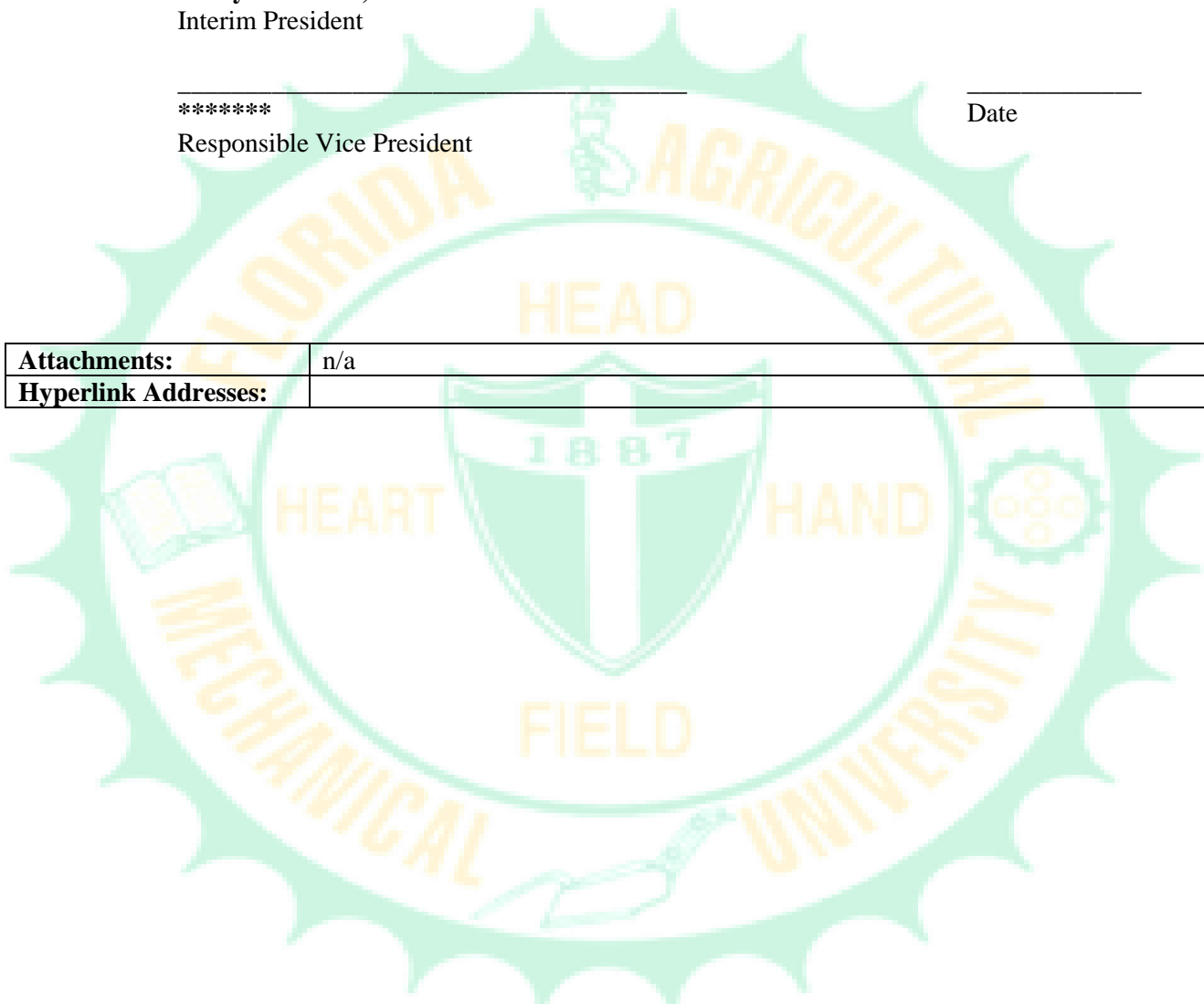
\_\_\_\_\_  
**Larry Robinson, Ph.D.**  
 Interim President

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 \*\*\*\*\*  
 Responsible Vice President

\_\_\_\_\_  
 Date

<b>Attachments:</b>	n/a
<b>Hyperlink Addresses:</b>	







## APPENDIX D: REGULATIONS, POLICIES, AND INTERNAL OPERATING PROCEDURES (UP-01-01) - RECOMMENDED UPDATES



<b>University Policy Number: UP-01-01</b>	<b>Effective/Revision Date: October 9, 2017</b>
<b>Subject</b>	Regulations, Policies, and Internal Operating Procedures
<b>Authority</b>	BOG 1.001; BOT 1.021
<b>Applicability</b>	This policy pertains to all University colleges, departments, units, employees, faculty, adjuncts, students, and staff.

### A. POLICY PURPOSE AND INTENT

It is essential that the Florida Agricultural and Mechanical University ("FAMU" or "University"), in discharging its obligations and achieving its stated objectives, have uniform policymaking. By providing a framework for the creation and revision of regulations, policies, and internal operating procedures, this Policy is established to ensure that all University regulations, policies, and internal operating procedures are developed and adopted with uniformity.

### II. STATEMENT OF POLICY

Regulations and policies are adopted to provide reference and guidance in the administration, operation, management or implementation of the various programs, services, facilities, and activities of FAMU. Such regulations and policies shall be consistent with the Florida Board of Governors (BOG) Regulation Development Procedure for State University Board of Trustees and FAMU Board of Trustees ("FAMU BOT") regulations.

The University President has the authority and responsibility for developing, recommending, and implementing regulations and policies, and the authority to establish a uniform procedure for policymaking.

The University President has further delegated some of his/her authority to various University Officials, such as vice presidents. Vice presidents are charged with the responsibility for creating, implementing, and updating University policies in his/her respective departments when statutes, rules, and regulations do not provide specific guidance, or do not offer procedures or Implementation directives necessary for efficient University operations. Such policies must be approved in accordance with procedures outlined herein. However, the final determination of whether a particular matter should be governed by a regulation or policy will be made by the University President, in consultation with the Office of the General Counsel (OGC), if necessary.

### III. REGULATIONS, POLICIES AND INTERNAL OPERATING PROCEDURES



- A. Regulations are statements of broad and general applicability, and are university-wide law adopted by the FAMU BOT under specific authority of the BOG. Regulations are required to be enacted in certain areas or are chosen to govern certain rights or interests of University constituents or those outside of the University community and must be consistent with state and federal law.
  - 1. Select Regulations pertain to subject matters that must be adopted as regulations such as: student tuition and fees to include parking fees, admissions, articulation and require approval by the FAMU BOT and BOG prior to becoming effective.
- B. Policies are a detailed system of guidelines that implement state and federal law and BOG and FAMU BOT regulations; assist with institutional compliance of laws and regulations; promote operational and management efficiencies; implement the various programs, services, facilities, and activities of FAMU; and/or enhance FAMU’s mission. Policies are adopted by the FAMU BOT or the University President under the specific executive authorities granted by the FAMU BOT. FAMU has two types of policies, which are FAMU BOT and University policies.
  - 1. Board of Trustees Policies (BOT Policies) are policies that implement state and federal law or BOG Regulations, and require FAMU BOT approval. BOT Policies become effective upon adoption by the FAMU BOT in a noticed open meeting.
  - 2. University Policies are statements to implement FAMU BOT regulations to assist with the conduct, compliance and operational efficiencies of FAMU. University policies must be approved by the University President and become effective upon the President's signature.
- C. Internal Operating Procedures (Internal Guidelines, Procedures or Protocols) (“IOPs”) are area specific procedures with limited application that are approved by the appropriate vice president and do not apply University-wide. IOPs affect activities under the authority of only one Vice President, addressing matters within the operational authority of the administrative or academic unit. IOPs may have detailed instructions, definitions, and/or forms that facilitate policy compliance. IOPs must not create or contain policy.

**IV. PROCEDURES, APPROVALS, AND RESPONSIBILITIES**

- A. Development of Regulations - Regulations will be adopted in accordance with the BOG [Regulations Development Procedure](#). The University President, through the appropriate vice president, must ensure the accuracy of all new or revised regulations within the vice president’s particular area of responsibility and authority, prior to the new or revised regulation being submitted to the FAMU BOT.
  - 1. A draft of the proposed regulation, whether new or revised, must be developed by the University President or the responsible vice president, along with his/her designees, in accordance with law and BOG regulations.
    - a. New and revised regulations are to be submitted in a redlined format in accordance with [FAMU’s regulation format](#).
  - 2. Proposed regulations must be reviewed by all affected Divisions, Departments or Units.
  - 3. The proposed regulation is then forwarded to the Office of the General Counsel (“OGC”) to review for consistent form prior to the adoption or amendment by the FAMU BOT. If the proposed draft regulation is inconsistent in form or substance as determined by the OGC, then it will be returned to the responsible vice president for appropriate revision.



4. Once the OGC has reviewed the proposed regulation, the responsible vice president will then provide the proposed regulation to the Senior Leadership Team for review and comments.
5. Once the comments are reviewed and no further modification is needed, the proposed draft regulation will be submitted by the responsible vice president to the FAMU BOT's liaison for placement on the respective FAMU BOT committee and the full FAMU BOT agendas for final review and approval.
  - a. A FAMU BOT Action Item coversheet must accompany the proposed regulation which shall include the subject, rationale, and recommendation for the proposed regulation.
6. Once the Board of Trustees has voted to approve the proposed regulation, the approved regulation will be published for 30 days by the OGC. After 30 days of publication and if no substantive comments are received, the regulation becomes effective. Select regulations are submitted to the BOG for final review and take effect after BOG approval.
  - a. A Regulation Development Notice must accompany the proposed regulation.
  - b. An electronic version of the final copy of the proposed regulation shall be submitted along with the redlined version.
7. Corrections to Adopted Regulations. When the substance of a regulation is not altered, the Corporate Secretary of the FAMU BOT is authorized to make appropriate corrections after publication of the adopted regulation. When there is a minor or technical correction(s) required that is not substantive in nature, the responsible vice president shall notify the OGC who will review the corrections prior to publication of the corrected regulation. Examples are: updates to hyperlinks, formatting, punctuation, and spelling will be made on a regular basis. Technical amendments include minor corrections of FAMU BOT regulations that include administrative titles or customary language usage changes.
8. Rescission of Adopted Regulation. The University President or responsible vice president may request that an adopted regulation be rescinded. The request, along with a detailed explanation for the proposed rescission, must be submitted in writing to the OGC and approved by the FAMU BOT.

**B. Development of New or Revised Policies**

1. FAMU BOT policies will be adopted as outlined below.
  - a. A draft of the proposed policy, whether new or revised, must be developed by the responsible University Official, along with his/her designees, in accordance with the policy format specified herein. Policies to be revised are to be submitted in a redlined format.
  - b. The responsible University Official must ensure the accuracy of all new or revised policies within his/her particular area of responsibility and authority, prior to the new or revised policy being submitted to the FAMU BOT. Proposed policies must be reviewed by the respective staff of the Division, Department or Unit and by all affected departments.
  - c. The proposed policy is then forwarded to the OGC for review for consistent form and legality prior to the adoption or amendment by the FAMU BOT. If the



proposed draft policy is inconsistent in form or substance as determined by the OGC, then it will be returned to the responsible University Official for appropriate modification.

d. Once the OGC has reviewed the proposed policy, the responsible vice president then submits the proposed policy to the Senior Leadership Team.

i. Once the comments are reviewed and no further modification is needed, the proposed draft policy will be submitted to the FAMU BOT for final review and approval. A FAMU BOT Action Item coversheet must accompany the proposed policy which shall include the subject, rationale, and recommendation for the proposed policy.

e. Once the FAMU BOT has voted to approve the proposed policy, the approved policy takes effect on the date of the approval, and will be published through the OGC. A final copy of the proposed policy shall be submitted along with the redlined version.

i. Revisions to Approved Policies. Policies to be revised are to be submitted in a redlined format. A final copy of the proposed policy shall be submitted along with the redlined version. Once the revised version is in effect, the older policy is automatically rescinded.

ii. Corrections to Approved Policies. When the substance of a policy is not altered, the Corporate Secretary of the FAMU Board of Trustees is authorized to make appropriate corrections after publication of the approved policy. When there is a minor or technical correction(s) required that is not substantive in nature, the responsible vice president shall notify the OGC, which will review the corrections prior to publication of the corrected FAMU BOT policy. Examples are: updates to hyperlinks, formatting, punctuation, and spelling will be made on a regular basis. Technical amendments include minor corrections of FAMU BOT policies that include administrative titles or customary language usage changes.

iii. Rescission of Approved Policies. A responsible vice president may request that an approved policy be rescinded. The request, along with a detailed explanation for the proposed rescission, must be submitted in writing to the OGC and approved by the FAMU BOT.

2. **University Policies** will be adopted as outlined below:

a. A draft of the proposed University policy, whether new or revised, must be developed by the responsible University Official, along with his/her designees, in accordance with the [University policy format](#) specified herein. A policy should be numbered consistent with the BOT's categorical numbering system used for the BOT Regulations (e.g. Chapter 2, Student Affairs).

b. The responsible University Official must ensure the accuracy of all new or revised University policies within his/her particular area of responsibility and authority, prior to the new or revised policy being submitted to the University President.

c. Proposed University policies must be reviewed by the respective staff of the Division, Department or Unit and by all affected departments.



- d. The proposed University policy is then forwarded to the Office of the General Counsel ("OGC") for review for consistent form and legality prior to the approval by the University President. If the proposed University policy is inconsistent in form or substance as determined by the OGC, then it will be returned to the responsible University Official for appropriate modification.
- e. Once the OGC has reviewed the proposed policy, the responsible University Official will then provide the proposed policy to the University President.
- f. Once the University President has approved and signed the proposed University policy, the approved University policy takes effect on that date and will be published through the University President's Office.
  - i. **Revisions to Approved Policies.** University Policies to be revised are to be submitted in a redlined format. This means that the language that is being revised, deleted, and/or modified will be stricken through so that the old language can be distinguished from the new proposed language being added to the last approved policy.
  - ii. **Corrections to Approved Policies.** When the substance of a policy is not altered, the OGC is authorized to make appropriate corrections after publication of the approved University policy. When there is a minor or technical correction(s) required that is not substantive in nature, the responsible vice president shall notify the OGC who will review the corrections prior to publication of the corrected policy. Examples are: updates to hyperlinks, formatting, punctuation, and spelling will be made on a regular basis. Technical amendments include minor corrections of policies that include administrative titles or customary language usage changes.
  - iii. **Rescission of Approved Policies.** A responsible vice president may request that an approved policy be rescinded. The request along with a detailed explanation for the proposed rescission must be submitted in writing to the OGC and approved by the University President.

3. **Internal Operating Procedures** will be adopted as outlined below:

- a. Proposed IOPs, whether new or revised, must be developed by the responsible vice president or his or her designee in accordance with the IOP format specified herein.
- b. IOPs become effective upon signature by the responsible vice president or if delegated, the associate vice president of the responsible department.
- c. IOPs must be published on the responsible division/department/unit's webpage.

**V. Administrative Areas of Responsibility**

- A. **Legal Affairs, at the direction of the President, is responsible for oversight of the approval and revision process for developing and revising regulations, policies, and internal operating procedures.**
- B. Academic Affairs will normally propose regulations, policies and procedures regarding academic and other matters related to the institution's mission of teaching, research and service.



- C. Administrative and Financial Services will normally propose regulations, policies and procedures primarily in the areas of administrative services, campus business services, cost allocation services, human resources, financial services, facilities planning, construction and maintenance.
- D. Office of Communications will normally propose regulations, policies and procedures primarily in the areas of marketing and branding, FAMU logos, institutional development, community relations, special events, media protocols, and public records.
- E. Student Affairs will normally propose regulations, policies and procedures in areas pertaining primarily to student government, student housing, recreation, counseling, student involvement, student recruitment, public safety, and the promotion of student development and learning, and fundraising.
- F. Research will propose regulations, policies and procedures that pertain to sponsored programs, export control, general research, and research contracts and grants. Research University policies will be numbered as 4, e.g. UP-4-26, as it is a related unit of Academic Affairs.
- G. Strategic Planning and Institutional Effectiveness will propose policies and procedures in various areas in order to provide guidance and ensure compliance with the University’s strategic plan, assessment, and accreditation. University policies will be numbered pursuant to the areas that will be impacted and signatory approval will be required of the impacted vice president.
- H. ~~General Administration~~ **University Administrators** will propose regulations, policies and procedures in areas that report directly to the University President, such as Athletics and the Office of Communications and matters addressed by Audit, ~~and~~ **Office of Compliance and Ethics**, and Legal Affairs. These policies will be numbered as 1, e.g. UP-01-26.

**VI. General**

- A. Publication. To promote transparency and to ensure that regulations and policies are made widely available to the University community, ~~all new or revised regulations, or~~ **and** policies must be electronically published **in a central location** on the University’s website. **In addition, a link to relevant Department/Unit regulations and polices must be prominently displayed on each ~~and the~~ Department's/Unit’s webpage ~~with a prominent separate link.~~**
- B. Each vice president must designate at least one regulation and policy representative for its Division.
  - a. **The policy and regulation representative must register with the Florida Board of Governors to receive email updates of BOG regulation changes.**
  - b. **The policy and regulation representative shall work with the Office of Government Affairs following the close of each legislative session to determine the impact of legislative changes on current University policies for which they are responsible. Additionally, the policy and regulation representative and appropriate University Official, must assess if a new policy should be developed based off of new legislation.**
- C. The appropriate vice president is responsible for an annual review of their respective policies and procedures. **The review of each policy should be documented by completion of the Policy Annual Review Checklist<sup>4</sup> and submitted to Legal Affairs, no later than June 30<sup>th</sup> of each.**

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<sup>4</sup> An Annual Policy Review Checklist should be developed to guide the policy review process. An example, Annual Policy Review Checklist is located in Appendix E.



D. Conflict. If policies conflict with regulations, then regulations supersede policies. If FAMU BOT policies or University policies conflict, then the FAMU BOT policies supersede the University policies. If University policies conflict, then the newest version supersedes the older version. The older version of the University policy which conflicts will be automatically rescinded by the newer policy language.



## APPENDIX E: REGULATIONS, POLICIES, AND INTERNAL OPERATING PROCEDURES UPDATE CHECKLIST

### Annual Policy Review Checklist

<b>Policy Number</b>	
<b>Policy Subject</b>	
<b>Responsible Department</b>	
<b>BOT or University?</b>	

AUTHORITY	Yes	No	N/A	Notes/Comments
<i>References the applicable statute, rule, regulation, or other document governing the function covered by the procedure.</i>				
A) Are the citations current and are they properly cited?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
B) Are all known relevant citations included for this procedure?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
C) If this is a revised document, have all <i>new</i> authorities been added?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
D) Does the policy appear to meet the requirements of the authority?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
E) Does the policy help provide reasonable assurance that target audience will comply with all applicable laws, rules, and statutes?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

APPLICABILITY	Yes	No	N/A	Notes/Comments
<i>Identifies principal users of the document.</i>				
Is the target audience identified?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

POLICY STATEMENT & PURPOSE	Yes	No	N/A	Notes/Comments
<i>Explains the intent of the document. For manuals, this is the purpose of the manual.</i>				
A) Is the intent of the policy clearly identified?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
B) Are the objectives clearly stated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
C) Will the stated objectives be accomplished if the instructions in the procedure are followed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	





Does the purpose exclude unnecessary language, i.e., confusing or ambiguous language?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
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REFERENCES	Yes	No	N/A	Notes/Comments
Identifies other documents relevant to or referenced in the procedure; however, those identified should not be considered regulatory authority for the document. References may include Department procedures, policies, manuals, handbook, and other governmental documents.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
A) Are the procedure references identified by number and title, as required?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
B) Are referenced documents current?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
C) Have all known procedures related to the subject been referenced?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

DEFINITIONS	Yes	No	N/A	Notes/Comments
<i>Defines all pertinent words, terms, or acronyms</i>				
A) Are all necessary definitions included?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
B) Are definitions succinct and free of instructional information? (Instructional information includes anything that describes how to execute the procedure or comply with the process.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

PROCEDURES	Yes	No	N/A	Notes/Comments
A) Review divisional policies against changes to Florida Board of Governors regulations to determine impacts to current policies. Each policy and regulation representative must register with the Board of Governors to receive email updates of all regulation changes.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
B) Review division policies against changes made to Florida Statutes during the legislative session. Each policy and regulation representative should work with Government Affairs following the close of each legislative session to determine the	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	



impact of legislative changes on current University policies.				
C) Assess changes made to divisional business processes and procedures that impact internal controls. Divisional policies should be updated to include all significant internal controls guidance.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
D) Is the procedure complete? Have all necessary directives and other temporary instructions (such as memorandums) been appropriately incorporated into the procedure under review? This question can be answered by in-depth research. The staff member may need to pose this question to the contact person in the Responsible Office.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
E) Does the procedure reflect recommendations of previous Quality Assurance Reviews, previous audits, or other reviews? The staff member should review Auditor General, Office of Program Policy Analysis and Government Accountability, Division of Audit, and other possible audit sources to identify and review the results of these audits.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
F) Does this procedure stand alone? If not, what other document should it be combined with?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
G) Does a valid need still exist for the procedure? If not, what would be the impact on meeting existing requirements if this procedure were deleted?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
H) Is accountability for carrying out the procedure clearly assigned to the appropriate party?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
I) Are all required time frames included (i.e., specify calendar or work days)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
J) Do internal controls seem appropriate for the procedure being reviewed? If not, are there too many or are there too few?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	



TRAINING	Yes	No	N/A	Notes/Comments
<i>Identifies any mandatory training required. If none required, must indicate, "None required." May identify training courses by number and title.</i>				
A) Does the procedure clearly identify training as either required or optional?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
B) If no training is required, does the procedure state, "none required"?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

FORMS	Yes	No	N/A	Notes/Comments
<i>Lists forms referenced or required within the procedure by number, title, and supply source (e.g., Forms Library).</i>				
A) Do referenced forms include both number, title, and link?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
B) Is each form necessary?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
C) Do all forms referenced stand alone? If not, which forms should be combined with another?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
D) Are all forms current and relevant? If not, which forms need revision?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

\_\_\_\_\_  
Regulation & Policy Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Vice President


\_\_\_\_\_  
Date

\_\_\_\_\_  
Office of Legal Affairs Representative

\_\_\_\_\_  
Date



## APPENDIX F: AUDIT OF UNIVERSITY ATHLETICS FINANCES (BOT POLICY NUMBER: 2005-16) – RECOMMENDED UPDATES

 <b>FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY</b> <b>Board of Trustees Policy</b>	
<b>Board of Trustees Policy Number:</b> 2005 -16	<b>Date of Adoption/Date of Revision:</b> October 6, 2005
<b>Subject</b>	<b>AUDITS OF UNIVERSITY ATHLETICS FINANCES</b>
<b>Authority Authority</b>	Sections <del>1004.28, F.S.</del> , 1010.30-1010.34, F.S., <b>BOG Regulation 1.001(4) (d), NCAA Bylaw 3.2.4.15.1</b>
<b>Applicability</b>	University booster organization(s) and intercollegiate athletic programs
<p><b>Section 1. <del>Annual Audit. Financial Reporting, Agreed Upon Procedures, and Financial Audits</del></b>  <del>All sources and expenditure of funds associated with the University's Interecollegiate Athletic Programs shall be annually audited by an independent outside auditor, as mandated by NCAA Constitution 6.2.3.</del></p> <ol style="list-style-type: none"> <li>1. <del>NCAA</del> <ol style="list-style-type: none"> <li>a. <del>FAMU shall submit financial data detailing operating revenues, expenses and capital related to its intercollegiate athletics program (report) to the NCAA on an annual basis in accordance with the NCAA financial reporting policies and procedures.</del></li> <li>b. <del>The report shall be subject to annual agreed-on verification procedures approved by the NCAA membership (in addition to any regular financial reporting policies and procedures of the institution) and conducted by a qualified independent accountant who is not a staff member of the institution and who is selected by the institution's president or by an institutional administrator from outside the athletics department designated by the president. The independent accountant shall verify the accuracy and completeness of the data prior to submission to the institution's president and the NCAA. The institution's president shall certify the financial report prior to submission to the NCAA.</del></li> </ol> </li> <li>2. <del>Financial Audit</del> <ol style="list-style-type: none"> <li>a. <del>Annually, FAMU shall hire an independent Certified Public Accounting (CPA) firm to perform an audit of the financial statements of Intercollegiate Athletics Program. Both the CPA report and the written corrective action plan shall be submitted, along with the audited financial statements, to the BOT for review and oversight.</del></li> </ol> </li> <li>3. <del>The University must adhere to, and enforce, the following guidelines when using independent accountants to perform financial audits:</del> <ol style="list-style-type: none"> <li>a. <del>All new audit firm contracts will be for up to a five-year period. At the end of the period, the University may elect to extend the first contract for up to an additional five-year period or, at its option, issue another Request for Proposal (RFP) for the next period. If the University chooses to issue an RFP for the second period, the current audit firm may respond to the RFP for consideration for the additional period.</del></li> <li>b. <del>An audit firm entering into a second contract shall designate a new lead audit partner for the second term.</del></li> </ol> </li> </ol>	



- c. Unless approved by the Board of Trustees, no audit firm may have an audit contract for more than Five continuous years including previous years already served through the 2019-2020 fiscal year.
- d. The RFP issued shall identify criteria for evaluation of audit firm proposals to include, for example, areas such as: experience and ability; understanding of applicable laws, rules, and regulations; familiarity auditing similar organizations; project requirements, approach and method; and fee proposal.
- e. Negotiations shall then be held with the first ranked audit firm to agree on a contract to include the audit fee and related expenses.
- f. If a contract cannot be agreed upon, negotiations shall be formally ended with that audit firm and negotiations shall be conducted with the second ranked firm and so on until a contract is agreed upon.

**Section 2. Annual Internal Audits.**

~~Periodic internal audits of the University's Athletic Department shall occur as follows the following:~~

- ~~1. During the fall and spring semesters of all purchases and receipt of goods by the Athletics Department to ensure centralization of procedures.~~
- ~~2. Sport checks or audits of deposits during for the fall and spring semesters to verify accounts receivables, (e.g., advertising revenues, season ticket revenues, etc.,) receipts and their timely deposit.~~

Include the University Athletics Department in the annual Audit risk assessment process to ensure consideration for internal audit coverage which addresses key Athletics Department risks not already covered by external audits or compliance reviews. This risk assessment process will include consultation with the President to ensure any Presidential priorities are addressed. Internal Audit coverage will include an annual review of auxiliary transfers to Athletics to ensure only allowed sources were used.

**Section 3. Review of Athletics Financial Condition**

- 1. A monthly report of Intercollegiate Athletic Programs' budget status shall be submitted by the Athletic Director to the President and University Athletic Committee.
- 2. A financial report of the University's Intercollegiate Athletic Programs shall be provided on a regular basis to the Board of Trustee's committee as designated by the Chair of the Board of Trustees for oversight and review.

**Section 4. Implementation of Provisions**

The President shall ensure the provisions of this policy are timely implemented.



## APPENDIX G: INTERCOLLEGIATE ATHLETICS POLICY (BOT POLICY NUMBER: 2005-17)



### FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY Board of Trustees Policy

<b>Board of Trustees Policy Number:</b> 2005-17	<b>Date of Adoption/Date of Revision:</b> October 6, 2005
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<b>Subject</b>	<b>INTERCOLLEGIATE ATHLETICS POLICY</b>
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<b>Authority</b>	Sections 1001.74 and 1001.75, Florida Statutes; NCAA Constitution & Bylaws
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<b>Applicability</b>	The University's Intercollegiate Athletics Program
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**Section 1. Scope of Policy**  
 This policy shall apply to the University's Intercollegiate Athletics Program of Florida A&M University (University).

**Section 2. Guiding Principles for Intercollegiate Athletics**  
 The University shall implement and engage in Intercollegiate Athletics in a manner consistent with the following guiding principles:

- (a) The University President shall administer the University's Intercollegiate Athletics Program.
- (b) Intercollegiate Athletics shall have a mission consistent with the mission of the University, emphasizing the pursuit of academic and athletic excellence while honoring the highest commitment of integrity.
- (c) Intercollegiate Athletics shall serve the well-being of student athletes by promoting academic and athletic accomplishment, encouraging their graduation, and supporting their development as individuals in an educational setting.
- (d) Student-athletes shall be held to the same academic and social standards, shall receive the same fair and equitable treatment, and shall be afforded the same opportunities to enjoy a well-balanced experience as all students at the University.
- (e) Student-athletes shall meet all appropriate academic standards for admission to the University and for continued progress toward a degree, as required by the University, Florida Board of Governors and the State of Florida.
- (f) Participation in Intercollegiate Athletics is a privilege, not a right, and student-athletes are expected to adhere to National Collegiate Athletic Association (NCAA) and Mid-Eastern Athletic Conference (MEAC) bylaws and rules and University regulations and policies.
- (g) The University's Intercollegiate Athletics Programs shall conform to institutional



rules and those of the NCAA, MEAC and other appropriate governing bodies.

(h) The University shall provide equal opportunity in Intercollegiate Athletics and promote equitable treatment of all sports in a manner consistent with University policies, Sec. 1006.71, F.S., and Title IX requirements.

(i) The University shall honestly and responsibly recruit student-athletes who can benefit from a University education and who can contribute to the University as members of its academic and athletic programs.

(j) The University shall promote a culture that integrates Intercollegiate Athletics into the campus mainstream.

(k) The University welcomes the support of, and involvement by, alumni, booster groups, and others who help serve the outreach mission of the Intercollegiate Athletics Program, provided their activities conform with all applicable laws and University policies and with oversight by the appropriate University personnel.

(l) Intercollegiate Athletics shall work cooperatively with all departments of the University to promote the best interests of the athletics programs, the University and the University community.

(m) Intercollegiate Athletics shall administer its budgetary, financial and managerial affairs with transparency and shall comply with the uniform business and audit standards of the University.

(n) Intercollegiate Athletics shall serve as an ambassador for the University with the purpose of fostering institutional pride and goodwill for the state through academic and athletic accomplishment, while providing opportunities to unite the University's students, faculty, staff, and alumni and citizens of the State of Florida.

**Section 3. Implementation**

1. *Competition Level.* Intercollegiate Athletics shall participate at the NCAA Division 1 level of competition.
2. *Compliance.* In all areas of Intercollegiate Athletics, the University shall comply with the letter and spirit of all institutional policies and procedures, MEAC and NCAA rules and regulations, and civil laws.
  - a. The president shall attest annually (by October 15), that he or she understands the institutional obligations and personal responsibilities imposed by NCAA Constitution 2.1 (Principle of Institutional Control and Responsibility) and Constitution 2.8 (Principle of Rules Compliance).
  - b. The Athletics Director shall certify, annually by October 15, the institution's compliance with NCAA Bylaw 18.4.2.1.1.



3. *Compliance Administration.* To avoid conflicts of interest, athletics compliance shall work cooperatively with Intercollegiate Athletics, but shall report **administratively** to the President and **functionally to the Audit and Compliance** Committee of the Board of Trustees.
  
4. *Budget.*
  - a. The Athletics Director shall exercise fiscal integrity at all times and shall be responsible for developing, implementing, and establishing and adhering to the University’s intercollegiate athletic programs’ annual budget.
  - b. Intercollegiate Athletics shall build an annual budget informed by a minimum of three-years trend data, current events, athletic program trends, game and event plans, feedback from the University Athletics Committee, and the President’s expectations. The athletics budget must be aligned with the University’s strategic plan and President’s goals, where appropriate.
  - c. Intercollegiate Athletics shall submit monthly budget reports to the President and University Athletics Committee, as stipulated in FAMU Board of Trustee Policy 2005-16: Audits of University Athletics Finances.
  - d. The University Budget Office shall monitor the Intercollegiate Athletics budget and work with Intercollegiate Athletics to ensure proper controls are in place, compliance with state regulations, and that each year ends with a balanced budget.
  - e. The President must establish Intercollegiate Athletics budget shortfall protocols to include a notification process (internal/external), financial procedures for staff to follow in-order to remediate the shortfall, and the identification of allowable sources of funds than can be transferred to Intercollegiate Athletics.
  
5. *Reporting.*
  - a. Intercollegiate Athletics shall report to the President and Vice President of Academic Affairs on matters related to student-athlete academic progress.
  - b. Intercollegiate Athletics shall report to the President and Board of Trustees on matters related to athletic accomplishment, athletic budget and finances, and facilities.


**Section 4. Delegation of Authority**

1. Each board of trustees shall require that institutional control and oversight of its intercollegiate athletics program is in compliance with the rules and regulations of the National Collegiate Athletic Association. ~~The President shall be ultimately responsible for the control and oversight of Intercollegiate Athletics.~~
2. The President is responsible for the administration of all aspects of the athletics program, including approval of the budget and audit of all expenditures.
3. ~~The President or the President’s~~ The Athletics Director ~~designee~~ shall administer all day-to-day operational aspects of Intercollegiate Athletics, with active participation, consultation, and oversight by the faculty athletic representative and the athletic committee appointed by the President on matters involving student-athlete welfare, academic performance and integrity, and athletic policy and compliance.





## APPENDIX H: FAMU DIRECT SUPPORT ORGANIZATIONS (BOT POLICY NUMBER: 2018-01) - RECOMMENDED UPDATES

 <b>FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY</b> <b>Board of Trustees Policy</b>	
<b>Board of Trustees Policy Number:</b> 2018-01	<b>Date of Adoption: June 7, 2018</b> <b>Date of Revision:</b> (Formerly IMM 2003-01) June 24, 2003, May 22, 2003
<b>Subject</b>	FAMU Direct Support Organizations
<b>Authority</b>	Sections 1001.706, 1004.06, 1004.28; 1010.09; 1013.171, 1013.78, Florida Statutes;
<b>Authority</b>	Board of Governors Regulation 9.011; FAMU Regulation Chapter 11
<b>Applicability</b>	FAMU Direct Support Organizations
<p><b>I. Rescinding of FAMU Internal Management Memorandum No. 2003-01</b></p> <p>FAMU Internal Management Memorandum No. 2003-01, FAMU Direct Support Organizations adopted on May 22, 2003 and revised on June 24, 2003 is hereby repealed or rescinded effective at the time of adoption of this policy.</p> <p><b>II. Policy Statement and Purpose</b></p> <p>To establish uniform criteria for certifying FAMU Direct Support Organizations and uniform policies regarding the operation and oversight of FAMU Direct Support Organizations.</p> <p><b>III. Procedures, Approvals/Responsibilities</b></p> <p>A. Florida Agricultural and Mechanical University Direct Support Organizations (“DSO” or “organization”) are approved by the University President (the “President”) and the Florida Agricultural and Mechanical University Board of Trustees (the “Board”) for certification. If the President determines that the organization is no longer serving the best interests of the University, the President may request that the Board decertify a DSO. The Board has the authority to request that the President investigate any DSO that is acting inconsistently with the best interests of the University. The request for decertification shall include a plan for disposition of the organization’s assets and liabilities.</p> <p>B. Certification as a DSO is required if the organization will:</p> <ol style="list-style-type: none"> <li>1. Use the property, facilities, personal services, or name of the University; or</li> <li>2. Receive, hold, invest, or administer assets or property or make expenditures for the benefit of the University.</li> </ol>	



- C. A request for initial and continued certification of a DSO to the Board shall include:
1. The Articles of Incorporation.
  2. The Bylaws, which shall describe the operating procedures and specific individual responsibilities of the organizations' boards, committees, and officers as related to the activities of the organization, and shall incorporate this policy and the Board of Trustees' Regulation 11.001 by reference.
- D. The Articles of Incorporation and the Bylaws, together, shall:
1. Provide that the organization shall comply with the provisions of Section 1004.28, Florida Statutes.
  2. Provide that any person employed by the organization shall not be considered to be a state or public employee of Florida by virtue of employment by the organization.
  3. Provide that the chief executive officer, executive director or senior operating officer of the organization shall be selected and appointed by the governing board of the organization, with prior approval by the President. The chief executive officer, executive director or senior operating officer of the DSO shall report to the President.
  4. Provide that the Board shall approve all appointments, including elected board members, to any DSO board.
  5. Include or reference the organization's policy and procedures on public access to records and open meetings. The policy shall ensure public access to information in accordance with Section 1004.28(5), Florida Statutes, while also protecting the confidentiality of personal or financial information about donors or prospective donors, in accordance with Section 1004.28(5), Florida Statutes. The policy shall also include the organization's policy and procedures on access to meetings in accordance with Chapter 286, Florida Statutes.
  6. Provide that any subsequent amendments to the Articles of Incorporation or Bylaws of the organization shall be approved by the President and the Board, prior to becoming effective.
  7. Provide that the President shall have the following powers and duties:
    - a. Monitor and control the use of University resources by the DSO.
    - b. Control the use of the University name by the DSO.
    - c. Monitor compliance of the DSO with state and federal laws and rules of the Board.
    - d. Recommend to the Board an annual budget, pursuant to paragraph
    - e. Review and approve expenditure plans, pursuant to paragraph



f. Approve salary supplements and other compensation or benefits paid to the University faculty and staff from DSO assets and salaries, benefits, and other compensation paid to employees of the DSO, consistent with the Board’s policies provided in paragraph O. The President may designate an individual who shall be a vice president of the University or other senior officer of the University reporting directly to the President to serve in this capacity. Determination of compensation of athletic personnel from DSO assets may be made at the discretion of the President and may not be delegated.

g. Approve contribution of funds or supplements to support intercollegiate athletics.

8. Provide that the organization shall provide equal employment opportunities for all persons regardless of race, color, religion, gender, age, or national origin.

9. Provide that personal services must comply with Section 1012.976, Florida Statutes.

10. Provide that state funds cannot be used for the organization’s travel expenses.

11. Provide that organizations shall comply with University set thresholds for approval of purchases, acquisitions, projects, and issuance of debt by DSOs.

12. Prohibit the giving, directly or indirectly, of any gift to a political committee or committee of continuous existence as defined in Section 106.011, Florida Statutes.

E. The Chair of the Board shall appoint at least one representative to the board of directors and executive committee of the organization, and the President or the President’s designee will serve on the board of directors and executive committee of the organization.

F. The DSO shall, immediately upon certification by the Board, file with the Department of State as a Florida not-for-profit corporation under the provisions of Chapter 617, Florida Statutes.

G. The Board shall not transfer any funds to and/or allow any DSO to use the property, facilities, or personal services of the University if the organization violates D.8.

H. The DSO shall conduct its financial operations observing a fiscal year ending on either June 30 of each year, unless otherwise approved by the Board.

Entity	Year-End	Report Due Date
1. FAMU Foundation, Inc.	June 30	Jan. 1 (following year)
2. FAMU National Alumni Association, Inc.	June 30	Jan. 1 (following year)
3. FAMU Rattler Boosters, Inc.	June 30	Jan. 1 (following year)
4. FAMU Research Foundation, Inc.	June 30	Jan. 1 (following year)



- I. The DSO shall submit an annual operating budget, which has been approved by the DSO’s governing board and by the President and submitted to the Board for approval. The budget shall be submitted in the format of the Attachment no later than sixty (60) days after the first day of the fiscal year for which the budget pertains.
  - 1. The construction of physical facilities shall be set forth in the budget, including those on leased public property, as authorized and defined in Section 1013.171, Florida Statutes. The construction of facilities, although set forth in the budget, shall be consistent with the system wide strategic plan adopted by the State Board of Education if the project is to be constructed on state land or with state funds and consistent with Section 1013.78, Florida Statutes. Any other construction project shall require notification to the President prior to commencement of construction.
  - 2. Salary supplements, compensation, and benefits provided to the President, to University faculty, and to staff and to employees of the DSO with DSO assets shall be detailed in the budget.
  - 3. A schedule of the names of the organization’s governing board members, their dates of service, and committee membership lists shall be submitted with the budget. The schedule of names shall include a statement signed by the President, or the President’s designee, certifying that the composition of the organization’s governing board is in accordance with its Bylaws. The individuals appointed by the Chair of the Board and by the President shall be clearly identified.
  
- J. A DSO shall have the authority to amend its budget. Budget amendment requests for less than 15%, but not to exceed \$40,000, of the total amount of the annual budget shall require the approval of the President, provided that no budget amendment affecting the President or the President’s compensation, salary or other benefits shall be made without the approval of the Board. Other budget amendment requests shall require the approval of the President and the Board.
  
- K. As required by the President and University Regulations and Policies, the DSO shall prepare and submit to the President, an expenditure plan that separately delineates planned actions which will result in a commitment of University resources or which represent a significant commitment of the resources of the DSO, including but not limited to:
  - 1. Major fund-raising events and campaigns along with their purpose.
  - 2. Compensation and benefits to University employees and employees of the organization.
  - 3. Capital projects including land acquisition, construction, renovation, or repair.
  - 4. Other major commitments of the resources of the DSO as defined by the President.



- L. The DSO shall annually prepare an audit and related financial documents, in accordance with applicable laws and rules, which shall be submitted to the President and to the Audit Committee of the Board for Board review and approval.
1. Each DSO shall cause a financial audit of its accounts and records to be conducted by an independent certified public account, after the close of each fiscal year, in accordance with rules adopted by the Auditor General pursuant to Section 11.45(8), Florida Statutes, and University Regulations and Policies.
  2. Each DSO must adhere to, and enforce, the following independent outside auditor guidelines:
    - a. All new audit firm contracts will be for up to a five-year period. At the end of the period, the DSO-year period or, at its option, issue another Request for Proposal (RFP) for the next period. If the DSO chooses to issue an RFP for the second period, the current audit firm may respond to the RFP for consideration for the additional period.
    - b. An audit firm entering into a second contract shall designate a new lead audit partner for the second term.
    - c. Unless approved by the Board of Trustees, no audit firm may have an audit contract for more than Five continuous years including previous years already served through the 2019-2020 fiscal year.
    - d. The RFP issued shall identify criteria for evaluation of audit firm proposals to include, for example, areas such as: experience and ability; understanding of applicable laws, rules, and regulations; familiarity auditing similar organizations; project requirements, approach and method; and fee proposal.
    - e. Negotiations shall then be held with the first ranked audit firm to agree on a contract to include the audit fee and related expenses.
    - f. If a contract cannot be agreed upon, negotiations shall be formally ended with that audit firm and negotiations shall be conducted with the second ranked firm and so on until a contract is agreed upon.
  3. The audit report shall be submitted by the President **or his designee** to the Board of Trustees no later than the end of the sixth month following the close of the organization’s fiscal year. The President **or his designee** shall submit the annual audit report to the Auditor General, ~~the State Board of Education~~, and the Board of Governors no later than nine (9) months after the close of the organization’s fiscal year.
- M. Beginning July 1, 2019, and annually thereafter, each DSO shall report to the Board of Trustees the amount of state appropriations transferred to the DSO during the previous fiscal year, the purpose for which the funds were transferred, and the remaining balance of any funds transferred.



- N. The DSO shall submit to the President, the State Board of Education, and the Board of Governors its federal Internal Revenue Service Application for Recognition of Exemption (Form 1023) and its annual federal Internal Revenue Service Return of Organization Exempt from Income Tax (Form 990).
- O. The following policies concerning salary supplements, compensations, and benefits provided to the President, to University faculty and staff, and to employees of the DSO with DSO assets are applicable:
1. Full or part-time employees of DSOs are not state or public employees of Florida and may not participate in State Retirement or other fringe benefits available to employees of the state or public employees.
  2. Any salary supplement provided by a DSO to the President shall be consistent with any applicable state law and rules and approved by the Board.
  3. Salary supplements and other compensation or benefits provided for University employees will be paid using the State of Florida payroll payment process or the University payroll system, and will not be subject to state retirement contributions nor included in salary averaging for the purpose of computing retirement benefits.
    - a. The President or the President’s designee shall approve all supplemental compensation to be paid to University employees by DSOs. Determination of compensation of athletic personnel from DSO assets is to be made at the discretion of the President and may not be delegated.
    - b. The list of approved payees shall be provided to the University payroll office for processing as prescribed by the Bureau of State Payrolls or University payroll procedures.
    - c. The DSO, in coordination with the appropriate personnel of the University, shall transfer the appropriate funds from the DSO into a State Treasury account for disbursement in accordance with State Comptroller’s guidelines. These funds shall be sufficient to pay all federally required employer matching. The appropriate withholding taxes, as dictated by the State Comptroller, will also be applicable.
    - d. Prior to increasing the salary or changing the salary source for an individual who receives compensation from a DSO fund source that does not contribute to the Florida Retirement System (FRS) and from a fund source that does contribute to FRS, the University shall request a written analysis from the Division of Retirement, Florida Department of Management Services, or other appropriate state agency, if the proposed change in salary increases the proportion of the total salary that is paid from state funds. This analysis, assessing the potential impact of such action on FRS, shall be provided prior to the President’s approval of the change in salary. If the change in salary results in a significant fiscal impact on the FRS, an assessment payable to the FRS may be required.



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<b>Attachment(s)</b>	Florida Agricultural and Mechanical University Direct Support Organization Annual Budget and Expenditure Form
<b>Hyperlink Addresses</b>	N/A



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**Engagement was supervised, approved, and distributed by:**

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Vice President for Audit

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