



Board of Trustees

Tuesday, March 8, 2022
9:30 AM – 12:30 PM
A G E N D A

I. Call to Order and Comments Chair Will Weatherford

II. Student Presentation Ryan Shargo

III. President's Report President Law

IV. New Business – Action Items (Minutes and Consent)

a. FL 101 – Approval of Minutes Chair Weatherford

1. *December 7, 2021*
2. *February 21, 2022*

b. Consent Agenda (FL 102 – FL 106) Chair Weatherford

(BOT committee representatives may address approved items listed below.)

Board members should notify the Assistant Corporate Secretary of any items they wish to be pulled from the Consent Agenda 48 hours prior to the meeting. Items pulled will be discussed and voted on separately after the remainder of the consent agenda is approved.

Governance Committee Approved Items

FL 102 – Approval of Amendments to USF Alumni Association Bylaws

FL 103 – Approval of Amendments to USF Regulation 4.0108

FL 104 – Approval of DSO Board Members USF Institute of Applied Engineering

FL 105 – Approval of DSO Board Members for USF Research Foundation, Inc.

Finance Committee Approved Items

FL 106 – Approval of Revisions to USF BOT 06-001, Board of Trustees Investment Policy

V. New Business – Action Items

FL 107 – Expenditure Authorization Request

Nick Trivunovich, VP/CFO

FL 108 – Reaffirmation of the SUS Free Expression Statement

Chair Weatherford

VI. New Business – Informational Items

a. Update on USF Stadium Planning Process

Michael Kelly, VP for Athletics and
Jay Stroman, Senior VP of Advancement

b. Update on USF Presidential Search

Vice-Chair Griffin

VII. BOT Roundtable Discussion

Chair Weatherford

VIII. Adjournment

Chair Weatherford



Board of Trustees

Tuesday, December 7, 2021
9:30 AM – 12:30 PM
MINUTES

I. Call to Order and Comments

Chair Will Weatherford welcomed everyone to the Fall Board of Trustees meeting and called the meeting to order. The Chair asked Kiara Guzzo to call the roll.

Kiara Guzzo called the Roll

Trustee Tim Boaz
Trustee Sandra Callahan
Trustee Mike Carrere
Trustee Julia Cunningham
Trustee Mike Griffin
Trustee Oscar Horton
Trustee Luran Monbarren
Trustee Les Muma
Trustee Shilen Patel
Trustee Rick Piccolo
Trustee John Ramil
Trustee Melissa Seixas
Trustee Will Weatherford

Student Presentation

Chair Weatherford and President Rhea Law announced a new tradition. Future board meetings will start with a feature presentation by a USF student, who will share their experiences while attending the University of South Florida.

Meghana Nelluri is a USF student majoring in Accounting and Business Analytics. She shared her story and experiences while attending the University of South Florida. Meghana provided presentation including a feature video. After graduation, she will begin her career working for Deloitte US Audit, Consulting, Advisory, and Tax Services.

II. President's Report

President Rhea Law has been Interim President for four months and has accomplished many things. President Law commented that USF is on the rise and provided an update that highlighted the following:

- Departmental visits (each of the colleges and units within USF)
- Conversations with leadership, faculty, and students

- The Open House Holiday Party. The President gave a special thanks to Regional Chancellor Martin Tadlock.
- International Student Recognition – USF is a top statewide destination for International students.
- Commencement Ceremonies - Ceremonies will be held on the USF Tampa campus and celebrated at the regional campuses.
- An on-campus stadium planning committee put together by Chair Weatherford and President Rhea Law. The committee is co-chaired by Jay Stroman and Michael Kelly.

Michael Kelly and Jay Stroman gave an update on the USF Stadium. A power point presentation highlighted the following:

- Groundbreaking for the 22-million-dollar indoor performance facility.
- There was an organized effort to move the stadium concept to a reality
- The Committees Purpose
- On Campus Stadium Planning Sub Committees- Site location and design, Communications and Marketing, Revenue, Finance and Legal.
- Established Focus Groups.
- Timeline
- Enhancing Financial Outlook
- Site Location

Chair Weatherford questioned the impact that our planning has on our relationship with Raymond James.

Trustee Horton questioned the possibility of getting into a different conference with decent revenue.

Trustee Horton also had questions concerning costs.

Vice-Chair Mike Griffin had questions on the possible locations of the stadium.

Trustee Julia Cunningham asked if students had an opportunity to give input on locations for the stadium.

Chair Weatherford commented that the idea of an on-campus stadium would have a huge impact on our football program, students, and the Alumni.

President Law recognized eligible out of unit staff by awarding a targeted 1.5% base salary increase, from a discretionary pool. In addition, there were maintenance, cleaning, and security workers, who were required to come to work, who are now eligible, under federal funds to receive a 2% increase for their services during the Covid initiative.

President Law announced that the tuition waiver process, which provides up to 6 hours each term to USF staff, is going to be extended to family members.

Fiscal Sustainability – Our process needs to be more understandable, transparent, and predictable. President Law has appointed Rich Sobieray to be the Interim Sr. Vice President of Financial Strategy. She has asked him, along with a university budget committee to design a new value driven university wide budget process and resource allocation model and to make sure they are aligned with our strategic plan. We are also looking for the committee to recommend strategies that will maximize our resources

and opportunities. By June 2022 the budget committee will finalize the fiscal year 2023 operating and capital budgets. Those processes will come to the full board for approval.

After ending her report, President Law wished everyone on behalf of her and husband a happy holiday. Chair Weatherford spoke on behalf of the Board of how thankful we are for the work that President Law has done, proving leadership in a short amount of time.

III. Student Presentation

(Occurred at the beginning of the meeting)

IV. New Business – Action Items (Minutes and Consent)

a. FL 101 – Approval of Minutes

Approval of Minutes -August 24, 2021, and October 12 2021:

Having no changes to the minutes Chair Weatherford requested a motion to approve which was given by Trustee Sandra Callahan and seconded by Trustee Les Muma. The August 24th and October 12th minutes were approved.

b. Consent Agenda (FL 102 – FL 115)

Consent Agenda (FL 102- FL 115)

Governance Committee Approved Items

FL 102 – Approval of Amendments to BOT Operating Procedures

FL 103 – Approval of Amendments to USF Regulations 10.103 and 10.202

FL 104 – Approval of DSO Board Members for Sun Dome, Inc.

FL 105 – Approval of DSO Board Members for USF Research Foundation, Inc.

Academics and Campus Environment Committee Approved Items

FL 106 – Approval of Tenure as a Condition of Employment

FL 107 – Approval of Proposed Terminations

FL 108 – Approval of Career Readiness: Career Hub Update

Audit and Compliance Committee Approved Items

FL 109 – Approval of Revised Audit & Compliance Committee Charter

Finance Committee Approved Items

FL 110 – Approval of 2022-23 USF Parking System Budget

FL 111 – Approval of Revised St. Petersburg CITF List

FL 112 – Approval of Energy Savings Contract and Award to Siemens

FL 113 – Approval of Oracle Cloud HR/Payroll System

FL 114 – Approval of Judy Genshaft Honors College Scope Changes

FL 115 – Approval of MDD Buildout

Chair Weatherford on behalf of the Governance Committee recommended approval on all items.

Trustee Oscar Horton on behalf of the ACE Committee recommended approval on all items.

Trustee Sandra Callahan on behalf of the Audit and Compliance Committee recommended approval on all items.

Trustee Mike Griffin on behalf of the Finance Committee recommended approval on all items.

UFF Representative Author Shapiro had comments concerning:

- The Collective Bargaining Agreement
- Bargaining sessions
- Compensation
- USF student Meghana Nelluri's outstanding presentation.
- UFF Proposals
- Withdrawn 2% Bonus
- Unresponsiveness to UFF Proposals from the USF Team
- Covid-19 crises

Dr. Shapiro ended his comments and wished everyone a happy and healthy holiday season.

Chair Weatherford thanked Dr. Shapiro for his comments and requested a motion to approve the consent agenda. The motion was given by Trustee Oscar Horton and seconded by Trustee Les Muma. The Consent agenda items FL 102 – FL 115 were approved.

V. New Business – Action Items

FL 116 – Approval of Strategic Plan

USF's new strategic plan was designed to provide a clear roadmap to further our institutional ascent over the next five years while establishing a framework to operationalize objectives to meet our institutional goals.

The identification of measures of success with more granular metrics aligns the objectives with institutional accountability plans and aspirations. In concert, the goals and associated objectives in the Strategic Plan reflect USF's commitment to the success of our students, alumni, and staff; the excellence of our faculty research and innovation; the impact of our partnerships – locally and across the globe; the strength of our diverse and inclusive community at USF; and the sustainability of our adaptable financial base.

The seven Strategic Areas of Focus identified in the Strategic Plan reflect current institutional areas of academic and interdisciplinary excellence. These areas will be evaluated periodically to continually sustain our competitive advantage in higher education's fast-paced and fluid landscape.

Implementation of the Strategic Plan requires specific strategies and tactics to guide USF's future trajectory of excellence. With this blueprint, USF will empower deans and academic and administrative leaders to develop and operationalize unit-based strategic plans and priorities. Such plans will align with our mission, vision, and goals and provide actionable pathways to pursue our objectives.

The Strategic Plan is designed to be inclusive of faculty, staff, and students across our three campuses for USF to achieve its strategic mission. To realize our aspirations, USF must be fueled by even more vigorous support from alumni, business and community partners, philanthropists, and government leaders.

President Rhea Law announced that the BOT Chair Weatherford requested she appoint a Steering Committee to review the Strategic Plan. They have worked very hard developing measurable objectives. The Steering Committee Co-Chaired by Vice Provost for Strategic Planning and Accountability Theresa Chisolm and Vice Provost and Associate Vice President for Strategic Talent Recruitment Prithish Mukherjee. The Co-Chairs provided a power point update on the USF Strategic Plan 2022-2027 – In Pursuit of Excellence, which highlighted the following:

- Strategic Planning Timeline
- Members of the Steering Committee
- Assets: Digital Documents + Website
- Mission and Vision Statements
- Aspirations
- Values
- Core Commitments – People Process Environment
- Strategic Areas of Focus
- Anticipated outcomes
- Approved Goals
- Proposed Objectives & Measures of Success
- Transitioning from Goals to Implementation
- USF Strategic Plan Matrix 2022 – 2027 – To be Approved –In Progress
- Tracking and Communicating Progress

Chair Weatherford thanked Vice President's Chisolm and Mukherjee for their work and for co-chairing the steering committee, as well as Trustee Mike Carrere for spearheading the Strategic Plan initiative.

Chair Weatherford thanked Provost Ralph Wilcox for his leadership.

Chair Weatherford commented on adding the Lifelong Learning component. There were 2065 responses in favor of this addition.

Chair Weatherford made comments concerning the AAU language change as well as commenting that USF continues to pursue our standard of excellence.

Vice Chair Mike Griffin thanked Vice Presidents Theresa Chisolm and Prithish Mukherjee on their work for and co-chairing the Strategic Plan Steering committee. He thanked the committee members, Trustee Mike Carrere and Provost Ralph Wilcox on their accomplishments concerning the Strategic Plan.

Vice Chair Griffin commented that the reorganization of higher education has helped change USF's trajectory as it relates to Research and Innovation. USF's bold and robust Strategic Plan during 2002-2003 is what helped shape our future. This is an exciting time for the University of South Florida.

Trustee Mike Carrere thanked Co-Chairs Mukherjee and Chisolm on a tremendous amount of outstanding work with the Strategic Plan Steering Committee. We now have a process where we can measure and

communicate the goals and objectives of the Strategic Plan more effectively. Trustee Carrere also made comments concerning the Learning for Life Conference, in Boca Raton Florida.

Trustee Oscar Horton commended everyone on the tremendous amount of work involved with the Strategic Plan and a job well done. Trustee Horton questioned our dedication to the plan when the USF leadership changes. He also had questions relating to the process of AAU membership.

Trustee Les Muma commented on the qualifications for an AAU invitation.

Trustee Shilen Patel thanked everyone for the dedication and hard work on the Strategic Plan. He had comments concerning the shorter timeline. The five-year period is greatly appreciated. We should continue to reiterate and review to assure things that we have defined are beneath our goals.

Trustee Melissa Seixas commented that the USF Strategic Plan will remain alive and fresh due to our accessibility to the community. Both business and community advocates are included as part of the plan.

Trustee Les Muma commented on the importance to have the ability to track the online system.

Chair Weatherford requested a motion to approve FL 116, which was given by Trustee Les Muma and seconded by Trustee Sandra Callahan. FL 116 -The USF Strategic Plan was approved.

FL 117 – Approval of President’s Goals

Chair Weatherford presented.

Per the President’s contract: On or before September 30th, the President shall provide the Board Chair with a list of proposed goals and objectives. Once approved by the Board Chair the proposed list of goals and objectives shall be submitted by the President to the Governance Committee of the Board of Trustees for consideration. Following consideration by the Governance Committee, the proposed goals and objectives shall be presented for review and approval by the Board in a special or regularly scheduled Board meeting.

A power point presentation on the President’s Goals 2021– 2022 that highlighted the following:

President’s Goals

- Glide Path / Empower
- Research Leadership and Athletics
- Budget / Strategic Planning
- Property Review / One USF
- External Relations / Internal Relations

President Rhea Law talked about the importance of -Empowering Direct Supports and specific key indicators: Accountability Plan, Performance Base Funding and the Preeminence Key Factors.

Trustee Rick Piccolo commended President Rhea Law on her leadership and changing the culture on the USF Campus. He is in full support of item 8 Property Review on the regional USF campuses.

Chair Weatherford requested a motion to approve FL 117 -The President’s Goals. The motion was given by Trustee Carrere and seconded by Trustee Horton. FL 117 - The President’s Goals were approved.

FL 118 – Approval of Vacant Land Acquisition

Regional Vice Chancellor for Administration and Finance David Everingham presented.

The University of South Florida has the opportunity to purchase a parcel of land consisting of approximately .25 acres (10,970 sq. ft.) with the address of 1020 4th Street South, St. Petersburg, Florida 33701, adjacent to the current campus boundary.

Upon review by the Office of General Counsel and approval of Interim President Law, USF executed a vacant land contract on September 27, 2021 to purchase the parcel for \$520,000 contingent upon Board of Trustees (BOT) approval. Closing will take place within two weeks of BOT approval. If the BOT does not approve the contract by December 10, 2021, USF will be refunded its initial deposit and buyer and seller will have no obligation under the contract thereafter.

A power point presentation on the Vacant Land Acquisition at USF St. Petersburg highlighted the following:

- The property at 1020 4th Street South
- Proximity to USF campus
- Background
- Purpose
- Due Diligence

Vice Chancellor David Everingham expressed appreciation to Sr. Vice President Nick Trivunovich and Vice President Nick Setteducato from the Office of Business and Finance, and Attorney Hillary Black from the Office of the General Counsel for their speedy response. He also thanked President Rhea Law for her support and approval.

Trustee Melisa Seixas comments concerned the property's location being an up-and-coming hot spot in St. Petersburg and that she is in full support of the land acquisition.

Chair Weatherford requested a motion to approve FL 118, which was given by Trustee Melissa Seixas and seconded by Trustee Les Muma. FL 118- The Vacant Land Acquisition was approved.

**FL 119 – Approval of Presidential Position
Profile and Advertisement**

Presidential Search Committee Chair Mike Griffin and Mr. Alberto Pimentel of SP&A Executive Search Committee presented.

BOG Regulation 1.002, section (1) (c) iii. states that the search committee, assisted by the executive search firm/consultant will be responsible for “developing recommended position criteria that are consistent with the institution’s mission, strategic plan and aspirational goals, which shall be approved by the board of trustees...”

The attached Presidential Position Profile outlines challenges and opportunities, and desired qualifications for USF’s next President and was finalized during the Presidential Search Committee’s meeting on November 19, 2021. Mike Griffin, Chair of the Committee and Alberto Pimentel of SP&A Executive Search conducted a listening tour during the month of October 2021. In addition, a stakeholder survey

went out to the USF community and collected 1,958 responses. The draft position profile incorporates the feedback gathered from the listening tour and stakeholder survey.

Chair Griffin provided an update on the following:

- The Position Profile and Advertisement
- Informational Marketing Plan
- Timeline
- Stakeholder Engagement
- Listening Sessions
- Town Hall Meetings
- Campus Visits
- Broader Community Outreach
- Surveys

Search Committee Chair Mike Griffin commended Trustees Seixas, Trustee Horton, and Trustee Cunningham on their involvement with the Presidential search committee. Chair Griffin also commended Vice President of University Communications and Marketing Kim Hill and her team for positioning and telling the USF story in a unique way, through advertisement.

SP&A Executive Search Firm Representative Alberto Pimentel provided an update on the materials included in the packets. The position profile was shown featuring the following:

- Video – USF Is America’s Fastest Rising University
- Recruitment Efforts
- Points of Pride
- USF At a Glance
- 3 Distinct Campuses One USF
- USF Athletics
- USF Health
- Diversity Equity and Inclusion
- Investing in Growth
- Our Leadership Structure
- Opportunities and Challenges
- Qualifications and Characteristics was extracted
- Application Process

Mr. Pimentel asked for input and feedback from the Board of Trustees concerning the Position Profile.

Trustee Luran Monbarren is in support of the position profile. It is amazing and captures One USF.

Trustee Rick Piccolo had concerns on the section that reads applications will be public. Will it be discouraging to interested prospects?

BOT Chair Weatherford commented on the Sunshine Laws and legislation.

SP&A Representative Alberto Pimentel discussed next steps.

- Publicize the ad in a variety of journals
- Follow up on phone calls
- Aggressive recruitment will begin the first part of the New Year (2022).
- The interviews will begin in March or April 2022

Board Chair Weatherford requested a motion to approve FL 119, which was given by Search Committee Chair and Trustee Mike Griffin, seconded by Trustee Les Muma and FL 119- Presidential Position Profile and Advertisement was approved.

VI. BOT Roundtable Discussion

Trustee Sandra Callahan, Chair of the Audit and Compliance Committee, reported that she attended an Exit Conference with the Auditor General's office. There were 4 audits: The Annual Financial Audit; the Financial Aid Audit; the Emergency Funds Audit and the Research and Development Audit. Trustee Callahan was happy to announce that USF had zero findings.

Trustee Rick Piccolo commended President Rhea Law and staff as well as Regional Chancellor Karen Holbrook and staff for their leadership and providing clear updates of occurrences on the USF campuses.

Chair Weatherford thanked USF student Meghana Nelluri for sharing her experience while attending USF and for setting a high bar for those to follow. Student presentations will be a new tradition at the full Board of Trustee meetings.

Chair Weatherford commended Provost Ralph Wilcox for being instrumental in several Strategic Planning's for the success and rise of USF for over 15 to 20 years. Although there was an announcement of Provost Wilcox's plans to retire, he has agreed to assist with the glide path and will remain at USF for a while.

On behalf of the Board, Chair Weatherford thanked Provost Wilcox for his unwavering dedication and leadership to the University of South Florida. We would not be where we are without you.

VII. Adjournment

Having no further business, Chair Weatherford adjourned the USF Board of Trustees meeting.



USF Board of Trustees

Monday, February 21, 2022
Microsoft Teams Meeting @ 12pm
MINUTES

I. Call to Order

Chair Will Weatherford convened the Board of Trustees special meeting. He welcomed everyone and asked Kiara Guzzo to call the roll.

Kiara Guzzo called the Roll

Trustee Tim Boaz
Trustee Sandy Callahan
Trustee Mike Carrere
Trustee Julia Cunningham
Trustee Rogan Donnelly – Did not participate
Trustee Mike Griffin
Trustee Oscar Horton
Trustee Luran Monbarren- Did not participate
Trustee Les Muma – Did not participate
Trustee Shilen Patel
Trustee Fredrick Piccolo
Trustee Melissa Seixas
Trustee Will Weatherford

II. New Business – Action Item

- a. FL 101 – Acceptance of Performance-Based Funding (PBF) and Preeminence Data Integrity Audit & Approval of Data Integrity Certification**

Executive Director and Chief Internal Auditor Virginia Kalil Presented.

Pursuant to Florida Statute 1001.706(5)(e) and former Board of Governors Chair Kitson’s letter to University Presidents and University Board of Trustees Chairs dated June 14, 2021, the USF Office of Internal Audit (IA) conducted internal audits of PBF and Preeminence Data Integrity. The primary audit objectives for both audits were to:

- Determine whether the processes and internal controls established by the university ensure the completeness, accuracy, and timeliness of data submissions which support the performance measures.
- Provide an objective basis of support for the President and Board of Trustees Chair to sign the representations included in the Data Integrity Certification.

The Board of Governors requires the acceptance of the audit results and the approval of the Data Integrity Certification by the Board of Trustees, with submittal to the Board of Governors by March 1, 2022.

Chair Weatherford requested a motion to approve which was given by Trustee Callahan and second by Trustee Carrere. FL 101 was approved.

**b. FL 102 - Ratification of MOU
between USF and AFSCME**

Senior Associate General Counsel Liz Gierbolini presented.

Ratify MOU between USF/BOT and AFSCME that extends the parties' current agreement. The agreement covers staff employees represented by AFSCME (approximately 1,559 employees are part of this unit)

The MOU is a one-year agreement extending the parties' contract through June 30, 2023. It limits the parties' negotiations for the year 2022-23 to the "Wages" article and up to two other articles of the parties' choice.

Summary of MOU substantive provisions:

A. One-Time Lump Sum Bonus

- USF will provide a pool sufficient to award a two percent (2%) one time, lump-sum, performance-based bonus to eligible employees, based on their current annual base wage.
- The one time bonuses will not be added to employees' base wage or otherwise constitute a recurring obligation.
- To be eligible for the bonus employees must meet all the eligibility criteria:
 - a. Employee must have been employed by March 13, 2020;
 - b. Employee must be actively employed on the effective date of the bonus;
 - c. Employee must not have an open Performance Improvement Plan (PIP);
 - d. Employee must not have an overall performance rating of "needs improvement" or "unsatisfactory" on most recent evaluation of record; and

- e. Employee’s supervisor must certify that the employee took on new or increased duties or responsibilities associated with responding to, or otherwise ensuring continuity of operations during, the COVID-19 pandemic.

B. 2021-22 Base Increase

- A 1.5% merit base increase to bargaining unit employees who, since on or before July 1, 2021, have been continuously employed by the University in an established position and who are actively employed by the University at the time the merit base increase becomes effective.
- Employee eligibility criteria:
 - a. They do not have an overall rating of “Needs Improvement” on their evaluation of record; and
 - b. They do not have an open Performance Improvement Plan.

C. Tuition Benefit Program

- Section 18.2 of the CBA will be modified to allow eligible full-time bargaining unit employees to elect to transfer their tuition waiver eligibility, for up to six (6) undergraduate credit hours of instruction per term (Fall, Spring, or Summer), to a dependent child, spouse, or domestic partner at USF.
- Program definitions, details, operation, eligibility requirements, and funding levels shall be as determined by USF, and consistent with the requirements of Florida Statutes. The planned effective date would be beginning the Fall 2022 semester.

Trustee Seixas made a comment concerning discussions for the next version of the contract.

Chair Weatherford requested a motion to approve which was given by Trustee Horton and seconded Trustee Seixas. FL 102 was approved.

**c. FL 103 – Ratification of MOU
between USF and PBA**

Senior Associate General Counsel Craig Dawson presented.

The University of South Florida and the West Central Florida Police Benevolent Association (“PBA”) have reached a tentative agreement on a Memorandum of Understanding (“MOU”) detailing a proposed bonus and dependent tuition waiver program. PBA notified the University on January 26, 2022, that it has ratified the MOU. Ratification by the Board is required for the MOU to go into effect.

The MOU provides for a potential one-time bonus of up to 2 percent of the base annual wage rate of bargaining unit employees who took on new or increased duties or responsibilities associated with responding to, or otherwise ensuring continuity of operations during, the COVID-19 pandemic—as certified by the Chief of Police or designee—provided they meet certain eligibility criteria and are in good standing.

Consistent with pending amendments to USF Regulation 4.0108, which covers out-of-unit employees, the MOU also allows the transfer of an in-unit employee's tuition waiver eligibility to a spouse, domestic partner, or dependent child for the purpose of enrolling in eligible undergraduate courses. The University will retain discretion with regard to program details and operation, eligibility requirements, selection, and funding levels. As such, this provision of the MOU does not entail any financial impact, though the University may adjust funding levels based on level of interest in the program and other factors, as appropriate.

Chair Weatherford requested a motion for approval which was given by Trustee Piccolo and seconded by Trustee Griffin. FL 103 was approved.

III. Adjournment

Having no further business, Chair Weatherford thanked everyone for participating and adjourned the special BOT meeting.

Agenda Item: FL 102

USF Board of Trustees
March 8, 2022

Issue: Amended Bylaws of the USF Alumni Association, a direct-support organization

Proposed action: Approve amended bylaws

Executive Summary:

The USF Alumni Association Board has approved revisions to its Bylaws. The SVP of Advancement, Jay Stroman, supports these changes. Approval of the USF Board of Trustees is requested.

Significant changes are summarized below:

- Changes the Alumni Association's membership model from dues-based to one where all USF alum will be members without required payment.
- The office of Chair-Elect was changed to Vice Chair to denote that succession is not automatic from Vice Chair to Chair.
- A reference in Article VI, section 8.E. which incorrectly limited the term of the USF BOT Chair's appointee to 2 years was corrected to remove the term limit.
- The SVP of Advancement and Alumni Affairs was added as a voting member in Article VI, section 7.E.
- In Article VII, section 1 the number of directors was increased from a maximum of 25 to allow up to 30 directors.
- In Article IX, section 3.d. was added to state that the internal audit function would be provided by the USF Internal Audit department, consistent with the recent USFBOT action.

A red-lined version providing a comprehensive view of all changes is attached.

Financial Impact: None

BOT Committee Review Date: February 21, 2022
Supporting Documentation Online (*please circle*): Yes
Prepared by: Noreen Segrest, VP and COO, USF Foundation

No

**UNIVERSITY OF SOUTH FLORIDA
ALUMNI ASSOCIATION, INC.**

Draft Approved by USF Alumni Association Board of Directors on January 8, 2022

ARTICLE I – PURPOSE

The University of South Florida Alumni Association, Inc. (the “Association”) is established pursuant to Section 1004.28, Florida Statutes, as a direct support organization of the University of South Florida (University). The Association is organized and operates to receive, hold, invest, and administer property and to make expenditures to, or for the benefit of, the University of South Florida. The Alumni Association supports this purpose by maintaining mutually beneficial relationships between University and its alumni, building a base of alumni advocates to support University initiatives and providing a variety of programs, services and communications to graduates.

ARTICLE II — MEMBERSHIP

~~**SECTION 1. Members.**—Members in the Association shall be classified as general members or life members, and their associated rights and privileges shall be determined by the Board of Directors. All former students of the University who have completed at least one accredited class at the University are considered general members and are not required to pay membership dues. Any graduate or former student of the University, any member of the faculty or staff, or any person who has an interest in the welfare of the University who is in compliance with Article III, Section 1, may be a life member of the Association upon full payment of Life Membership dues. Members in the Association shall be classified as Annual Members (Members) or Life Members (Members), and their associated rights and privileges shall be determined by the Board of Directors. As needed, other membership classes may be established by the Board of Directors.~~

ARTICLE III — MEMBERSHIP — QUALIFICATIONS

~~**SECTION 1. Dues and Responsibilities.**—The Board of Directors, by resolution, shall adopt a member dues structure. Individuals eligible for membership under Article II who pay the continuing annual or lifetime dues as established by the Board of Directors and who agree to be bound by and comply with the Association’s dues structure, articles of incorporation, these bylaws, and any rules and regulations the Board of Directors adopt, will be Members in good standing of the Association.~~

ARTICLE IV — MEETINGS

SECTION 1. Annual Meetings. The Association shall hold an annual meeting of the Members between January 1 and April 30 of each year. The Board of Directors will give notice of the meeting to all members at least thirty (30) days prior to the meeting.

SECTION 2. Special Meetings. Special meetings of the Members of the Association may be called by the Board of Directors, provided that notice of such special meetings and the matters of business to come before the meeting shall be given to all Members at least seven (7) days prior to the meeting.

SECTION 3. Notice. Notice of the annual or special meetings may be made by either one or more of the following methods: a mailing to all Members, posting on a conspicuous bulletin board at the Association's principal office, posting on the Association's website, and/or by provided via e-communications, which may serve additional purposes beyond providing notice of the meeting.

SECTION 4. Quorum. The Members present at a meeting of the Members of the Association shall constitute a quorum for the purpose of transacting business of the meeting. Except as may be hereinafter provided, a majority of the votes cast at a meeting of the Members convened in accordance with these bylaws shall be sufficient to pass on matters of business.

SECTION 5. Rules of Order. The rules of procedure at meetings of this Association shall be those set forth in *Roberts Rules of Order, Revised*, unless otherwise provided in these bylaws.

ARTICLE V — NOMINATIONS AND ELECTIONS

SECTION 1. Solicitation of Nominations. The Governance Committee shall oversee the election/appointment process for the Board. Any qualified individual interested in being considered to serve as an elected director or officer should make their interest known in writing to a member of the Nominating Committee, including the Alumni Association Executive Director. Additionally, members of the Nominating Committee may also bring forward to the Committee for consideration individuals who have not formally submitted their name previously. The Nominating Committee will consider all candidates in accordance with their selection process.

SECTION 2. Nominating Committee. The Chair will work in coordination with the ~~Chair-Elect~~Vice-Chair to appoint a Nominating Committee composed of the current Chair, ~~Chair-Elect~~Vice-Chair, Past Chair, two (2) previous Chairs, two (2) members at large and the Alumni Association Executive Director (non-voting). The previous Chairs and members at large will each serve staggered two-year terms. The committee shall be chaired by the ~~Chair-Elect~~Vice-Chair and the committee shall nominate the officers and other persons to be elected by vote.

SECTION 3. Elected Directors and Officers. All Officer positions will be voted on by current Directors from a slate of candidates as provided by the Nominating Committee. All Officer candidates must be a current or former Board member. All Director positions will be determined by a majority vote of verified Association Members present at the annual meeting. Attending Members, including current Board members, will vote on a slate of candidates as provided by the Nominating Committee, and no other nominations will be accepted outside of the names provided by the Nominating Committee.

SECTION 4. Approval of Directors. All Directors are required to be approved by the USF Board of Trustees, with the exception of the President of the University of South Florida or his or her designee, in accordance with Section 1004.28, Florida Statutes and a person selected and appointed to the Board by the Chairperson of the USF Board of Trustees in accordance with Section 1004.28, Florida Statutes.

ARTICLE VI— OFFICERS AND DIRECTORS

SECTION 1. Officers. All Officers of the Association shall take office upon their selection as provided by these bylaws. The Officers of the Association shall be Chair, ~~Chair-Elect~~Vice-Chair, Secretary, Treasurer, and Past Chair. ~~Except for automatic succession of (i) the Chair-Elect to the Office of Chair; and (ii) the Chair to the office of Past Chair, o~~Offices shall be filled by election as provided in Article V or by ~~succession~~, election, or appointment under the circumstances described in Article VIII.

SECTION 2. The Chair. The Chair shall be the executive head of the Association. The Chair shall be the Chair~~person~~man of the meetings of the Members, the Board of Directors, and the Executive Committee. The Chair shall ~~automatically~~ succeed to the office of Past Chair after serving the term as Chair. The Chair shall serve a one (1) year term in that office and be a voting member of the Board of Directors, Executive Committee and Nominating Committee.

SECTION 3. ~~Chair-Elect~~Vice-Chair. The ~~Chair-Elect~~Vice-Chair shall be the Vice-Chair~~person~~man of the meetings of the Members, the Board of Directors and the Executive Committee. ~~The Chair-Elect shall automatically succeed to the office of Chair either after serving the term as Chair-Elect or upon a vacancy in the office of Chair.~~ If the ~~Chair-Elect~~Vice-Chair succeeds to the office of Chair upon a vacancy, the one (1) year term as- Chair shall be extended to include the remainder term created by the vacancy. The ~~Chair-Elect~~Vice-Chair shall serve a one (1) year term in that office and be a voting member of the Board of Directors, Executive Committee, and Nominating Committee.

SECTION 4. Past Chair. The Past Chair shall perform such duties as the Chair may ~~from time to time~~ assign. The Past Chair shall serve a one (1) year term in that office and be a voting member of the Board of Directors, Executive Committee and Nominating Committee.

SECTION 5. Secretary. The Secretary shall serve a one (1) year term in that office, shall be a voting member of the Board of Directors and Executive Committee and shall perform the duties generally incident to the office, including:

- A. **Executive Vacancies.** In the event of vacancies in the office of ~~Chair-Elect~~Vice-Chair, the Secretary shall call a meeting of the Board of Directors at which election of a successor to the office of ~~Chair-Elect~~Vice-Chair shall be the first order of business. The Secretary shall preside at such meetings until the ~~Chair-Elect~~Vice-Chair has been elected.
- B. **Minutes and Records.** The Secretary shall be charged with the responsibility for ensuring that minutes of all meetings of the members, Board of Directors and the Executive Committee are kept and that the records of the Association are maintained in good order.
- C. **Reporting.** The fiscal year of the Association shall be July 1 - June 30. The Secretary shall make reports at each meeting of the Board of Directors regarding the minutes of the past meeting as well as any other matters which may be called for by the Chair or the Board of Directors of the Association.

SECTION 6. Treasurer. The Treasurer shall serve a one (1) year term, shall be a voting member of the Board of Directors and Executive Committee and shall perform the duties generally incident to the office, including:

- A. **Financial Records.** The Treasurer shall arrange for compliance with the annual audit, annual federal tax filings, budget and reporting requirements of the University and coordinate the auditing of the books, records and accounts of the Association. Assets of the Association shall be kept in a separate fund within the Treasury of the University of South Florida Foundation, Inc. and shall be accounted for, audited, and administered within the framework of that corporation.
- B. **Reporting.** The Treasurer shall make reports at each meeting of the Board of Directors regarding the condition of the Treasury, as well as any other matters which may be called for by the Chair or the Board of Directors of the Association.

SECTION 7. Directors. All Directors of the Association shall begin their terms upon their selection as provided by these bylaws. The Directors elected at the annual meeting of the Members in accordance with Article V, Section 3, the Directors appointed by the Chair in accordance with Article VI, Section 8, the President of the University of South Florida or his or her designee and the representative appointed by the Chair of the USF Board of Trustees and the Senior Vice President of Advancement and Alumni Affairs shall be voting members of the Board of Directors.

SECTION 8. Appointments.

- A. Student Representatives. ~~Following the regular annual succession of Chair Elect to Chair, the~~ incoming Chair of the Board shall, in consultation with the Executive Director, appoint one (1) member from among the executive officers of the University's Student Government, and one (1) member from among the Student Ambassadors to serve as voting members on the Board of Directors for a one (1) year term.
- B. Foundation Board Liaison. ~~Working in coordination~~ In consultation with the USF Senior Vice President of Advancement and Alumni Affairs~~Foundation CEO, the~~ Chair shall appoint one (1) member from among the USF Foundation Board to serve as a voting member of the Board of Directors for a one (1) year term.
- C. Faculty or Staff Member. In consultation with the Executive Director, the Chair shall appoint one (1) member from the USF Faculty or Staff to serve as a voting member of the Board of Directors for a one (1) year term.
- D. USF Athletics Bulls Club Board Representative. Working in ~~coordination~~consultation with the USF vice president ~~director~~ of athletics, the Chair shall appoint one (1) member from the USF Athletics Bulls Club Board to serve as a voting member of the Board of Directors for a one (1) year term.
- E. The USF Board of Trustees Chairperson shall appoint a person in accordance with Section 1004.28, Florida Statutes to serve as a voting member of the Board of Directors and Executive Committee for a term to be determined by the USF Board of Trustees' Chairperson for a two (2) year term.

SECTION 9. Executive Director. The Executive Director shall be responsible for the conduct of daily and routine business of the Association in accordance with the policies and procedures described by the Board of Directors as directed by the Executive Committee. The Executive Director shall be selected and appointed by the Senior Vice President of Advancement and Alumni Affairs~~Board of Directors, subject to the recommendation of the University President.~~ The Executive Director shall attend both the Board of Directors and the Executive Committee meetings as a non-voting member, serve at the pleasure of the Board of Directors and report to the University President or the University President's designee and report to the Sr. Vice President of Advancement and Alumni Affairs.

~~**SECTION 10. Sr. Vice President for University Advancement & Alumni Affairs.** The Sr. Vice President for University Advancement & Alumni Affairs will serve as a non-voting member of the Board of Directors and the Executive Committee.~~

SECTION 104. University President. The President, or the President's designee, of the University of South Florida will serve as a voting member of the Board of Directors and the

Executive Committee. The University President shall retain the powers and duties to monitor and control the use of University resources and the University name by the Association; monitor compliance of the Association with state and federal laws and rules of the USF Board of Trustees; approve salary supplements and other compensation or benefits paid to University faculty and staff from the Association’s assets consistent with USF Board of Trustees’ policies; approve salaries, benefits, and other compensation paid to employees of the Association consistent with USF Board of Trustees’ policies; and approve contributions of funds or supplements, if any, to support intercollegiate athletics.

SECTION 112. Vacancies. Except as herein provided, any vacancy of any officer or voting director shall be filled by appointment by the Chair of the Association. Any officer or director serving by appointment of the Chair to fill a vacancy shall serve the balance of the term of the officer or director for whom the appointee is a replacement.

SECTION 123. Non-Agency. Employees of the Alumni Association, if any, shall not be considered employees of the State of Florida solely by virtue of such employment.

ARTICLE VII — THE BOARD OF DIRECTORS

SECTION 1. Composition. The Board of Directors ~~shall~~may be composed of up to ~~25~~30 voting Directors and ~~two~~one (21) non-voting Directors. The voting Directors include five (5) officers, up to 17~~3~~ Directors elected at the annual meeting of the Board of Directors, one (1) appointed Director representing each of the following areas: Student Government, USF Ambassadors, University faculty or staff, USF Foundation Board, and USF Athletics Bulls Club Board of Directors. Directors will also include the President of the University of South Florida or his or her designee, in accordance with Section 1004.28, Florida Statutes, ~~and~~ a person selected and appointed to the Board by the Chairperson of the USF Board of Trustees in accordance with Section 1004.28, Florida Statutes and the Senior Vice President of Advancement and Alumni Affairs. Every effort will be made to ensure representation from each USF campus among the Directors. ~~Directors include one representative who is actively affiliated with each of the following areas~~campuses: USF Sarasota Manatee and USF St. Petersburg.

The non-voting Directors include ~~two (2) ex officio Director: Senior Vice President of Advancement & Alumni Affairs, and the Associate~~ Vice President and Executive Director of the Association.

Voting (<u>25</u>30)	Non-Voting (<u>21</u>)
5 Officers- Elected	
<u>17</u> 3 Directors – Elected	<u>1 USF Sr. VP Advancement & Alumni Affairs</u>
2 Student Representatives- Appointed	1 Executive Director of the Association- <u>Ex officio</u>
1 faculty or staff representative from the University – Appointed	
1 <u>USF</u> Foundation Board Liaison- Appointed	

1 USF Athletics Bulls Club Board representative – Appointed	
1 USF Board of Trustees representative – a Appointed	
1 USF President or designee- Ex-officio	
<u>1 USF Senior VP Advancement & Alumni Affairs-Ex-officio</u>	

SECTION 2. Eligibility. All voting Directors of the Association, except for the student representatives, shall, as a condition to serving on the Board, be life members in compliance with the Member dues structure referenced herein at Article III, ~~Section 1,~~ or qualify for a hardship exemption, and shall begin their terms upon their selection as provided by these bylaws. All Board of Directors’ officer positions shall be ~~graduates alumni~~ of University and in fulfilling their duties shall comply with the Position Description approved by the Board.

SECTION 3. Terms. All Directors will serve a one or two year term. Voting Directors are limited to four (4) consecutive years of service, with the exception of the USF President or designee, ~~and the~~ representative appointed by the USF Board of Trustees and the Senior Vice President of Advancement and Alumni Affairs. Service as an Officer shall not be included in calculating the four (4) year limit. After one (1) year off the Board of Directors, a Director will be eligible for active board service.

SECTION 4. Removal of Director. After consultation with the Executive Director, ~~A~~any Director may be removed for cause by the Board upon written notice. A Director may be removed pursuant to this section by a vote of two-thirds (2/3) of the Board. The Director whose removal is at issue shall not be entitled to vote on the question of removal. Any Director of the Board of Directors who fails to attend three Board meetings in each Board year, unless excused in advance by the Chair for cause, shall be removed from his or her position, which will be filled by a Director appointed by the Chair. These provisions shall not be applicable to the USF President or designee, ~~and~~ the representative appointed by the USF Board of Trustees and the Senior Vice President of Advancement and Alumni Affairs.

SECTION 5. Powers. The Board of Directors shall be empowered to transact all necessary and essential business of the Association. The Executive Committee shall be empowered to act on the Board of Directors’ behalf during the time period between Board meetings upon matters which the Executive Committee, by majority vote, deems to be of such a nature that awaiting action of the full Board of Directors would not be in the best interests of the Association. All such actions shall be announced and ratified at the next meeting of the Board of Directors. The Board of Directors shall be empowered to write and adopt resolutions and policies of the Board.

SECTION 6. Meetings. The Board of Directors shall hold three (3) meetings per year in addition to the Board of Directors meeting held in conjunction with the annual meeting of the Members; additional meetings of the Board may be called by the Chair, or by the Secretary either upon petition of the majority of the Board of Directors or in accordance with these bylaws.

SECTION 7. Action by Regular or Electronic Mail. Any action required to be taken at a meeting of the Association Board of Directors or a committee thereof, may be taken without a meeting if the following conditions are met:

- 1) Information in writing setting forth the action to be taken, the necessity for immediate action, the details and method for voting and responding, and a certain date for response is provided to all voting Directors, or all members of the committee, as the case may be.
- 2) All reasonable attempts have been made to assure that all voting Directors, or members of the committee, as the case may be, have received such information.
- 3) Written consent is provided by a majority of the voting Board of Directors or of the members of the committee, as the case may be.
- 4) The action taken is filed in the minutes of the proceedings of the Board of Directors or committee.

Notice of actions to be taken without a meeting as provided herein, and written consent to such actions, may be handled by regular or electronic mail or facsimile to every Board Member or members of the particular committee involved.

SECTION 8. Quorum. A majority of the Directors entitled to vote on the matter, represented in person shall constitute a quorum at any meeting of the Board of Directors. A majority of the voting members of the Executive Committee present at a noticed meeting of the Executive Committee shall constitute a quorum. A majority of the votes cast at a meeting of the Board of Directors or a meeting of the Executive Committee convened in accordance with these bylaws shall be sufficient to pass on matters of business, unless otherwise stated herein.

SECTION 9. Proxies. The duties of a Director of the Association are non-delegable and, accordingly, no votes of a Director may be cast by proxy.

ARTICLE VIII— COMMITTEES

SECTION 1. Standing Committees. The standing Committees and their ongoing charges shall be as follows:

- A. **Executive.** Composed of the Chair, ~~Chair-Elect~~~~Vice-Chair~~, Secretary, Treasurer, Past Chair, up to three elected directors appointed by the Chair, Executive Director, ~~Senior-~~Vice President of University Advancement ~~&and~~ Alumni Affairs, and the President of the University of South Florida or his or her designee, in accordance with Section

1004.28, Florida Statutes and a person selected and appointed to the Board by the Chairperson of the USF Board of Trustees in accordance with Section 1004.28, Florida Statutes. The Executive Committee shall provide overall planning and direction to the Association and act ~~in the absence~~ on behalf of the Board of Directors.

- B. **Finance and Audit.** The Finance and Audit Committee shall develop an annual budget for consideration by the Executive Committee prior to presentation to the Board of Directors; shall review for consideration by the Board of Directors all annual federal tax filings; ~~shall review for consideration by the~~ Executive Committee for recommendation by the Board of Directors all annual audit findings; shall assist the Treasurer in monitoring the financial condition of the Association; and shall monitor compliance with long-range budgetary planning as well as assist with such planning. The Treasurer will serve as chair of the committee.
- C. **Governance.** The Governance Committee shall oversee the process and otherwise set the mechanism for electing qualified candidates for the offices of Officers and the elected Director positions; ~~and shall review for consideration by the Board of Directors all revisions to the Association's bylaws or~~ charter articles of incorporation. The Secretary will serve as chair of the committee.
- D. **Nominating Committee.** The Nominating Committee is composed of the Chair, ~~Chair-Elect~~ Vice-Chair, Past Chair, and Alumni Association Executive Director (non-voting), all by virtue of their positions. Additionally, the Chair will work in coordination with the ~~Chair-Elect~~ Vice-Chair to appoint two (2) previous Chairs —and two (2) members at large. The previous Chairs and members at large will each serve staggered two-year terms, providing for two vacancies each year. The committee shall be chaired by the ~~Chair-Elect~~ Vice-Chair and the committee shall nominate the Officers and Directors of the Board to be elected by vote. The candidate identification and selection process is continual and involves identification and awareness of potential candidates from the committee members.
- F. **Compensation Committee.** The Chair shall appoint a Compensation Committee whose sole charge shall be to determine, under the applicable IRS regulations, whether the compensation of Officers, Directors and Key Employees, as defined in the regulations, is reasonable. The Committee shall consist of three (3) members, chosen from the Executive Committee by the Chair, each serving a one-year term. The Chair is also eligible to serve as one of the three (3) members of this Committee. The Committee shall meet once annually and shall receive such compensation surveys and other data from staff and/or retained consultants as is necessary to make its determination in accordance with the standards established by applicable IRS regulations.

SECTION 2. Ad-hoc Committees. The Alumni Association Chair shall have the power to modify the Standing Committee structure by the formation of Ad-hoc Committees, with Board approval. The term of an Ad-hoc Committee shall, either by specific date or by the occurrence of a designated condition, be set at the time of its approval, ~~but in no case shall it extend beyond three (3) years.~~ An Ad-hoc Committee Chairman shall be appointed by the Board Chair ~~for the entire term of the Ad-hoc Committee.~~

SECTION 3. Chair and Membership Appointments. From among the members of the Board of Directors, the Chair shall appoint Chairs of the Standing Committees. Except where otherwise provided for in these bylaws, Standing Committee Chairs shall serve at the discretion of the Chair.

SECTION 4. Limited Charge. The Standing Committees shall investigate, study, plan and make recommendations within the scope of their ongoing charge, which shall be reported to the Board of Directors at its regular meetings. They shall engage in other activities only upon express authorization of the Board of Directors unless otherwise provided in these Bylaws. All standing and ad-hoc Committees, excluding the Executive Committee, Nominating Committee and Compensation Committee, should have at least three (3) non-Board members as Committee members, where reasonable and practical.

ARTICLE IX — ALUMNI CHAPTERS

SECTION 1. Charters. University of South Florida Alumni Chapters may be chartered to advance the purposes and objectives of the Alumni Association, on the basis of any identifiable geographic location, upon approval by the Board of Directors of a written request by at least one active member of the Alumni Association within that geographic location.

SECTION 2. Names. The terms “USF Alumni Association_____ Chapter” will be included in the name of each Chapter.

SECTION 3. Organization. Each Chapter may adopt bylaws, defining the organization and operation of the Chapter, which will be effective upon approval of the Board of Directors of the Association.

SECTION 4. Charter Preservation. Chapter charters are perpetual but shall be subject to revocation by the Board of Directors at any time. Revocation of the Chapter charter may result from the Chapter’s failure to demonstrate an appropriate level of activity advancing the purposes and objectives of the Alumni Association within its geographic location or from activity inconsistent with the purposes and objectives of the Alumni Association. The Alumni Association’s Chapters and Societies Procedures Manual shall contain a listing of the types of activities and actions considered appropriate and describe the types of activities that are inappropriate.

SECTION 5. Funds. Chapters shall not levy dues, raise funds, keep any separate USF Foundation or other external bank account or solicit contributions without approval of the Board of Directors of the Association. The Board of Directors shall be the source of funds for the development and operations of Chapters.

ARTICLE X — ALUMNI SOCIETIES

SECTION 1. Charters. University of South Florida Alumni Societies may be chartered to advance the purposes and objectives of the Alumni Association, on the basis of either an alumni constituency of an academic unit of the University of South Florida or of an alumni constituency of a student organization chartered, organized and supported by an organizational unit of the University of South Florida to be of service to that unit’s mission, upon approval by the Board of Directors of a written request by at least one active member of the Alumni Association within that constituency. The Board of Directors shall not charter Societies for alumni of a department where that department’s alumni would also be served by a Society for alumni of a college or school.

SECTION 2. Name. The terms “USF Alumni Association _____ Society” will be included in the name of each Society.

SECTION 3. Organization. Each Society may adopt bylaws, defining the organization and operation of the Society, which will be effective upon approval of the Board of Directors of the Association.

SECTION 4. Charter Preservation. Society charters are perpetual but shall be subject to revocation by the Board of Directors at any time. Revocation of the Society charter may result from the Society’s failure to demonstrate an appropriate level of activity advancing the purposes and objectives of the Alumni Association within its constituency or from activity inconsistent with the purposes and objectives of the Alumni Association. The Alumni Association’s Chapters and Societies Procedures Manual shall contain a listing of the types of activities and actions considered appropriate and describe the types of activities that are inappropriate.

SECTION 5. Funds. Societies shall not levy dues, raise funds, keep any separate USF Foundation or other external bank account, or solicit contributions without approval of the Board of Directors of the Association. The Board of Directors shall be the source of funds for the development and operations of Societies.

ARTICLE XI – FINANCE AND AUDIT

SECTION 1. Operating Budget. An operating budget will be prepared at least annually, presented for approval by the Senior Vice President of Advancement and Alumni Affairs, then the Board of Directors. The Operating Budget will ~~and be~~ submitted ~~to~~ by the Senior Vice

President of Advancement and Alumni Affairs to the University President for review and recommendation to the USF Board of Trustees for approval.

SECTION 2. Expenditure Reports. An expenditure report will be prepared quarterly, presented for approval by the Senior Vice President of Advancement and Alumni Affairs, then presented ~~quarterly~~ to the University President or the President's designee for review and approval. The President's designee must be a University Vice President or Senior Officer who reports directly to the President ~~who reports directly to the President.~~

SECTION 3. Audits

- (a) At the close of each fiscal year, the Executive Committee of the Association shall select an independent certified public accountant to perform an annual audit of all the accounts of the Association. The annual audit shall be performed in accordance with the Generally Accepted Auditing Standards and Government Auditing Standards issued by the Comptroller General of the United States and submitted within 180 days following the end of the fiscal year to the USF Board of Trustees. A management response letter will be included if appropriate.
- (b) Neither the auditors selected nor any member or employee of any auditing firm selected shall be a Director or Officer of the Association, unless this requirement is specifically waived by action of the Executive Committee.
- ~~(c)~~ The Finance and Audit Committee will review the independent audit prior to presentation to the Executive Committee and Board of Directors for approval. A copy of the report of the auditor shall be made available to each member of the Board of Directors as soon as practicable and such report shall be presented at the next meeting of the Board of Directors held after the report is completed.
- ~~(e)~~(d) Notwithstanding any of the above, the Association will utilize the University's internal audit department for all internal audit requirements and will comply and adhere to all findings and recommendations from the University.

ARTICLE XII — CONFLICT OF INTEREST

SECTION 1. Policy. No member of the Board of Directors will have a material personal interest in conflict with the interests of the Association or be engaged to provide professional or other services to the Association for remuneration, unless the arrangement is the result of a competitive bidding process or is the result of circumstances which, in the judgment of the Executive Committee of the Board of Directors, warrants the arrangement. Nothing herein, however, will preclude the Association from engaging the services of a Director, his or her company, his or her employer or any of his or her associates so long as the relationship is fully disclosed to the Association. A Director having a conflict of interest will not use his or her

personal influence in order to obtain a contract with the Association; however, a Director may state his or her position and answer pertinent questions with respect to the matter. In the event the Association engages a Director, his or her company, his or her employer or his or her associate to provide professional services for remuneration, the Association will enter into a written agreement with the Director, his or her employer, his or her company or his or her associate that will specify the nature, term and scope of the engagement, and any other factors determined necessary by the Executive Director.

SECTION 2. Written Disclosure. At least once a year, there will be a full written disclosure by each member of the Board of Directors of all relationships, fees, commissions or other remuneration furnished by the Association to the Director, his or her company, his or her employer or his or her associate or by any organization in which a member has a significant beneficial ownership. Additionally, if any conflict arises during the twelve months following completion of the written disclosure statement, the Director will promptly notify the Executive Director/Secretary in writing. The Executive Committee will be responsible for monitoring the application of this policy.

ARTICLE XIII — AMENDMENTS

SECTION 1. Articles of Incorporation. The Articles of Incorporation may be amended, as provided therein, at the annual or special meetings of the members of the Association held in accordance with these bylaws. Amendments to the Articles of Incorporation will be effective only after submission by the University President for approval by the USF Board of Trustees and approval of the USF Board of Trustees. Amendments to the Articles of Incorporation shall be filed with the Secretary of State of the state of Florida in accordance with law.

SECTION 2. Bylaws. The bylaws of the Association may be amended by a majority vote of the Board of Directors after notice at a previous meeting or after notice mailed to all Directors at least 10 days prior to the meeting at which the amendments are to be considered. Material amendments to the bylaws will be effective only after submission by the University President for approval by the USF Board of Trustees and approval of the USF Board of Trustees.

~~Monique Hayes~~Christine Turner, Secretary
~~May 28, 2019~~ January 8, 2022

Agenda Item: FL 103

USF Board of Trustees
March 8, 2022

Issue:

Proposed Amendments to Regulation 4.0108: Waiver and Exemptions of Tuition and Fees

Proposed action:

Formal adoption of the amendments incorporated in Regulation 4.0108

Executive Summary:

Proposed Amendments to USF Regulation 4.0108 to allow transfer of employee tuition waiver to eligible spouse, domestic partner, or dependent child for the purpose of enrolling in eligible undergraduate courses. The University will retain discretion with regard to program details and operation, eligibility requirements, selection, and funding levels. As such, the amendments do not entail any financial impact, though the University may adjust funding levels based on level of interest in the program and other factors, as appropriate. Supports and enhances the mission of the University – Recruitment and Retention.

Financial Impact: N/A

Strategic Goal(s) Item Supports: Goal Four: Sound financial management to establish a strong and sustainable economic base in support of USF's continued academic advancement.

BOT Committee Review Date: Governance Committee: 2-21-22

Supporting Documentation Online (please circle): Yes No

Prepared by: Patsy Ciaccio, Office of General Counsel, 813-974-1661



UNIVERSITY OF SOUTH FLORIDA

REGULATION

Number: USF4.0108
Title: Waiver and Exemptions of Tuition and Fees
Responsible Office: Business and Finance

Date of Origin: 10-12-10

Date Last Amended: 7-30-21 (technical)

Date Last Reviewed: 7-30-21

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

(1) The University of South Florida (USF) waives tuition, non-resident tuition or associated fees for purposes that support and enhance the mission of USF as authorized and limited by Board of Governors (BOG) Regulations, Florida Statutes or USF Board of Trustees Regulations. In addition, this Regulation incorporates any final adopted BOG or statutory waiver requirements and the following general categories of tuition exemptions and fee waivers are established and considered mandatory pursuant to BOG Regulations [6.013](#), [7.002](#) and [7.008](#) and [section 1009.26, Florida Statutes](#) that set forth specific criteria applicable to the following categories:

- (a) Certain educational expenses of a child or spouse of a Law Enforcement Officer.
- (b) Firefighter killed in the line of duty.
- (c) Certain educational expenses for the child of a deceased teacher or school administrator employed by a Florida District School Board who dies as a result of an unlawful and intentional act, provided such killing is related in whole or part to the fact that the individual is a teacher or school administrator.
- (d) Wrongfully incarcerated persons.
- (e) Students who earn credit in courses toward both a Florida high school diploma and an associate or baccalaureate degree, or enrolled in dual enrollment or early admission programs.
- (f) Certain Florida Department of Children and Family Service foster care or adopted students.
- (g) Homeless or temporary shelter residence students.

- 23 (h) Persons eligible under [section 402.403, Florida Statutes](#) (“Child Protection and Child
24 Welfare Personnel Tuition Exemption Program”), who are enrolled in an accredited
25 master’s degree in social work or a certificate program, and maintain at least a grade of ‘B’
26 in all courses.
- 27 (i) Graduate Interns participating in the School Psychology Training Program.
- 28 (j) Purple Heart or other superior combat decorated recipients.
- 29 (k) Undocumented students for federal immigration purposes, who meet the following
30 conditions:
- 31 1. Attended a secondary school in this state for 3 consecutive years immediately
32 before graduating from high school in this state;
 - 33 2. Apply for enrollment in an institution of higher education within 24 months
34 after high school graduation; and
 - 35 3. Submit an official Florida high school transcript as evidence of attendance and
36 graduation.
- 37 This waiver is applicable for 110 percent of the required credit hours of the degree or
38 certificate program for which the student is enrolled.
- 39 (l) Honorably discharged veterans of the United States Armed Forces, the United States
40 Reserve Forces, or the National Guard who physically reside in this state while enrolled in
41 the institution. Persons who are entitled to and use educational assistance provided by the
42 United States Department of Veterans Affairs also qualify for this waiver if they physically
43 reside in Florida while enrolled at the University in any term beginning after July 1, 2015.
44 Tuition and fees charged to a veteran or person who qualifies for the out-of-state fee
45 waiver under this subsection may not exceed the tuition and fees charged a resident student
46 enrolled in the same program.
- 47 (m) Active duty members of the Armed Forces of the United States who reside or are stationed
48 outside of this state. Tuition and fees charged to a student who qualifies for the out-of-
49 state waiver may not exceed the tuition and fees charged to a resident student.
- 50 (n) Students enrolled in an employment and training program under the welfare transition
51 program.
- 52 (o) State Employees subject to approval by an employee’s agency head or the equivalent, to
53 enroll in up to six credit hours of courses per term on a space-available basis. This does
54 not include persons employed by a state university.

- 55 (p) Students eligible under the Program of Strategic Emphasis Waiver as provided by Florida
56 Statute.
- 57 (q) Students eligible under the State University Free Seat Waiver as provided by Florida
58 Statute.
- 59 (2) The following additional tuition and fee waivers are authorized by the Board of Governors
60 and may be granted for purposes that support and enhance the mission of USF:
61
- 62 (a) Students enrolled in Florida Linkage Institutes Program.
- 63 (b) Tuition differential may be waived for students who meet the eligibility requirements for
64 the Florida public assistance grant ([section 1009.50, Florida Statutes](#)).
- 65 (c) Intern Supervisors may be given one non-transferable certificate (fee waiver) for each full
66 academic term during which the person serves as an intern supervisor. This certificate
67 shall provide for waiver of the basic fee (as defined in [BOG Regulation 7.001](#)). Certificate
68 holders are entitled to a waiver of tuition for a maximum of six (6) hours credit instruction
69 (including credit through continuing education) during a single term.
- 70 (d) Full-time University employees may be awarded a waiver of up to six (6) credit hours of
71 tuition-free courses per term on a space available basis. Any eligible employee who does
72 not personally make use of the employee tuition waiver program may transfer their
73 eligibility to their qualifying spouse, domestic partner or dependent child who may receive
74 a tuition waiver of up to six credit hours per term, on a space available basis, for the
75 purpose of enrolling in eligible undergraduate courses. Program details and operation,
76 eligibility requirements, selection, and funding levels will be determined by the University
77 and will be consistent with the requirements of Florida Statutes. The employee or any
78 qualifying spouse, domestic partner, or dependent child of an employee must meet all of
79 the eligibility requirements established by Central Human Resources and must follow all
80 University requirements regarding admissions, enrollment, and documentation.
- 81 (e) Florida residents 60 years of age or older who enroll to audit courses on a space-available
82 basis. No academic credit shall be awarded.
- 83 (f) Public School classroom teachers employed full-time by a school district who meet the
84 academic requirements established by the University may be granted up to six credit hours
85 per term on a space-available basis in undergraduate courses related to special education,

- 86 mathematics or science, however, the waiver may not be used for courses scheduled during
87 the school district's regular school day.
- 88 (g) Participants in Sponsored Credit Institutes and Programs.
- 89 (h) Non-resident, non-degree seeking students may be granted a waiver of the out-of-state
90 fee. The credit hours generated must be non-state fundable and the cost for the program
91 of study recovered from the fees charged to all students.
- 92 (i) Admissions Deposit Fee - waived based on significant financial hardship as determined by
93 the USF Financial Aid Office.
- 94 (j) Application Fee may be waived for applicants who can document receipt of a fee waiver
95 because of economic need as determined by the College Board or the American College
96 Testing Program.
- 97 (k) Late Payment Fee may be waived due to circumstances determined to be exceptional and
98 beyond the control of the student pursuant to [USF4.0101 Student Registration](#).
- 99 (l) Late Registration Fee may be waived due to circumstances determined to be exceptional
100 and beyond the control of the student pursuant to [USF4.0101 Student Registration](#).
- 101 (m) Non-resident Graduate Assistants who have a minimum of .25 FTE; non-resident
102 graduate students who receive fellowship awards; and non-resident graduate students
103 with exceptional academic capabilities or skills as determined by the Dean may be
104 offered tuition waivers.
- 105 (n) Non-resident undergraduate students having exceptional academic capabilities or skills
106 who apply to and meet the criteria of the appropriate USF college or unit, e.g. degree-
107 seeking Junior or Senior, etc. may be offered out-of-state tuition waivers to the extent
108 funds are available.
- 109
- 110 (3) The designated liaison for general questions on USF student concerns regarding student
111 tuition waivers is the USF Associate Controller for Student Financial Services. For other student
112 matters, students may refer to [Policy 30-053 Student Grievance Processes](#).
- 113
- 114 (4) USF shall report the purpose, number, and value of all fee waivers granted annually in a
115 format prescribed by the Board of Governors.
- 116
117
118

119 *Authority: Art. IX, Sec. 7, Fla. Constitution; Fla. Board of Governors Regulations 6.013, 7.001, 7.002, 7.003,*
120 *7.008; Sec. 402.403, 1009.26, 1009.50, F.S.*
121
122 *History: New (BOT approval) 10-12-10, Amended 4-21-14 (technical), 7-1-14 (technical), 3-24-16 (technical), 8-*
123 *3-16 (technical), 12-14-16 (technical), 8-3-18 (technical), 7-30-21 (technical).*
124
125 *Consolidation Amendments Effective: 7-1-20*
126
127 *Certification: USF certifies that it has followed the Florida Board of Governors Regulation Development Procedure*
128 *and has a record of written notices, comments, summaries and responses as required.*
129

DRAFT



UNIVERSITY OF SOUTH FLORIDA

REGULATION

Number: USF4.0108
Title: Waiver and Exemptions of Tuition and Fees
Responsible Office: Business and Finance

Date of Origin: 10-12-10

Date Last Amended: 7-30-21 (technical)

Date Last Reviewed: 7-30-21

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

(1) The University of South Florida (USF) waives tuition, non-resident tuition or associated fees for purposes that support and enhance the mission of USF as authorized and limited by Board of Governors (BOG) Regulations, Florida Statutes or USF Board of Trustees Regulations. In addition, this Regulation incorporates any final adopted BOG or statutory waiver requirements and the following general categories of tuition exemptions and fee waivers are established and considered mandatory pursuant to BOG Regulations [6.013](#), [7.002](#) and [7.008](#) and [section 1009.26, Florida Statutes](#) that set forth specific criteria applicable to the following categories:

- (a) Certain educational expenses of a child or spouse of a Law Enforcement Officer.
- (b) Firefighter killed in the line of duty.
- (c) Certain educational expenses for the child of a deceased teacher or school administrator employed by a Florida District School Board who dies as a result of an unlawful and intentional act, provided such killing is related in whole or part to the fact that the individual is a teacher or school administrator.
- (d) Wrongfully incarcerated persons.
- (e) Students who earn credit in courses toward both a Florida high school diploma and an associate or baccalaureate degree, or enrolled in dual enrollment or early admission programs.
- (f) Certain Florida Department of Children and Family Service foster care or adopted students.
- (g) Homeless or temporary shelter residence students.
- (h) Persons eligible under [section 402.403, Florida Statutes](#) (“Child Protection and Child Welfare Personnel Tuition Exemption Program”), who are enrolled in an accredited

24 master's degree in social work or a certificate program, and maintain at least a grade of 'B'
25 in all courses.

- 26 (i) Graduate Interns participating in the School Psychology Training Program.
- 27 (j) Purple Heart or other superior combat decorated recipients.
- 28 (k) Undocumented students for federal immigration purposes, who meet the following
29 conditions:

- 30 1. Attended a secondary school in this state for 3 consecutive years immediately
31 before graduating from high school in this state;
- 32 2. Apply for enrollment in an institution of higher education within 24 months
33 after high school graduation; and
- 34 3. Submit an official Florida high school transcript as evidence of attendance and
35 graduation.

36 This waiver is applicable for 110 percent of the required credit hours of the degree or
37 certificate program for which the student is enrolled.

- 38 (l) Honorably discharged veterans of the United States Armed Forces, the United States
39 Reserve Forces, or the National Guard who physically reside in this state while enrolled in
40 the institution. Persons who are entitled to and use educational assistance provided by the
41 United States Department of Veterans Affairs also qualify for this waiver if they physically
42 reside in Florida while enrolled at the University in any term beginning after July 1, 2015.
43 Tuition and fees charged to a veteran or person who qualifies for the out-of-state fee
44 waiver under this subsection may not exceed the tuition and fees charged a resident student
45 enrolled in the same program.

- 46 (m) Active duty members of the Armed Forces of the United States who reside or are stationed
47 outside of this state. Tuition and fees charged to a student who qualifies for the out-of-
48 state waiver may not exceed the tuition and fees charged to a resident student.

- 49 (n) Students enrolled in an employment and training program under the welfare transition
50 program.

- 51 (o) State Employees subject to approval by an employee's agency head or the equivalent, to
52 enroll in up to six credit hours of courses per term on a space-available basis. This does
53 not include persons employed by a state university.

- 54 (p) Students eligible under the Program of Strategic Emphasis Waiver as provided by Florida
55 Statute.

- 56 (q) Students eligible under the State University Free Seat Waiver as provided by Florida
57 Statute.
- 58 (2) The following additional tuition and fee waivers are authorized by the Board of Governors
59 and may be granted for purposes that support and enhance the mission of USF:
- 60 (a) Students enrolled in Florida Linkage Institutes Program.
- 61 (b) Tuition differential may be waived for students who meet the eligibility requirements for
62 the Florida public assistance grant ([section 1009.50, Florida Statutes](#)).
- 63 (c) Intern Supervisors may be given one non-transferable certificate (fee waiver) for each full
64 academic term during which the person serves as an intern supervisor. This certificate
65 shall provide for waiver of the basic fee (as defined in [BOG Regulation 7.001](#)). Certificate
66 holders are entitled to a waiver of tuition for a maximum of six (6) hours credit instruction
67 (including credit through continuing education) during a single term.
- 68 (d) Full-time University employees may be awarded a waiver of up to six (6) credit hours of
69 tuition-free courses per term on a space available basis. Any eligible employee who does
70 not personally make use of the employee tuition waiver program may transfer their
71 eligibility to their qualifying spouse, domestic partner or dependent child who may receive
72 a tuition waiver of up to six credit hours per term, on a space available basis, for the
73 purpose of enrolling in eligible undergraduate courses. Program details and operation,
74 eligibility requirements, selection, and funding levels will be determined by the University
75 and will be consistent with the requirements of Florida Statutes. The employee or any
76 qualifying spouse, domestic partner, or dependent child of an employee must meet all of
77 the eligibility requirements established by Central Human Resources and must follow all
78 University requirements regarding admissions, enrollment, and documentation.
- 79 (e) Florida residents 60 years of age or older who enroll to audit courses on a space-available
80 basis. No academic credit shall be awarded.
- 81 (f) Public School classroom teachers employed full-time by a school district who meet the
82 academic requirements established by the University may be granted up to six credit hours
83 per term on a space-available basis in undergraduate courses related to special education,
84 mathematics or science, however, the waiver may not be used for courses scheduled during
85 the school district's regular school day.
- 86 (g) Participants in Sponsored Credit Institutes and Programs.

- 87 (h) Non-resident, non-degree seeking students may be granted a waiver of the out-of-state
88 fee. The credit hours generated must be non-state fundable and the cost for the program
89 of study recovered from the fees charged to all students.
- 90 (i) Admissions Deposit Fee - waived based on significant financial hardship as determined by
91 the USF Financial Aid Office.
- 92 (j) Application Fee may be waived for applicants who can document receipt of a fee waiver
93 because of economic need as determined by the College Board or the American College
94 Testing Program.
- 95 (k) Late Payment Fee may be waived due to circumstances determined to be exceptional and
96 beyond the control of the student pursuant to [USF4.0101 Student Registration](#).
- 97 (l) Late Registration Fee may be waived due to circumstances determined to be exceptional
98 and beyond the control of the student pursuant to [USF4.0101 Student Registration](#).
- 99 (m) Non-resident Graduate Assistants who have a minimum of .25 FTE; non-resident
100 graduate students who receive fellowship awards; and non-resident graduate students with
101 exceptional academic capabilities or skills as determined by the Dean may be offered
102 tuition waivers.
- 103 (n) Non-resident undergraduate students having exceptional academic capabilities or skills
104 who apply to and meet the criteria of the appropriate USF college or unit, e.g. degree-
105 seeking Junior or Senior, etc. may be offered out-of-state tuition waivers to the extent
106 funds are available.
- 107 (3) The designated liaison for general questions on USF student concerns regarding student
108 tuition waivers is the USF Associate Controller for Student Financial Services. For other student
109 matters, students may refer to [Policy 30-053 Student Grievance Processes](#).
- 110 (4) USF shall report the purpose, number, and value of all fee waivers granted annually in a
111 format prescribed by the Board of Governors.
- 112 *Authority: Art. IX, Sec. 7, Fla. Constitution; Fla. Board of Governors Regulations 6.013, 7.001, 7.002, 7.003,*
113 *7.008; Sec. 402.403, 1009.26, 1009.50, F.S.*
- 114
- 115 *History: New (BOT approval) 10-12-10, Amended 4-21-14 (technical), 7-1-14 (technical), 3-24-16 (technical), 8-*
116 *3-16 (technical), 12-14-16 (technical), 8-3-18 (technical), 7-30-21 (technical).*
- 117
- 118 *Consolidation Amendments Effective: 7-1-20*
- 119
- 120 *Certification: USF certifies that it has followed the Florida Board of Governors Regulation Development Procedure*
121 *and has a record of written notices, comments, summaries and responses as required.*

Agenda Item: FL 104

**USF Board of Trustees
March 8, 2022**

Issue: USF Institute of Applied Engineering (IAE) Board Members

Proposed action: Approve Appointment of IAE Board Members

Executive Summary:

Per Florida Statute Section 1004.28 and USF Regulation 13.002, the USF Board of Trustees must approve members of Direct Support Organizations' Boards of Directors. USF IAE requests Mr. Mark Clifton and Dr. Sylvia Thomas be added to its Board.

Mr. Mark Clifton currently serves as the President and Managing Partner of SPATHE Systems, a Tampa Bay area-headquartered business. SPATHE provides support to their partner's Command, Control, Computer, Cyber, Communications, Intelligence, Surveillance and Reconnaissance (C5ISR) Environment; other mission support; and workforce modernization. Prior to starting SPATHE, Mr. Clifton worked in a myriad of positions within the defense industry and Government Civilian sector including Special Operations Forces Account Manager for General Dynamics Information Technology and Vice President for Solutions Development and Marketing for ARMA Global Corporation. As a Government Civilian, he was the Director for USSOCOM's Global Network Operations Control Center. Mr. Clifton retired from the U.S. Army as a Command Sergeant Major after serving 24 years of active duty with Special Operations Forces and Conventional C4ISR units.

Dr. Sylvia Thomas was appointed interim Vice President for Research and President & CEO of the USF Research Foundation, Inc. on November 10, 2021. She is a Professor in Electrical Engineering, affiliate faculty in Medical Engineering, and former Assistant Dean (Engineering) at the University of South Florida (USF) College of Engineering in Tampa, Florida. She replaces Mr. Keith Anderson on the Board as the IAE President's representative from the USF research enterprise.

Upon final approval by both the USF Board of Trustees and USF IAE Board of Directors, Mr. Clifton and Dr. Thomas are eligible for appointment ending March 2025.

Strategic Goal(s) Item Supports: All

BOT Committee Review Date: February 21, 2022

Supporting Documentation Online (*please circle*):

Yes

No

Prepared by: Eric Forsyth, IAE Executive Director for Enterprise Operations

MARK A. CLIFTON
10448 Riverbream Drive
Riverview, Florida 33569
Home Phone: (813) 651-5902 / Cell: (813) 380-1293
Email: mark.clifton@SPATHEsystems.com

SUMMARY OF QUALIFICATIONS

Over 38 years' (30 in Special Operations) senior management experience within the defense industry including; President/Managing Partner (Business Owner), Vice President Sales (Fortune 100 Company), Business Development Director/Manager, Program Director/Manager, Government Civilian and Senior Enlisted Advisor (CSM/E-9) for Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance (C4ISR) at the tactical, operational and strategic levels of Special Operations Forces (SOF).

Maintains an extensive network of military Flag-Level officers, Senior Enlisted Advisor's, Chief Information Officer's (CIO), and Acquisition Officers. Consistently deliver complex programs on time and within budget. Exemplary track record in technology business-to-business and government business development. Served/led in every position across the Business Development lifecycle for small, medium and large opportunities which resulted in numerous contract awards ranging from 25 to 900 million dollars. Skillfully manage and maintain relationships, winning new business by expanding contracts with existing customers and identifying and creatively capitalizing on new opportunities. Build and lead high-performance teams, aligning stakeholder efforts with organizational goals.

- Selected as ARMA Global Corp Employee of the Year for 2010
- Selected as the United States Army Drill Sergeant of the Year for 1991
 - Featured on the Army Values Poster for Integrity
 - Featured in Ebony, Jet and Sports Illustrated Magazines
 - Appeared on the Regis and Kathy Show, Good Morning America and Today's Show
 - Featured in New York Times and other major news papers
 - Featured in Liberty University Marketing and Advertisements
- 203rd Recipient of the Army Signal Corps highest award (Silver - Signal Order of Mercury)
- Selected as the United States Army Special Operations Command (USASOC), 1993 Robert Sigholtz Award Recipient
- Inducted into the prestigious Audie Murphy Club for leadership
- Selected as Honor Graduated and Leadership Award Recipient for multiple Army leadership schools
- Selected as the Arthur C Coley, Shadow Warrior Association (SWA), Leadership Recipient
- SPATHE Systems was Semi-Finalist for the Tampa Chamber of Commerce 2020
- SPATHE Systems was the 3rd Fastest Growing Companies in Tampa Bay for 2020

Current Top Secret (SCI) security level clearance.

PROFESSIONAL EXPERIENCE:

SPATHE Systems

January 2016 to Present

President/Managing Partner

Directly responsible for leading the development and execution of SPATHE's long-term strategy. Provide day-to-day management decisions and for implementing SPATHE's long- and short-term plans. Communicates on behalf of SPATHE to employees, Government authorities, other stakeholders and the public.

- Ensures.
 - SPATHE is appropriately organized and staffed and to have the authority to hire and terminate staff as necessary to enable it to achieve the approved strategy

- Expenditures of SPATHE are within the authorized annual budget
- Effective internal controls and management information systems are in place
- SPATHE has appropriate systems to enable it to conduct its activities both lawfully and ethically
- Integrity of all public disclosure by SPATHE in concert with business partner to develop agendas
- SPATHE maintains high standards of corporate citizenship and social responsibility wherever it does business
- Assess the principal risks of SPATHE and to ensure that these risks are being monitored and managed
- Communicate effectively with employees, Government authorities, other stakeholders and the public
- Stay abreast of all material undertakings and activities of SPATHE and all material external factors affecting SPATHE and to ensure that processes and systems are in place to ensure that the management of the SPATHE are adequately informed
- Lead by personal example and encourage all employees to conduct their activities in accordance with all applicable laws and SPATHE's standards and policies, including its environmental, safety and health policies

General Dynamics (Purchased ARMA Global 10/2014)

February 2016 to November 2016

Executive Account Manager, Special Operation Forces (SOF)

Directly responsible for identifying and qualifying new business opportunities within the USSOCOM community. Account Manager for USSOCOM focused on Business Development and Marketing to this important business segment for General Dynamics. Interface with other General Dynamics business units in support of growth efforts across the company. Coordinate with line management to qualify a robust pipeline to drive future growth initiatives. Drive opportunities from initial concept and qualification to approval for pursuit by senior executive management stakeholders. Work with appropriate internal stakeholders to drive the opportunity through contract award and turnover to operations management for execution. After execution, focus will be in support of periodic program management reviews.

- Leverage relationships with senior military officers and enlisted, CIO's and acquisition officers to extend ARMA/GD business throughout SOF; SWMS award provides access to all eight PEO's in SOF AT&L
 - Business Development Lead for multiple Billion-dollar opportunities i.e., SITEC II, SOF GLSS and recent SWMS award
- Establishes initial customer contacts, assess competitor capabilities, prepare gate reviews and supports transition to Capture Manager-Lead and continuous feed of market intelligence to the Capture Team
- Prepare Weekly, Monthly, Quarterly and Yearly reports for business development activity for SOF
- Lead Black Hat and Blue Teams
- Active participation in General Dynamics SOF Working Group
- Maintain expert knowledge of USSOCOMs acquisition environment, mission, and operational objectives
- Develop and maintain an opportunity pipeline that yields qualified opportunities 10 times financial targets
- Directly responsible for orchestrating industry-wide conferences and trade shows i.e., SOFIC

ARMA Global Corp

October 2014 – February 2016

Vice President for Business Development

As the executive Lead for Business Development, Capture Management, Proposal Development and Marketing, responsibilities included;

- Management for all aspects of business development, capture, marketing and proposal activities in support of ARMA Global Corps lines of business (C4ISR, Mission Support, Logistics)
- Developed the strategy and synchronized resources company-wide in pursuit of new opportunities and on contract growth exceeding Financial Targets annually; Revenue \$187M, EBIT 10.8 (2014), Revenue \$197M, EBIT 12.6 (2015)
- Mentored business development managers, capture managers and proposal managers
- Developed reporting metrics and managed risk effectively resulting in growth for all lines of business
- Strengthened ARMA-GD brand within SOF through aggressive marketing and operational excellence

- Management/oversight for integrating ARMA Global's Business Development processes and systems into GDIT/ISD's Front End
- Instrumental in the development and stand-up of the SOF Working Group

ARMA Global Corp

April 2010 to October 2014

Director, Business Development

Directly responsible for leading ARMA through numerous (95% of current book of business) new business opportunities resulting in ARMA's exponential growth from less than 20 employees and \$20M revenue in 2010 to more than 1000 employees and \$200M revenue in 2014.

Supervised ARMA's Business Development, Capture Management, Proposal Team and Marketing for all phases across the business lifecycle including but not limited to:

- Develop strategic direction and identify market space
- Identify and assess new business opportunities
- Develop and maintain an opportunity pipeline that yields qualified opportunities to meet financial targets
- Establish customer contacts, assess competitor capabilities, develop and brief gate reviews
- Lead Capture Management activities i.e., Black Hat and Blue Teams
- Prepare Weekly, Monthly, Quarterly and Yearly reports for business development activity
- Maintain expert knowledge of USSOCOMs acquisition environment, mission, and operational objectives
- Preparation of all Requests for Proposal (RFP), Requests for Information (RFI), and other related customer response deliverables to Federal government agencies and/or partners
- Analyzed RFP/RFQ requirements, developed capture plans, and initiated proposal preparation/review schedule with all stake holders
- Managed multiple proposal teams simultaneously resulting in over 70%-win rate

J6/CIO U.S. Special Operations Command

September 2007 to April 2010

Director Global NetOps Control Center (Government Civilian), MacDill AFB, FL

Provided direct oversight, supervision and management of USSOCOM GNCC. Supervised a Joint workforce consisting of more than 300 military, DoD Civilian and Contractor personnel.

- Synchronized NetOps functions and maintained situational awareness (SA) of the SOF Information Enterprise (SIE) unclassified, collateral secret and top-secret SCI networks 24 hours a day, 7 days a week
- Created a professional, cohesive and customer-based environment supporting daily operations of the GNCC
- Developed an Authorized Service Interruption (ASI) cell which processed over 500 ASI's annually
- Developed a GNCC Watch Officer training and certification program. Ensured 100% of SCWOs were trained and certified within 90 days of their assignment to duties
- Directly supported USSOCOM's C4I Systems Programs of Record Engineering Lifecycle to ensure interoperability with coalition partners
- Planned, organized and coordinated the rebuild and relocation of the GNCC to USSOCOM's Global Mission Support Center ahead of schedule and within budget resulting in fusing NetOps into ops/intel

J6/CIO U.S. Special Operations Command, Northrup Grumman

September 2006 to September 2007

Program Manager/Site Lead, MacDill AFB, FL

As the Chief of C4 Readiness technical responsibilities include reviewing, analyzing and provision of recommendations on TSOC, and SOF Component C4 readiness issues supporting USSOCOM readiness assessment. Provides senior leadership and program oversight for Northrup Grumman personnel on multiple programs in USSOCOM and CENTCOM. Works with a broad range of corporate executives and senior Army leadership.

- Provides technical management, schedule and cost elements to meet customer requirements

- Overseas contract budgets for labor, material, travel, and procured items/services, exercise task and budget control over personnel responsible for specific functions or phases of assigned projects
- Builds & motivates team to accomplish program goals and mission requirements
- Responsible for all ongoing projects and the Plan of Action and Milestones (POA&M); resolve issues; perform sub-contract, change, risk management, and develops corrective action plans.
- Prepared C4 readiness report and assessment for the Joint Quarterly Readiness Report (JQRR), Defense Readiness Reporting System (DRRS) and readiness report to USSOCOM CIO/J6.
- Documented USSOCOM C4 Mission Essential Task (MET), tasks conditions and standards
- Provided C4 engineering support for development of communications plans in support of USSOCOM Operations Plans (OPLANS), and Contingency Plans (CONPLANS)

J6/CIO U.S. Special Operations Command, Jacobs

April 2006 to September 2006

Senior IT Manager/Site Lead J6/CIO-P U.S., MacDill AFB, FL

As site Task Lead supervised 25 Information Technology professionals that provided direct network system administration, network system engineering, and IT management for USSOCOM C4 Program of Records.

- Served as User Representative for SCAMPI, SOF Tactical Assured Connectivity Systems (SOFTACS), and Satellite programs; directly responsible for technical assessments, systems analysis, design, and integration
- Overseas contract budgets for labor, material, travel, and procured items/services, exercise task and budget control over personnel responsible for specific functions or phases of assigned projects
- Coordinated C4 IT requirements planning with senior level offices at SOF components and TSOCs
- Assisted J6 for Force Structure, Requirements, Resources, and Strategic Assessments (SORR) in validating and identifying user requirements
- Served as the USSOCOM authoritative representative on various military and federal government working groups that determine DOD C4 IT telecommunications modernization policy
- Prepared staff studies, briefings, technical reports, and resource documentation supporting plans and policies for IT management
- Prepared and presented clear, concise and well-structured staff studies and briefing

United States Army (1983-2006)

MAY 2004 to APRIL 2006

Senior Enlisted Advisor, Sergeant Major (SGM/E9), J6/CIO U.S. Special Operations Command, MacDill AFB, FL

Executive position responsible for human resource management, employee information, training, and security of a work force consisting of over 300 Information Technology professionals supporting 51,000 users globally. Engineered C4I systems and architectures in support of Time Sensitive Planning (TSP), Deployable Joint Task Force (JTF), Continuity of Operations (COOP), exercises and contingency missions worldwide. Managed multiple C4 projects, which resulted in the procurement of SOF unique communications packages. Performed technical reviews of current telecommunications systems and provide recommendations for future MFP-11 C4I systems integration. Lead Project manager in the designing USSOCOM's airborne mission planning system.

MAY 2002 to MAY 2004

Senior Enlisted Advisor, Command Sergeant Major (CSM/E-9), 50th Signal Battalion, Airborne, Fort Bragg, NC

Battalion Command Sergeant Major for a tactical airborne signal battalion numbering over 1100 personnel. Executive position responsible for human resource management, employee information, training, security, equipment maintenance and operations of telecommunication systems valued in excess of numbering over \$50 million dollars. Lead manager during major transformation project; provided key guidance and leadership for the reorganization of \$10 million worth of telecommunications and support equipment; enabled unit to support

increased operations tempo with fewer personnel. Validated organizational capabilities and training programs through quality assurance evaluations of equipment readiness, personnel task competence, and unit management.

MAY 2001 to MAY 2002

Senior Enlisted Advisor G6 Sergeant Major (E-9), 24th Infantry Division (Mech), Fort Riley, KS

Supervised 16 Program Managers in the planning and execution of C4 training development and operational readiness for five Brigades, and two Engineer Groups numbering over 10,000 personnel. Directed the development and implementation of policies governing all readiness programs; streamlined organizational effectiveness for rapid installation and operations of communications systems worldwide. Validated requirements and technical standards for all C4I programs in the command.

JUNE 2000 to MAY 2001

First Sergeant, Joint Communications Support Element (JCSE), MacDill Air Force Base, FL

Responsible for the health and welfare, professional development, technical training, and operational readiness of 120 Information Technology employees from all four branches of service; led personnel in the operations and maintenance of \$50 million worth of mobile communications equipment for no-notice worldwide mission support.

DEC 1999 to JUNE 2000

Operations Sergeant Major, 112th Signal Battalion, Special Operations (SO) Airborne (ABN), FT Bragg, NC

Direct supervision of C4 planning, engineering, and management of exercises and real-world missions for a tactical airborne signal battalion supporting Joint Special Operations Forces worldwide. Managed the operational readiness of 550 personnel, and SOF unique telecommunications equipment valued more than \$80 million dollars. Integrated future solutions and emerging technology working directly with industry partners to ingest technologies.

DEC 1997 to DEC 1999

First Sergeant, 112th Signal Battalion, Special Operations (SO) Airborne (ABN), FT Bragg, NC

Managed a 101-person Special Operations Signal Company, responsible for theatre communications support to Joint Special Operations Task Force (JSOTF) Commanders. Led program management efforts for a \$250K facility improvement project; saved over \$50K through self-help, work performed by team members; project completed three months ahead of timelines. Provided key technical C4 guidance in the execution of 16 CONUS and OCONUS missions. Managed the overall operational readiness of equipment valued at over \$20 million dollars.

DEC 1994 to DEC 1997

Signal Detachment NCIOC, Special Operations Command South (SOCSOUTH), Panama

Selected to stand up the first forward deployed Signal Detachment for the 112th Signal Battalion in support of Special Operations Command South (SOCSOUTH). This model was replicated for each Theater Special Operations Command (TSOC) forward deployed and aligned all Geographical Combatant Command (GCC). Directly responsible for the assessment, analysis, design, engineering and integration for 4 Special Operations Deployable Node (SDN) Systems, 2 Tactical Local Area Network (TACLAN) systems and 8 Special Operations Communication Assemblages (SOCA) kits and a 24x7 Network Operations Center (NOC).

JUNE 1991 to DEC 1994

Platoon Sergeant, 112th Signal Battalion, Special Operations (SO) Airborne (ABN), FT Bragg, NC

Directly responsible for deploying element globally in support of contingency operations and real-world operations.

OCT 1989 to JUNE 1991

Drill Sergeant, TRADOC Fort Dix NJ

Trained and transitioned more than 3000 civilians into Army, culminating in “*selection as the United States Army Drill Sergeant of the Year*”

MARCH 1983 to OCT 1989

Team Chief/Section Sergeant/Platoon Sergeant in various units CONUS and OCONUS

EDUCATION, AFFILIATIONS and Awards:

Doctor of Business Administration (DBA) – Currently enrolled as Doctoral Student
Master of Science in Leadership (MSL)
Bachelor of Science, Computer Information Systems (CIS)
United States Army Command Sergeants Major Academy
112th Signal Battalion, Special Operations (SO), Shadow Warrior Association (SWA)
Active Member, Pelican Chapter, (AFCEA)
National Defense Industry Association (NDIA)

PROFESSIONAL TRAINING AND CERTIFICATIONS:

Shipley Business Development Certification	ITIL v3 Foundation Certification
Shipley Capture Management	Project Management Course
Shipley Managing Proposals	Fiber Optic Certified
Shipley Writing Proposal	Lean Six Sigma Course
Shipley Price to Win	Seven Habits of Highly Effective People
Shipley Winning the Cost Volume	DISA DISN Circuits Course
Information Technology Capitol Investment Planning Course	SOF Deployable Node (SDN) Course
Global Enterprise Networking and Telecommunications Course	SCAMPI Course
Cisco Certified Network Associates Course (CCNA)	COMSEC Course
Certified Information Security Manager Course (CISM)	Satellite Operator/Maintainer Course
Certified Information Systems Security Professional Course (CISSP)	Microwave Operator/Maintainer Course
System Security Certified Practitioner Course (SSCP)	Tropo Operator/Maintainer Course
DOD IA Certification and Accreditation Course	Circuit Conditioning Course
DOD IA Certification and Accreditation Validators Course	Radio Courses (PSC-5D, 117, 137, 150)
Security+ Course	Network Cabling Course Certified
Frontline Leadership Course	Advanced Communications/Electronics
Network+ Course	
Spectrum Management Course	



Sylvia Wilson Thomas, Ph.D.
Interim Vice President for Research & Innovation
President & CEO of the USF Research Foundation, Inc.
Professor, University of South Florida
Fellow, American Institute for Medical and Biological Engineering
Senior Member, National Academy of Inventors

Sylvia Wilson Thomas, PhD, was appointed interim Vice President for Research and President & CEO of the USF Research Foundation, Inc. on November 10, 2021. She is a Professor in Electrical Engineering, affiliate faculty in Medical Engineering, and former Assistant Dean (Engineering) at the University of South Florida (USF) College of Engineering in Tampa, Florida. She is a Senior Member of the National Academy of Inventors (NAI) and a fellow of the American Institute for Medical and Biological Engineering (AIMBE). She holds B.S. and M.S. degrees in Electrical Engineering from Vanderbilt University, where she was a Patricia Roberts Harris Fellow. Dr. Thomas received her Ph.D. in Electrical Engineering from Howard University, as a NSF Materials Research Center of Excellence Fellow and was a National Science Foundation (NSF) EAPSI research fellow in Korea at Chonbuk National University during her doctoral program.

Dr. Thomas serves as President of the Institute of Electrical and Electronics Engineers Engineering in Medicine and Biology Florida West Coast Section, advisor for Society of Women Engineers and National Society of Black Engineers, and member of the Board of Directors for Black Girls Code and Florida Senate Appointee to the Florida Education Fund Board of Directors.

Dr. Thomas is a motivational speaker/consultant for science, technology, engineering, and mathematics (STEM) education, continued/graduate education, K-12 efforts, career transitioning, mentoring and professional development. Her involvement and constant dedication to STEM education, diversity, and professional development have led to her recognition in local and national news and publications, including the most prestigious 2020 US Black Engineer BEYA Educational Leadership Award, 2018 USF Undergraduate Teaching Award, 2018 Women in Leadership and Philanthropy Award, 2016 STEM Woman of the Year Award-Pinellas Cty Girls Inc., and 2015 USF Graduate Faculty Mentor Award.

Dr. Thomas leads the Advanced Membrane and Materials Bio and Integration Research (AMBIR) laboratory at USF. Dr. Thomas' research and teaching endeavors are focused on the investigation of bio (biomedical, biological) and nano electronic device integration using advanced material systems for nano membrane technology, energy harvesting, sustainable environments, drug delivery, and bio-applications to meet global technological challenges. She also conducts research on the diversity, equity and inclusion of under-represented minorities and women. Her research has been funded by more than \$4.8M and 12 patents/patent disclosures. She has directly mentored over 150 students as major/co-major professor (12 PhDs, 10 MS), committee member (50 PhD/MS), REU mentor (over 90 undergraduates, inclusive of role as NSF REU PI, 3 Senior Design projects and 1 Honors Thesis), and RET mentor (30 teachers, inclusive of role as NSF RET CoPI). She has also fostered and been engaged in collaborations and engineering education efforts in Italy, Puerto Rico, Singapore, Portugal, South Korea, Mexico, and South Africa.

Agenda Item: FL 105

USF Board of Trustees March 8, 2022

Issue: Direct Support Organization Board Membership

Proposed action: Approve Direct Support Organization Board Member for the USF Research Foundation, Inc.

Executive Summary:

Per Florida Statute Section 1004.28 and USF System Regulation 13.002, the USF Board of Trustees must approve members of Direct Support Organizations' Boards of Directors.

This is a request to approve the reappointment of Gene Engle and Jeffrey Hackman as non-USF members of the Research Foundation Board of Directors and appointment of Dr. Michael Cross as university faculty member, and Alison Barlow and Lakshmi Shenoy as non-USF members.

In addition to appointed and ex officio members, the Research Foundation Bylaws provide for two members of the University's faculty who are nominated to the Board by the University's President as well as a maximum of ten additional persons, to include non-USF employees, who are each nominated to the Board by the USF Research Senior Vice President.

Reappointment

- Gene Engle
Mr. Engle has been civically involved with many organizations since 1960 that include serving as President of the Lakeland Area Chamber of Commerce, Chairman of the University of South Florida Lakeland Advisory Board, President of the Lakeland Board of Realtors, Chairman of the Central Florida Development Council and service on the University of South Florida Board of Trustees, University of South Florida Foundation Board, University of South Florida Research Foundation Board, Lakeland Economic Development Board, Florida Council on Economic Education, and one of the founders of the Lakeland Economic Council, Central Florida Economic Council, Leadership Lakeland, Polk County Tourist Development Council, and Polk County Sports Marketing.
- Jeffrey Hackman, SVP Finance and Accounting, Kforce, Inc.
Since March 2015, Jeffrey B. Hackman has served as Kforce's Senior Vice President, Finance & Accounting. In this role, Mr. Hackman leads traditional

areas of financial stewardship such as accounting, FP&A, corporate and employer tax, treasury and SEC reporting teams but also certain financially-oriented operational areas such as procurement, real estate and business operations. He is also a member of Kforce's Executive Leadership Team.

Mr. Hackman received his Bachelor of Science in Accounting and Masters of Accountancy from the University of South Florida and is a Certified Public Accountant (CPA) in the State of Florida. He also serves on the USF School of Accountancy Advisory Council

Appointment

- Dr. Michael Cross, Associate Professor of Instruction, USF Judy Genshaft Honors College
Dr. Michael Cross leads entrepreneurial initiatives across the boundaries of the university and its local community to generate mission-aligned value, creating opportunities for students' lifelong success. His early career involved strategy development with teams of tech experts at a Fortune 100 (USAA); now he fosters innovation with world-class researchers and innovators at a preeminent Florida university—widely known for its student success—The University of South Florida (USF). With this experience, he seeks to connect value for stakeholders across the broader community, develop human capital throughout the university, and advance USF's institutional brand globally.

Dr. Cross earned his Ph.D. in applied physics in 2016 and an M.S. in Entrepreneurship and Applied Technology in 2019, both at the University of South Florida, and a B.S. in computer science from the University of Texas at San Antonio in 2005. His interests include translating scientific advances in the lab into services, products, and policies accessible to the greater community.

- Alison Barlow, Executive Director, St. Pete Innovation District
Ms. Barlow is responsible for guiding the strategic direction of the Innovation District and its portfolio of research, technology, and workforce development initiatives. She leads economic development activities including entrepreneurial incubation and business recruitment that benefit the Innovation District, its members and the St. Petersburg community. Builds the physical infrastructure of the Innovation District that cultivates cross-sector relationships and facilitates formal and informal networking, including events and work groups to encourage collaboration and the creation of new capabilities and economic opportunities.

Ms. Barlow received her Bachelor of Science from Florida State University, College of Business and her Master of Business Administration from American University – Kogod School of Business.

- Lakshmi Shenoy, CEO, Embarc Collective
Lakshmi Shenoy is a transplant to Florida and the Tampa Bay region and is the CEO of Embarc Collective. Before moving to Tampa Bay, Lakshmi was in Chicago and served as the Vice President of Strategy & Business Development at 1871, the number one university-affiliated business incubator in the world. Prior to 1871, Lakshmi focused on growth strategies for a variety of businesses through her work at Prophet Brand Strategy, Time Inc., Procter & Gamble and

Leo Burnett. Lakshmi serves on the boards for The Florida Aquarium and Junior Achievement Tampa Bay.

Ms. Shenoy earned her Bachelor of Arts in Sociology from the University of Chicago and her Master of Business Administration from the Harvard Business School. Lakshmi was recognized as one of 20 Rising Brand Stars by AdAge in 2017.

The three-year term for all would commence on March 8, 2022 following and contingent upon Board of Trustees approval.

BOT Committee Review Date: February 21, 2022
Supporting Documentation Online (*please circle*): Yes
Prepared by: Allison Madden

No

Agenda Item: FL 106

USF Board of Trustees
March 8, 2022

Issue: Revisions to USF BOT 06-001 Board of Trustees Investment Policy

Proposed action: Approve Revisions to USF Board of Trustees Investment Policy
USF BOT 06-001

Executive Summary:

The USF Board of Trustees Investment Policy 06-001 was initially approved by the Board of Trustees on December 7, 2006, and last amended on March 3, 2015.

Attached are clean and red-line proposed revisions to the USF Investment Policy. The revisions were developed by the University, Foundation and DSOs. These revisions were promulgated to the University community for comment on October 21, 2021. No comments were received.

The Board of Trustees Investment Policy provides investment governance and guidance for 10 portfolios ranging in size from \$500 thousand to \$800 million, in aggregate, approximately \$2 billion.

These Policy revisions provide for the management of 3 distinct University investment portfolios: A University portfolio, a Foundation endowment portfolio and 8 DSO portfolios.

These Policy revisions authorize DSO Boards to prudently manage the financial assets of the DSO portfolio, adopt a policy statement, declare asset allocations, and provide quarterly investment performance reports to the DSO Board and University. Annual DSO investment reports may be requested by the Board of Trustees.

Once approved by the Board of Trustees, the final USF Board of Trustees Investment Policy 06-001 will be recommended to the DSOs for approval.

Financial Impact:

N/A

Strategic Goal(s) Item Supports: **Goal 5: Strong, Sustainable and Adaptable Financial Base**
BOT Committee Review Date: **Finance - February 21, 2022**
Supporting Documentation Online (please circle): **Yes** **No**
USF or Institution specific: **USF**
Prepared by: **Fell L. Stubbs, University Treasurer, (813) 974-3298**

UNIVERSITY OF SOUTH FLORIDA

INVESTMENT POLICY

Policy & Procedures Manual	Effective Date	Policy Number
INVESTMENT POLICY	<p>12/07/06 – Approved by USF Board of Trustees</p> <p>3/3/15 – Last Amended</p> <p>3/3/15 – Last Reviewed</p> <p><u>10-2021 – Redline Draft</u></p>	USF BOT 06-001

TABLE OF CONTENTS

	<u>PAGES</u>
1.0 Definitions	1
2.0 Introduction	1
3.0 Statement of Policy	1
4.0 Entities Covered by This Policy	3
5.0 Fund Investment Requirements	4
6.0 Fund Performance Objectives and Investment Report	4
7.0 Fund Asset Allocation	5

8.0	Fund Risk Management	7
9.0	Eligibility Criteria for Fund Investments	9
10.0	Eligible Types of Fund Investments	9
11.0	Fund Concentration Limits	13
12.0	Prohibited Fund Investments and Transactions	13
13.0	Disposal of Ineligible and Prohibited Fund Investments	15
14.0	Valuation of Fund Investment Assets and Liabilities	15
15.0	Related Party Investments	15
16.0	Conflicts of Interest	16
17.0	Exceptions to Policy	17
18.0	Transition Planning	17
	Exhibit A - Definitions	19

1.0 **DEFINITIONS**

Words and terms used herein shall have the same meanings, for the purpose of this Investment Policy, ascribed to them in Exhibit A attached hereto or elsewhere defined in this Investment Policy unless the context or use clearly indicates a different meaning.

2.0 **INTRODUCTION (Purpose and Intent)**

Mission of the University

The University of South Florida (the “University”) is a multi-campus national research university that supports the development of the metropolitan Tampa Bay Region, the United States and the world. Building upon unique strengths inherent in Florida’s population, location, and natural resources, the university is dedicated to excellence in:

- Teaching and lifelong learning in a student-centered environment
- Research to advance knowledge and promote social, cultural, economic, educational, health, and technological development
- Service based on academic excellence and the ethic of community responsibility
- Community engagement to build university-community partnerships and collaborations.

Purpose of the Policy

To fulfill its mission, the University will establish an investment program for the investment of funds of the University and of its direct support organizations (DSOs) and component units and units for which the University is legally and financially accountable (CUs) to provide for safety of capital, liquidity matched to needs for funds, and the optimization of investment returns at an acceptable degree of risk and at an acceptable cost.

The purpose of this [University Investment Policy document](#) (the “Policy”) is to establish a framework for active, prudent professional investment management that applies to all types of investment funds of the University and DSOs and CUs. This Policy states the responsibilities of the parties involved in carrying out the investment program to structure and manage investment portfolios, to evaluate returns and risk, and to report investment performance, all as appropriate to their funds.

[The Policy provides for the management of three distinct types of University investment portfolios: A University portfolio, a Foundation endowment portfolio and DSO portfolios.](#)

3.0 **STATEMENT OF POLICY**

3.1 It is the policy of the University of South Florida that investment management conform to the authority granted by Florida and Federal laws, its Board of Trustees and applicable regulations/policies of the Board of Governors and that the management of investment funds be conducted in such a manner as to promote the interests of the University.

3.2 The University and its DSOs and CUs may, subject to the Policy and specific authority from their respective Boards, develop supplemental investment policies for the Funds under their control.

3.3 The University and its DSOs and CUs shall, subject to the Policy and specific authority from their respective Boards, appoint Investment Committees and adopt Policy Statements and Investment Guidelines appropriate for the Funds under their control.

3.4 This Policy will be implemented, reviewed and monitored by the University CFO and the University Treasurer (“Treasurer”) and the designated CFO of the DSO and CU on behalf of their respective Boards, appropriate for the Funds under their control.

3.5 Under this Policy and pursuant to a delegation of investment authority by the Board of the University, the University CFO and the Treasurer are authorized to prudently manage the financial assets of the University portfolio invested as Short-Term Funds or Long-Term Funds. The University portfolio contains public funds and shall be structured to prioritize safety of principal and liquidity of funds. The realization of investment returns shall be secondary to the requirements for safety and liquidity (F.S. 218.415).

3.6 Under this Policy and pursuant to a delegation of investment authority by the Foundation Board, the Foundation Investment Committee is authorized to prudently manage the financial assets of the endowment portfolio invested as Long-Term Funds. As stated in the Foundation Endowment Investment Policy, the primary long-term investment objective of the endowment is to preserve the intergenerational equity of endowed gifts while providing a consistent and reliable source of funding to the University.

3.7~~8~~ Under this Policy and pursuant to a delegation of investment authority by the Board of the DSO or CU, the Investment Committee CFO of the DSO or CU is authorized to prudently manage the financial assets of the DSO or CU portfolio invested as Short-Term Funds or Long-Term Funds.

3.8~~9~~ Under this Policy, the Board of the DSO or CU is authorized to create a board-designated endowment (i.e., quasi-endowment or fund functioning as endowment) from a portion of funds not needed for liquidity and reserves of the DSO or CU. The designated amount shall not be less than one million dollars and the minimum time period shall not be less than five years. The board-designated endowment will be held as a long-term investment in either the Foundation endowment portfolio or the DSO or CU portfolio. The board-designated endowment shall support the long-term operations of the DSO or CU subject to the spending policy established by the Foundation or the DSO or CU. Only the Board of the DSO or CU may authorize redemptions after the minimum investment period.

3.9 The University Board, the Foundation Board and the DSO Boards and their respective Investment Committees~~CFO, Treasurer and CFO of the DSO and CU~~ are is responsible for managing the Funds under their respective control in a prudent manner consistent with the “Prudent Person Rule” (F.S. 218.415(4)) and, where applicable to the Fund, the Florida Uniform

Management of Institutional Funds Act (F.S. 1010.10).

3.108 At least annually, the University CFO and CFO of the DSO and CU shall review the Policy, the Policy Statement and the Investment Guidelines, as they relate to their respective organizations, with the respective Board of the Fund.

3.119 If a material change in the Fund occurs, the University CFO or Treasurer or CFO of the DSO or CU shall review the Policy, Policy Statement and Investment Guidelines within 90 days of becoming aware of the change.

3.120 If a review leads to a change in the Policy, Policy Statement or Investment Guidelines, the proposed revisions shall be submitted to and adopted by the Boards of the University or DSO or CU, as appropriate, and submitted by the University CFO or CFO of the DSO or CU to the appropriate auditors in a timely fashion, following its adoption by the Boards of the University or DSO or CU.

3.134 The University CFO or CFO of the DSO or CU shall furnish a copy of the Policy to the appropriate auditor of the University or DSO or CU.

3.142 The Policy requires the Boards of the University and each DSO or CU to adopt a Policy Statement for the Fund which shall:

- (a) Declare the allocation of whether the University portfolio, the Foundation endowment portfolio or DSO or CU's ~~investment~~ portfolio into the is a Short-Term Fund and/or Long-Term Fund;
- (b) Declare Primary and Secondary (if desired) Performance Objectives for the Fund, stated both in terms of gross investment returns and net of fees / expenses, which are consistent with and appropriate for the economic environment and circumstances of the Fund;
- (c) Declare the Asset Allocation and Investment Guidelines for the Fund, consistent with its risk tolerances and return expectations;
- (d) Describe the ~~membership and~~ investment authority of the Investment Committee and/or relevant management;
- (e) Describe the risks and risk tolerances for the Fund;
- (f) State the time horizon of the Fund's assets; and
- (g) Address the liquidity needs of the Fund ~~and the University or DSO or CU~~ and other legal, regulatory or special constraining circumstances affecting the investments of the Fund.

3.153 The preparation, review and revision of the Policy, and the Fund's Policy Statement and Investment Guidelines, shall give due consideration to the

- (a) Type of Fund;
- (b) Management of interest, liquidity, credit and other financial risks to which the Fund is exposed;
- (c) Funding requirements relevant to the type of Fund;
- (d) Economic conditions;
- (e) Expenses;

- (f) Diversification of the investment portfolio by asset classes and within asset classes, and by investment manager and by investment manager style, as applicable and appropriate;
- (g) Use of options, futures and other derivatives;
- (h) Lending of cash or securities;
- (i) Retention or delegation of the voting rights acquired through investments;
- (j) Possible Related Party transactions within the limits established in the Policy for such transactions;
- (k) Any other matter affecting the investment of the Fund that would be appropriate to be considered in the development and preparation of the Policy and the Fund's Policy Statement and Investment Guidelines.

4.0 ENTITIES COVERED BY THIS POLICY

The Policy applies to the University and to DSOs and CUs. DSOs are separate not-for-profit corporations organized and operated exclusively to assist the University achieve its mission. CUs are organizations operated exclusively to assist the University achieve its mission as defined in Exhibit A to this Policy. In accordance with Florida Statutes and Rules, as applicable, and University Regulations and Policies, these organizations receive, hold, invest and administer property and make expenditures to or for the benefit of the University. All University, DSO and CU investment activities, to the extent such activity is allowed by applicable law, require approval by the University, DSO and or CU Boards, and such activities shall be managed by the ~~designated chief financial officer~~ ("CFO") of the University and Investment Committees of the, DSO and or CU.

5.0 FUND INVESTMENT REQUIREMENTS

5.1 The University CFO or Treasurer or Investment Committees ~~CFO~~ of the DSO or CU and investment managers, to the extent that the responsibility for the investment and management of the Fund has been delegated by the Boards, shall prudently invest and manage the assets under their responsibility in a manner consistent with the Policy, Policy Statement and Investment Guidelines and such that the Fund provides benefits to the University or DSO or CU at an acceptable risk and at a reasonable cost.

5.2 In the performance of their duties, the University CFO or Treasurer or Investment Committees ~~CFO~~ of the DSO or CU and investment managers shall:

- (a) Determine whether an investment will be able to provide an adequate return at an acceptable risk so that the University or DSO or CU can achieve its stated objectives;
- (b) Recognize the effects of expenses on investment returns by only incurring such costs that are appropriate and reasonable in amount;
- (c) Ensure that, prior to making an investment, appropriate due diligence has been conducted on the investment to ascertain whether credit worthiness, financial condition, earnings potential and ability to meet the obligations are satisfactory;
- (d) Ensure that any collateral or security is of satisfactory quality and value;

(e) Avoid leaving monies of the Fund idle, except in rare and unavoidable circumstances when cash is required to meet Fund obligations and then not for a period exceeding one month;

5.3 Investments shall be in the sole name of the Trustees of the University or the DSO or CU, or their nominee. For any investment held by way of a nominee, the name of the investment must clearly indicate that the nominee is holding the asset for the Trustees for and on behalf of the University or on behalf of the DSO or CU.

5.4 An investment shall not be made unless approved by the University CFO or Treasurer or Investment Committees ~~CFO~~ of the DSO or CU or by the Fund's investment manager, who has been given that investment discretion by the applicable Board in conformance with this Policy.

5.5 Investment transactions shall be undertaken at arm's length and at rates or prices comparable to those available in the market for similar investment transactions.

5.6 The Fund shall not undertake borrowing without the explicit prior approval of the University CFO or Board ~~CFO~~ of the DSO or CU. The reasons for borrowing and the University CFO or Board ~~CFO~~ of the DSO or CU approval must be appropriately recorded in the Minutes of the Meeting of the next occurring appropriate Board of the University or DSO or CU.

6.0 FUND PERFORMANCE OBJECTIVES AND INVESTMENT REPORTING

6.1 The Primary Performance Objective for the Fund is a total portfolio return which outperforms appropriate market and asset benchmark portfolio returns over a rolling 3 to 5-year time horizon, net of all investment expenses.

(a) The benchmark portfolio return is calculated on a weighted asset class basis and is compared to the appropriate benchmark weighted index returns for each of the major asset classes.

(b) Within the various asset classes, the performance objective is to outperform the relevant, appropriate benchmark index return.

6.2 If established by the Board of the Fund, ~~The~~ Secondary Performance Objective for the Fund is a positive rolling 5-year real total return, net of inflation as defined by the Consumer Price Index (CPI), and net of all Fund investment and operating expenses. ~~(a)~~ For Long-Term Funds, the Secondary Performance Objective is a rolling 5-year total return of greater than the rate of inflation plus 5.0% (3.0% for fixed income), after fees and expenses.

~~(b)~~

6.3 On a quarterly basis, the Treasurer for the University portfolio, the Foundation CFO for the endowment portfolio and the DSO CFOs for all DSO portfolios or CFO of the DSO or CU will provide an -detailed- Investment Report of the portfolio investment performance over 1, 3 and 5 year time periods compared to appropriate benchmark weighted index returns, including Asset Allocations, and compared to the Primary Objective and Secondary Objective, if established, to the Boards or Investment Committees of the Funds. to the University CFO and

~~Board of the University and DSO or CU, at least quarterly of the Fund's Investment Performance, compared to the respective Primary and Secondary Objectives. These quarterly Investment Reports and Asset Allocations will be provided to the Treasurer or University CFO and reviewed by the University Board.~~

6.4—~~At least annually, an Investment Report detailing investment performance for the University portfolio and overview of the DSO portfolios shall be provided by the Treasurer to the Board of the University and by the University CFO or Treasurer to the Board of Trustees of the University. Annual presentations may be requested of DSO Investment Reports to the Board of Trustees of the University.~~

7.0 **FUND ASSET ALLOCATION**

7.1 ~~The University Board and DSO Boards of the Funds shall establish~~ Asset Allocations ~~shall be~~ specific enough to establish a desired investment management framework appropriate for ~~each the~~ Fund. Asset Allocation shall be consistent with the objectives, risk tolerance and constraints of the Fund ~~and the University or DSO or CU~~. Asset Allocation shall provide clear guidance for investment portfolio management, providing the highest probability of meeting or exceeding the Fund's return objectives at the lowest risk, ~~to the University CFO and Treasurer and CFO of the DSO or CU, or investment managers, as and if applicable.~~

7.2 Asset Allocation provides for basic diversification of the Fund's investment portfolio in order to achieve the Performance Objectives with an acceptable exposure to risk. Asset Allocation recognizes that asset classes will, at different points in a market cycle, perform differently and that the combination of these classes will lower the overall volatility ~~of in~~ investment returns.

7.3 ~~Asset Allocations and Investment Guidelines, establishing more limited Asset asset classes Allocation, within the~~ minimum and maximum percent of Fund assets ~~for the Fund asset classes,~~ shall be recommended to the Board of the Fund by the Treasurer ~~for the University Funds~~ or CFO of the DSO or CU ~~and approved by the University and DSO Boards of the Fund.~~

7.4 ~~Asset Allocations and Investment Guidelines will be provided to the investment managers, to the extent that the responsibility for the investment and management of the Fund has been delegated.~~ ~~Asset Allocations and~~ Investment Guidelines will be developed in consideration of the Fund's economic environment, risk tolerances, return expectations and the Fund's liquidity needs.

7.54 ~~Asset Allocations and~~ Investment Guidelines, once adopted by the Board of the Fund, will be reported to the University CFO and reviewed at least annually.

7.65 Appropriate action will be taken to rebalance the Fund, generally on a quarterly basis, by the University Treasurer or CFO of the DSO or CU in order to stay within the Asset Allocations and Investment Guidelines and to maintain proper diversification among individual investment managers. Rebalancing may be accomplished by reallocating funds among asset classes and by managing cash flows into or out of the asset classes by adding funds to underweight asset classes

or by withdrawing funds from overweight asset classes.

7.76 Asset Allocations shall first be made to Short-Term Funds to meet the liquidity needs of the University or DSO or CU.

7.8 Asset Allocations exceeding the liquidity needs of the University and DSO or CU may be allocated to Long-Term Funds.

7.9 The Board of the University and DSO Funds shall approve the Asset Allocation of the Fund's investment portfolio, allocated to asset class targets, within a minimum and maximum percentage of the total portfolio for each asset class, shall be as follows:

EXAMPLE OF DSO ASSET ALLOCATION

<u>Short-Term Funds:</u>	<u>Asset Allocation</u>	
<u>Asset Class</u>	<u>Target Percent</u>	<u>Minimum and Maximum Percent of Fund Assets</u>
Domestic Fixed Income Securities and Fixed Income Pooled Funds	<u>30%</u>	0% to <u>90%</u> of <u>Funds</u>
Cash Equivalent and Money Market Funds	<u>70%</u>	0% to <u>100%</u> of <u>Funds</u>
<u>Total Short-Term Funds</u>	<u>100% of Short-Term Funds</u>	
<u>Total Short-Term Funds as % of Total Investment Portfolio</u>		
		<u>80% of Total Investment Portfolio</u>
<u>Long-Term Funds:</u>	<u>Asset Allocation</u>	
<u>Asset Class</u>	<u>Target Percent</u>	<u>Minimum and Maximum Percent of Fund Assets</u>
Domestic Fixed Income Securities and Fixed Income Pooled Funds	<u>30%</u>	15% to <u>40%</u> of <u>Funds</u>
Foreign Fixed Income Pooled Funds	<u>0%</u>	0% to <u>120%</u> of <u>Funds</u>
Domestic Equity and Equity Pooled Funds	<u>70%</u>	25% to <u>850%</u> of <u>Funds</u>
Foreign Equity Pooled Funds	<u>0%</u>	<u>015%</u> to <u>135%</u> of <u>Funds</u>
Mortgage and Asset-Backed Securities and		

Real Estate and Real Asset Pooled Funds	<u>0%</u>	0% to <u>20%</u> of <u>Funds</u>
Alternative and All Other Investments	<u>0%</u>	0% to <u>120%</u> of <u>Funds</u>
<u>Total Long-Term Funds</u>		<u>100% of Long-Term Funds</u>
<u>Total Long-Term Funds as % of Total Investment Portfolio</u>		<u>20% of Total Investment Portfolio</u>

7.7 Where short-term funds may be invested with a long-term horizon, while maintaining the liquidity needs of the Fund, the University Board or Board of the DSO or CU may, to enhance ~~maximize~~ investment returns, invest a portion of such short-term funds in asset classes described as long-term within this Policy

8.0 FUND RISK MANAGEMENT

8.1 Investment risk is commonly described by relating it to the uncertainty or the volatility of potential returns from a portfolio or investment over time. The source, probability and impact of this uncertainty depend on the particular portfolio or investment. Sources of investment risk include financial exposure to changes in interest rates, equity and debt markets, inflation, foreign exchange rates, commodity prices, and other global economic and political conditions. Risk also resides in concentrations of securities by issuer and asset class and in concentrations of investments with investment managers. These risks will be diversified across major asset classes, within asset classes and across investment managers.

8.2 Effective risk management requires an understanding of the objectives of the Fund and the University and the DSO and CU, the tolerance for risk, as well as the types and characteristics of portfolios and invested assets. The Treasurer or CFO of the DSO or CU shall develop and establish risk management processes that effectively assess, control and monitor the risks.

8.3 An effective risk management system is characterized by active supervision of risks. The Treasurer or CFO of the DSO or CU shall monitor the implementation of investment risk strategies, the adequacy and effectiveness of the risk management process, and the investment manager’s performance in achieving its strategic and financial objectives.

8.4 Effective risk management requires that the risks assumed in the investment portfolios be identified and understood. The Treasurer or CFO of the DSO or CU and investment managers for the Fund shall identify the risks and the related means to measure the risks and the necessary controls and monitoring systems. The Treasurer or CFO of the DSO or CU and investment managers shall have access to timely and competent economic analyses and forecasts for the capital markets in which the Fund is investing to enable the Treasurer or CFO of the DSO or CU and investment managers to continually monitor capital market expectations and developments, currency relationships, interest rate movements, commodity prices and expected returns for asset

classes and individual investments. These forecasts and recommendations enable the Treasurer or CFO of the DSO or CU and investment managers to establish appropriate investment guidelines and strategies, select appropriate investments, and manage risk effectively. Annually, the Treasurer shall complete at least 8 hours of continuing professional education related to investment practices and products.

8.5 Risks will vary over time due to changes in the objectives of the University or DSO or CU and the characteristics and objectives of the Fund, composition of the Fund assets, capital markets, economies and political environments. Therefore, the evaluation of the risk assessment, measurement and monitoring systems by the Treasurer or CFO of the DSO or CU shall be ongoing.

~~8.6 — An Investment Report, detailing Investment Performance for the Fund, shall be provided by the Treasurer to the Board of the University, and by the CFO of the DSO or CU to the Board of the DSO or CU, on a quarterly basis. An Investment Report of the Investment Performance for all Funds of the University and DSO and CU shall be provided to the Board of Trustees of the University, by the University CFO, on at least an annual basis.~~

~~8.67~~ Delegation of investment and management authority to third-party fiduciary managers, to the extent that the responsibility for the investment and management of the Fund has been delegated, is a critical element in the Fund's risk management. Consideration of third-party fiduciary managers shall include, at a minimum, the Treasurer's and the CFO's for the DSO or CU, as applicable, annual review of the firm's investment and business practices, professional resources, client reporting capabilities, financial strength, historic performance, regulatory history, personnel turnover, comparative fees, and other relevant factors. The Treasurer or CFO of the DSO or CU shall review the firm's approved written policies and standards that support its risk management practices, operating procedures and control processes. The Treasurer or CFO of the DSO or CU shall review the investment manager's risk management system to ensure that it is supportive of the Fund's investment objectives. The Treasurer and the CFO for the DSO or CU, as applicable, shall review the investment manager's performance quarterly, and meet with the investment manager to review performance and independently evaluate the performance of the investment manager at least annually for the respective Board of the Fund.

~~8.78~~ Selection of investment managers for Alternative Investments should be based on, but not limited to, the following criteria: tenure and track record of management team, expertise in targeted areas of investment, diversification strategy, policies for valuation and market value reporting, lockup requirements, liquidity of investments, level of general manager investment, fees, potential conflicts of interest, audited financial statements and performance relative to other similar investments.

~~8.89~~ Third-party investment managers, depositories, custodians, broker/dealers and investment consultants shall be appointed by the Board of the University or DSO or CU, as appropriate, in accordance with applicable law.

~~8.910~~ Investment managers will receive a written letter of instruction outlining investment instructions ~~and asset allocation parameters in writing~~. Investment managers will only invest in

the securities class(es) for which they were retained to manage ~~and will be responsible for making decisions on a fully discretionary basis, including buy, hold, sell and timing decisions.~~ A manager's Investment Management Agreement or other subscription documents that detail the manager's strategy and execution of the strategy will satisfy this requirement.

8.10~~4~~ All securities purchased by the University, DSO or CU, or its investment managers, shall be designated as an asset of the University, DSO or CU, or its nominee, and held in safekeeping by a third-party custodial bank or other third-party custodial institution. No withdrawal of securities, in whole or part, shall be made from safekeeping except by those designated in an Investment Management and Custodial Agreement.

8.11~~2~~ Sales, purchases and exchanges, competitively bid when feasible and appropriate, should be effected through well-capitalized nationally-known financial institutions, recognized as being major participants in the equity and fixed income markets, in accordance with appropriate investment practices.

8.12~~3~~ The University, DSO, CU and investment managers, if applicable, shall maintain master repurchase agreements and require all approved institutions and dealers transacting repurchase agreements to adhere to the requirements of the master repurchase agreement.

9.0 ELIGIBILITY CRITERIA FOR FUND INVESTMENTS

9.1 Eligibility of an investment is to be determined at the date of its acquisition.

9.2 An investment shall be regarded as eligible for purchase or acquisition by the Fund if it
(a) Meets the applicable requirements of the Policy and applicable Statutes;
(b) Is not then in default in any respect;

9.3 The percentage of assets that the Fund has invested in an investment or security shall be determined by the following:
(a) Adding the value of the Fund's proportionate holding of the investment or security by each type of asset in which the Fund is invested, to the value of the asset held in the Fund's remaining investment holdings, then
(b) Dividing the sum calculated under paragraph (a) by the total value of the Fund's assets.

9.4 The calculated amount of assets that the Fund has invested in an asset class shall not exceed the maximum and minimum Asset Allocation for the specific asset class, which has been approved by the Board of the Fund or Investment Committee and described by the Policy and Policy Statement and more specifically described by the Investment Guidelines for the Fund. Calculations of all percentage limitations shall be done on a market value basis.

10.0 ELIGIBLE TYPES OF FUND INVESTMENTS

10.1 The University CFO and Treasurer or CFO of the DSO or CU and investment managers, to the extent that the responsibility for the investment and management of the Fund has been delegated, may invest the Fund's assets in any type of investment permitted by applicable Statutes and the Policy. If a conflict concerning eligible investments arises between the Statutes and the Investment Policy, the eligible investments described in the Statutes shall apply.

10.2 Eligible Investments – SHORT-TERM FUNDS

- (a) Cash (insured at all times by the Federal Deposit Insurance Corporation).
- (b) United States Treasury Obligations: Direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United State of America with a remaining maturity at the time of purchase of 5 years or less.
- (c) United States Agency Obligations: Direct obligations of the federal agencies which are fully guaranteed by the full faith and credit of the United States of America with a remaining maturity at the time of purchase of 5 years or less.
- (d) Direct obligations of Federal Agencies, whose obligations are guaranteed by the implied full faith and credit of the United States of America, with a remaining maturity at the time of purchase of 5 years or less,
- (e) Certificates of deposit, savings accounts, deposit accounts or money market deposits in amounts that are continuously and fully insured by the Federal Deposit Insurance Corporation ("FDIC"), including the Bank Insurance Fund and the Savings Association Insurance Fund.
- (f) U.S. dollar denominated certificates of deposit, deposit accounts and bankers' acceptances (in each case having maturities of not more than 365 days following the date of purchase) of any- domestic commercial bank provided that such bank's short-term certificates of deposit are rated "P-1" by Moody's and "A-1" or better by S&P (not considering holding company ratings).
- (g) Commercial paper (having original maturities of not more than 270 days) rated, at the time of purchase in the highest classification, "P-1" by Moody's and "A-1" or better by S&P.
- (h) Investments in a Securities and Exchange Commission registered money market fund rated "AAAm" or "AAAm-G" by S&P or "First Tier" consistent with SEC Rule 2a-7 if not rated and being no-load funds.
- (i) Pooled Fund investments in a U.S. registered and professionally managed fixed income indexed or actively managed mutual fund with an effective duration of 5 years or less comprised of securities with an average weighted rating of "A" by S&P.
- (j) Municipal Obligations or direct, general obligations of any state of the United States of America or any subdivision or agency thereof, whose uninsured and unguaranteed general obligation debt is rated, at the time of purchase, A2 or better by Moody's and A or better by S&P, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose uninsured and unguaranteed general obligation debt is rated, at the time of purchase, A2 or better by Moody's and A or better by S&P with an original or remaining maturity at the time of purchase of 5 years or less.
- (k) Corporate notes or other direct obligations issued, assumed or guaranteed by an institution with a minimum credit rating when purchased of "A" or equivalent with an

original or remaining maturity not to exceed five years.

(l) Mortgage-backed pass through securities guaranteed by the U.S. Government or a Federal Agency, including securities collateralized by the same (CMO). Investments in CMOs shall be limited to PACs (planned amortization class), NAC (non-accelerated class) or VADM (very accurately defined maturity) securities. The effective duration of these securities shall not exceed 5 years.

(m) Asset-backed securities with credit ratings of "A" or better. The remaining maturity at the time of purchase of these securities shall not exceed 5 years.

(n) The State of Florida's [Local Government Surplus Funds Trust Fund](#), [Intergovernmental Investment Pool](#), ~~Treasury and~~ State Board of Administration Investment Pool(s), [and the State Treasury Investment Pool](#).

(o) Repurchase agreements, fully secured and collateralized at 102%, which collateral must be held by a third party, whose underlying instruments are securities or obligations of governments with a credit rating of "A" or equivalent, and securities and obligations of the U.S. Government. All agreements will be in compliance with Federal Reserve Bank guidelines.

(p) Securities lending must be fully secured and collateralized by obligations authorized under this Policy. Such collateral must be held by a third party. All agreements will be in compliance with Federal Reserve Bank guidelines.

(q) Where short-term funds may be invested in investments with a long-term horizon while maintaining the liquidity needs of the Fund, the University Board or Board of the DSO or CU may, to ~~enhance~~[maximize](#) investment returns, invest a portion of such short-term funds in asset classes described as long-term within this Policy.

[\(r\) Loans to University departments, auxiliaries and institutes where authorized by the University Board of Trustees or Board of Directors of the DSO or CU.](#)

[\(s\) Investments as specifically authorized by the University Board of Trustees or Board of Directors of the DSO or CU.](#)

10.3 Eligible Investments – LONG-TERM FUNDS

(a) Corporate notes or other direct debt obligations issued, assumed or guaranteed by an institution with a minimum credit rating when purchased of "A" or equivalent.

(b) Direct commercial paper or promissory notes which have been guaranteed by a domestic commercial bank or life insurance company and the term of which note or paper is not greater than the term of the guarantee, with a minimum credit rating when purchased of "A" or equivalent.

(c) Direct stocks and equity shares of institutions whose securities are listed on a recognized stock exchange of the United States.

- The Fund may invest in the shares of a company offering shares in an initial public offer where the company intends to list on a recognized U.S. stock exchange of a recognized jurisdiction and where the initial public offer meets the requirements of the Securities Acts,

- The Fund may invest in preferred or guaranteed shares, other than ordinary shares, of any institution to which this provision applies.

(d) Pooled Funds [investments](#) which are professionally managed [indexed or actively](#)

managed mutual funds ~~and~~ registered with the Securities and Exchange Commission and invested in the following securities authorized by this Policy:

- U.S. Equity Pooled Funds ~~—Indexed and Actively Managed Pooled Funds,~~
- U.S. Fixed Income Pooled Funds ~~—Indexed and Actively Managed Pooled Funds,~~
- Foreign Equity and Foreign Fixed Income Pooled Funds ~~—Indexed and Actively Managed Pooled Funds~~ (traded as U.S. dollar denominated American Depository Receipts (ADR's) on U.S. exchanges),
- Real Asset Pooled Funds ~~— real estate Estate funds Pooled Funds and real estate investment trusts, and commodities, Real Asset Pooled Funds (timber and natural resources funds) used to diversify and enhance the return of the Fund, containing publicly traded instruments such as real estate investment trusts, commodities, inflation linked notes, etc.; also private real asset partnerships investing in real estate and natural resources,~~

(e) Loans and mortgages subject to the following provisions:

- Invested in loans, mortgages or deeds of trust collateralized by real property located in Florida for the sole benefit of the University, provided that adequate collateral is pledged,
- Loans secured by a pledge of securities or evidences of debt Eligible for Investment,
- Loans granted under these provisions must not exceed 80 percent of the remaining value of the collateral at the date of grant and specify a repayment date and schedule for repayment. For the purposes of these provisions, the remaining value of the collateral is determined by subtracting the total outstanding balance of loans, charges, pledges or liens which rank *pari passu* (equal to) or higher than the loan being considered from the fair market value of the collateral,
- The total value of loans or mortgages to any single related party must not exceed 1 per cent of the fair market value of the Fund's total assets.

(f) Real Property subject to the following provisions:

- Buildings and other improvements located on mortgaged premises shall be kept insured against loss or damage from fire in an amount not less than the unpaid balance of the obligation or the insurable value of the property, whichever is greater, and
- Developed real property must be kept insured for its insurable value against loss or damage from fire.

(g) Mortgage-backed pass through securities guaranteed by the U.S. Government or a Federal Agency, including securities collateralized by the same (CMO). Investments in CMOs shall be limited to PACs (planned amortization class), NAC (non-accelerated class) or VADM (very accurately defined maturity) securities. The effective duration of these securities shall not exceed 5 years.

(h) Asset-backed securities with credit ratings of “A” or better. The effective duration of these securities shall not exceed 5 years.

(i) Alternative ~~and All Other~~ Investments.

- The Alternative All Other Investments asset class includes all other

Eligible investments, loans and securities, plus all other investments, loans and securities that have not been specifically identified as Eligible in the Policy but have been individually or as a class approved by the Board of the University, DSO, or CU, as applicable, which collectively shall not exceed ~~20~~25 percent of the fair market value of the Fund's assets.

- The Alternative Investments asset class, used to diversify and enhance the return of the Fund, includes, but is not limited to, the following: venture capital, private equity partnerships, real estate partnerships, mezzanine, distressed ~~or high yield~~ debt, private credit, pooled funds not registered with the SEC and hedge funds.
- Each Alternative investment will be approved by the appropriate governing body of the Fund.
- Hedge fund investments will only be made that would comprise less than 10% of any individual partnership's assets, unless specifically approved by the Board of the University, DSO, or CU, as applicable.

(j) Hedging Transactions subject to the following provisions:

- The Fund may use *bona fide* hedging transactions and derivative instruments for the sole specific objective of altering the risk profile of its investment portfolio,
- In all cases, the Fund may not use derivatives for the primary purpose of generating income or to speculate on securities or commodity prices,
- For the purposes of this provision, *bona fide* hedging transactions are those which pertain to securities otherwise eligible for investment including but not limited to financial futures contracts, warrants, options, calls and other rights of purchase; and puts and other rights which require another person to purchase the securities, and
- Provided in all cases that the official responsible for making investment decisions concerning eligible derivative products must have a sufficient understanding of derivative products and the expertise to manage them.

(k) Securities lending must be fully secured and collateralized by obligations authorized under this Policy. Such collateral must be held by a third party. All agreements will be in compliance with Federal Reserve Bank guidelines.

11.0 FUND CONCENTRATION LIMITS

11.1 Subject to the provisions of the Policy, the Fund shall not hold, acquire or purchase, any combination of investments in or loans upon the security of the obligations, property, and securities of any one issuer exceeding 5 percent of the market value of the assets of the Fund. Direct investments in securities of the U.S. Government, Government Agencies and State of Florida Investment Pools, or Pooled Funds comprised solely of U.S. Government Securities are not subject to these restrictions.

11.2 The Fund may not, either by itself or in conjunction with any related party, acquire, hold or control, without the prior approval of its appropriate governing body, in excess of 5 percent of

the voting shares in a corporation or interest in any company.

11.3 Limitations based upon the fair market value of the assets of the Fund shall relate to the Fund's assets as declared in the financial statements of the University or DSO or CU filed with the Auditor General of the State of Florida at the end of the previous fiscal year.

- 11.4 The limits imposed by the paragraph 11.1 do not apply:
- (a) If it can be shown to the satisfaction of the Boards of the University or DSO or CU that the sole cause for the limit being exceeded is as a result of the market appreciation of the investment;
 - (b) To the acquisition by the Fund of other or additional securities or property by way of dividend or as a lawful distribution of assets, or pursuant to a lawful and bona fide agreement of merger, or consolidation.

12.0 PROHIBITED FUND INVESTMENTS AND TRANSACTIONS

12.1 The Fund shall not engage in short selling.

12.2 The Fund shall not directly invest in or loan its funds upon the security of, or hold the following:

- (a) Ineligible investments or loans under the Statutes or provisions made thereunder;
- (b) Derivative obligations which are not Hedging Transactions, including without limitation inverse floaters, residuals, interest-only, principal-only and range notes;
- (c) Foreign equities and foreign fixed income securities and Pooled Funds traded in foreign currencies and on foreign exchanges.
- (d) Fixed income obligations that do not have a fixed par value or those whose terms do not promise a fixed dollar amount at maturity or call date. These prohibited securities are not intended to exclude otherwise permitted inflation protected securities;
- (e) Securities whose coupon floats inversely to an index or whose coupon is determined based upon more than one index, or securities whose future coupon may be suspended because of the movement of interest rates or an index;
- (f) Tranches of collateralized mortgage obligations (CMO) which receive only the interest or principal from the underlying mortgage securities, commonly referred to as IOs or POs;
- (g) Reverse repurchase agreements;
- (h) Securities issued by an insolvent institution;
- (i) Unsecured loans or leases;
- (j) Speculative investments such as investments which expose the Fund to extraordinary risk;
- (k) Loans and investments in entities related to the auditors or accountants of the Fund, University, DSO or CU;
- (l) Mortgages for properties located outside of Florida, except when approved by the University CFO, or Board of the DSO or CU; and
- (m) Any investment or security which is designed to evade any prohibitions under the Statutes or provisions made thereunder.

12.3 The Fund shall not participate in the underwriting or the marketing of securities in advance of their issuance or enter into any transaction for such underwriting for the account of the Fund jointly with any other person. The Fund may subscribe to the securities when issued or enter into any agreement to withhold from sale any of its property or to repurchase any property sold by it, except repurchase agreements held pursuant to the provisions contained herein for eligible repurchase agreements.

12.4 The Fund shall not increase its holdings in securities or assets, as prescribed in this Policy, to an amount more than the prescribed Asset Allocation limits or other Investment Guidelines except with the approval permitted in paragraph 17.0.

12.5 The assets of the Fund shall not be directly or indirectly invested in securities or investments which are not traded on a recognized United States stock exchange, except when specifically approved by the University CFO or Board of the DSO or CU, as applicable. This restriction shall not apply to Alternative Investments and securities received as a gift, which securities should be liquidated within 1 year of receipt.

12.6 These restrictions do not apply to assets acquired by means of an intellectual property agreement.

13.0 DISPOSAL OF INELIGIBLE AND PROHIBITED FUND INVESTMENTS

13.1 In instances where the prescribed investment limits in the Policy have been exceeded, the Fund shall dispose of such assets or make such investments as are necessary to bring the Fund's investments within the prescribed limits or shall obtain the approval permitted in paragraph 17.0.

13.2 Any investments acquired by the Fund pursuant to defaults on loans, mortgages, liens, judgments, or other debts shall be disposed of within 1 year after the date of acquisition. The University CFO or CFO of the DSO or CU may extend the time for any such disposal for a definite additional period or periods upon application and reasonable showing that a forced sale of the investments would be inimical to the Fund. Any such investment held by the Fund without the consent of the Board of the University or DSO or CU beyond the time permitted for its disposal shall not be carried or allowed as an asset of the Fund.

14.0 VALUATION OF FUND INVESTMENT ASSETS AND LIABILITIES

14.1 Assets and liabilities of the Fund shall be valued at fair market value.

14.2 An independent external appraiser approved by the University CFO or CFO of the DSO or CU shall:

(a) Determine the valuation of real property, excluding Real Estate Pooled Funds, upon the

(i) Making of a mortgage loan;

- (ii) Purchase or acquisition of real property, and then no less frequently than each 3 years thereafter;
 - (iii) End of the Fund year coinciding with the effective date of the valuation required by the Investment Policy.
- (b) Where the University CFO or CFO of the DSO or CU deems appropriate, verify valuations for assets which are not real estate; and
- (c) Obtain new appraisals when the University CFO or CFO of the DSO or CU at the expense of the Fund deems it advisable.

15.0 RELATED PARTY INVESTMENTS

15.1 The assets of the Fund shall not be directly or indirectly invested in real property associated with the occupancy or expansion of the business of the investment manager, investment consultant, auditor, University CFO, University President, University Trustees, Board members of the DSO or CU, Treasurer, CFO of the DSO or CU or the associated companies of the foregoing.

15.2 The total of Related Party securities or investments must not exceed 1 percent of the fair market value of the assets of the Fund, unless otherwise restricted pursuant to the requirements of law, including Chapter 112, Florida Statutes, as applicable.

15.3 In any transaction that is entered into by, or on behalf of, the Fund with a person who the University CFO or CFO of the DSO or CU, or any person acting on behalf of the University or DSO or CU Board, knows will become a Related Party to the Fund, that person shall be considered to be a Related Party in respect of the transaction and the fulfillment of an obligation under the terms of any transaction is part of the transaction and not a separate transaction.

15.4 All transactions with Related Parties shall have the prior written approval of the University CFO or CFO of the DSO or CU and be disclosed to the Board of the University or DSO or CU, and regardless of whether an investment manager may have been given discretionary investment powers, and conform to applicable law, including Chapter 112, Florida Statutes.

15.5 The Treasurer or CFO of the DSO or CU shall maintain a register of all Related Party transactions.

15.6 The register must show in relation to each transaction

- (a) The name of the Related Party;
- (b) Description of the connection with the Fund;
- (c) Type and amount of the investment;
- (d) Date of the transaction and of the approval.

16.0 CONFLICTS OF INTEREST

16.1 The provisions of the Policy apply to individuals defined as a Related Party or a third party retained by a Related Party to provide services to the Fund.

16.2 No Related Party or other person described above may exercise his powers in his own interest or in the interest of a third person, nor may he place himself in a situation of conflict or potential conflict between his personal interest and his duties with regard to the investments of the Fund.

16.3 Any Related Party or other person described above shall disclose any direct or indirect association or material interest or involvement that would result in any actual, potential or perceived conflict of interest with regard to the investments of the Fund. Without limiting the generality of the foregoing, this would include material benefit from any asset held in the Fund, or any significant holding, or membership on the board, or any actual or proposed contracts with the issuer of any securities or investment which are or will be included in the Fund.

16.4 A Related Party or other individual described above shall disclose in writing the nature and extent of his interest to the University CFO or Board of the DSO or CU immediately upon first becoming aware of the conflict. The disclosure must also be made orally if the knowledge of the conflict arises in the course of discussion at a meeting.

16.5 If a Related Party or other individual described above disclosing the conflict has the capacity to participate in or to make decisions affecting the investments of the Fund, the party may only continue to participate in conformance with applicable law and, if allowable, with the approval of the University CFO or the Board of the DSO or CU. The party may elect not to participate with respect to the issue in conflict unless prohibited from doing so by applicable law. His notification shall be considered a continuing disclosure on that issue for purposes of the obligations outlined by these provisions.

17.0 EXCEPTIONS TO POLICY

Exceptions to some of the requirements specified in this Investment Policy may occasionally occur due to events subsequent to the purchase of investment instruments (e.g. the rating of a corporate note held in the portfolio is downgraded below an "A" rating, or an investment or asset class in the portfolio may appreciate or decline causing the percentage of the total portfolio to rise above or fall below the minimum or maximum percent of Fund assets) or due to other needs in the best interests of the University.

The University CFO and the designated CFO of the DSO or CU and their respective Boards shall be informed immediately of any exception.

Exceptions shall be reviewed for possible corrective action. Exceptions may be temporary or more lasting; they may be self-correcting or require specific action. If specific action is required, the University CFO and CFO of the DSO or CU, as appropriate, will determine the course of action that will correct exceptions. Any subsequent investments will not extend existing exceptions. Exceptions, and the course of action to correct the exceptions, will be reviewed with

the University Board and DSO or CU Board, as appropriate.

The Board [of Trustees](#) of the University reserves to itself the exclusive right to revise or grant exceptions to the Investment Policy. As long as an exception to the Policy continues, it will be re-evaluated by the Board [of Trustees](#) of the University and the respective governing Board at least on an annual basis.

18.0 TRANSITION PLANNING

18.1 Within 60 days of the Policy [or revised Policy](#) being approved by the University [Board of Trustees](#)~~President or Board of the DSO or CU~~, the Treasurer or CFO of the DSO or CU shall file with the University CFO or Board of the DSO or CU:

- (a) A statement noting that the Fund is in compliance with the requirements of the Policy and the Statutes; or
- (b) A plan [recommended to the Board of the Fund](#) ~~approved~~ by the Treasurer or CFO of the DSO or CU:
 - (i) Specifying in detail how compliance is to be achieved within a reasonable period not exceeding 5 years; and
 - (ii) Delineating specific goals to be achieved within a specified reporting period not exceeding 1 year.

18.2 The Treasurer or CFO of the DSO or CU shall review each plan filed pursuant to these transition provisions and shall determine if the plan is reasonable to achieve compliance and specific goals.

18.3 If the Treasurer or CFO of the DSO or CU determines that the plan is not reasonable or does not establish specific goals that may be objectively reviewed, the Treasurer or CFO of the DSO or CU shall not ~~recommend approve~~ the plan [to the Board of the Fund](#) and shall notify the investment manager of the Fund and give the investment manager a period of time not greater than 30 days to submit a plan which is sufficient to comply with the mandate.

18.4 If the Treasurer or CFO of the DSO or CU determines that the plan is reasonable and establishes goals that may be objectively reviewed, the Treasurer or CFO of the DSO or CU shall ~~recommend approve~~ the plan [to the Board of the Fund](#) and so notify the investment manager.

18.5 Upon successful completion of the plan, the Treasurer or CFO of the DSO or CU shall provide to the University Chief Financial Officer or Board of the DSO or CU a statement [or other comparable documentation to indicate](#) that the Fund is in compliance with the requirements of the Policy.

EXHIBIT A

DEFINITIONS

“Asset Allocation” means an investment framework of the Fund’s investment portfolio allocated within a minimum and maximum percentage of the total portfolio for each asset class. Asset Allocation is specific enough to establish a desired investment management framework, yet allow latitude for reasonable flexibility on the part of investment managers. Asset Allocation shall be consistent with the objectives, risk tolerance and constraints of the Fund and provide clear investment portfolio management guidance to the investment managers;

“Board” of the University means the governing body for the Fund, as declared in a Policy Statement adopted by the University, University Board of Trustees or President of the University. “Board” of the DSO or CU means the governing body for the Fund, as declared in a Policy Statement adopted by the DSO or CU Board of Directors ~~/ Trustees~~. “Board” of the University or DSO or CU shall include the Investment Committee, provided that the Board has delegated investment authority for the Fund to an Investment Committee, as declared in the Policy Statement;

“CFO” of the University or DSO or CU means the designated CFO or senior finance officer of the University or DSO or CU or authorized officers or Investment Committees of the Boards of Directors / Trustees of the University or DSOs or CUs;

“CU” means Component Unit of the University, pursuant to Department of Education Rule 6C-9.017 Florida Administrative Code, as certified by the University, or a unit for which the university is financially accountable. It does not include programs, such as those established pursuant to Florida Statute 1004.24 and Florida Administrative Code 6C-10.001, which are housed at the University but whose assets are the legal and financial responsibility of an entity other than the University. Certain programs housed at the University are separately created by Florida Statute and Florida regulations as programs whose assets are the property of an entity other than the University. While those programs are not included in the definition of “component units”, their assets may be recorded in the University’s financial statements. Therefore, those programs, consistent with applicable statutes/regulations by which they are governed and their own prudent, effective investment practices and guidelines, will use this Policy’s terms as guidance to help ensure their practices comply with the University’s financial responsibilities;

“DSO” means Direct Support Organization, pursuant to Section 1004.28 Florida Statutes, as certified by the University;

"Employee" means a full time, part-time or contract worker;

"Fair market value" shall be determined on a consistent basis in compliance with the Financial Accounting Standards Board Statements, the Government Accounting Standards Board Statements, industry guidelines, or State Statutes, whichever is applicable;

"Fund” means a Short-Term Fund, typically invested in short-term interest bearing investments,

or a Long-Term Fund, typically invested in longer-term interest bearing, equity and other types of investments. Funds shall be designated as Short-Term Funds or Long-Term Funds by a Policy Statement adopted by the Boards of the University or DSO or CU. The term "Fund" shall mean Short-Term Fund or Long-Term Fund, as the case may be;

"Hedging Transaction" means a purchase or sale of a contract, warrant, option, call, put, or right entered into for the purpose of minimizing risks or offsetting changes in the market values or yield rates of securities held or sold by the Fund;

"Investment Committee" means the Investment Committee of the University, DSO or CU Board, provided that the Board has delegated investment authority for the Fund to an Investment Committee;

"Investment Guidelines" means specific [Investment Guidelines](#) [or asset class targets](#) approved by the appropriate governing body of the Fund for a more limited asset allocation mix within the Investment Policy's minimum and maximum Asset Allocation limits for asset classes and / or guidelines for diversifying asset mix among types of eligible investments within the asset classes;

"Investment Performance" is the use of performance measurement systems to calculate a standardized performance return on a portfolio, the various asset classes and the investments over a specified time period. The methods of calculating the returns on a time-weighted, risk-adjusted, total return basis and in a fair, understandable and consistent manner should be consistent with the standards of the investment industry. The use of benchmarks, the standard of comparison for investment performance, will facilitate the evaluation of relative portfolio returns and investment manager performance;

"Investment Report" means a detailed Investment Report provided to the Investment Committee or Board of the Fund on a quarterly basis and the University Trustees and DSO or CU Board at least annually of the Investment Performance of the Fund's Primary and Secondary Investment Performance Objectives. If Fund investment and management responsibility has been delegated to investment managers, the Investment Report will also describe the Investment Performance of the Fund's Primary and Secondary Investment Performance Objectives attained by the investment manager before and after the investment manager's compensation;

"Long-Term Funds" means funds with a long-term investment horizon, in theory perpetual, which may generate a stream of earnings to support current operations that will remain stable or grow in real or inflation-adjusted terms, and which may include true endowment funds (funds received from a donor with a restriction that the principal is not expendable), term endowment funds (funds for which the donor stipulates that the principal may be expended after a stated period of time or upon the occurrence of a certain event) and funds functioning as endowments (funds that have been established by the governing board to function like an endowment fund but that may be expended at any time at the discretion of the board);

"Material change" includes a

- (a) Change of status of the Fund including termination or winding up of the Fund -

partially or in its entirety;

(b) Merger of the Fund with another fund;

(c) Change in the declared Short-Term or Long-Term status of the Fund;

(d) Substantial change in investments or delegation of investments to an investment manager; or

(e) Other material change in circumstances that the Board or other appropriate governing body of the Fund may declare from time to time;

"Miscellaneous Investments" includes investments, loans and securities that have not been specifically identified in this Policy;

"Obligation" includes bonds, debentures, promissory notes, commercial paper or other evidences of indebtedness;

"Performance Objective(s)" includes two performance objectives for each Fund: (a) the Primary Investment Performance Objective, and (b) the Secondary Performance Objective;

"Policy Statement" means a declaration of the Fund's status made by the appropriate governing body of the Fund, whether the Board of the University or DSO or CU or Investment Committee of the University or DSO or CU with delegated investment authority for the Fund or other appropriate governing body of the Fund;

"Pooled Funds" means professionally managed indexed or actively managed [mutual](#) funds registered with the Securities and Exchange Commission and listed on stock exchanges in the United States;

"Primary Investment Performance Objective" for the Fund is a total portfolio return which outperforms appropriate market and asset benchmark portfolio returns over a rolling 3 to 5-year time horizon, net of all investment expenses. The benchmark portfolio return is calculated on a weighted asset class basis and is compared to the appropriate benchmark weighted index returns for each of the major asset classes. Within the various asset classes, the performance objective is to exceed the relevant, appropriate index return;

"Prudent Person Rule" means that in making or retaining each and all investments and in acquiring, investing, reinvesting, exchanging, retaining, selling, supervising and managing funds, there shall be exercised the judgment and care, under circumstances then prevailing, that persons of ordinary prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investment;

"Recognized stock exchange" means any stock exchange that is qualified to operate as a stock exchange in the United States of America;

"Related Party" The following persons shall be treated as a Related Party to the University:

(a) The administrator, investment manager, investment consultant, University CFO, Director / Trustee of a DSO or CU, Treasurer, CFO of a DSO or CU or Trustees of the

University;

- (b) A director, officer or employee of any institution mentioned in paragraph (a);
- (c) An individual who, directly or indirectly, holds, or together with his spouse or child, holds more than 10 percent of the voting shares carrying more than 10 percent of the voting rights attached to all voting securities of any person mentioned in paragraph (a);
- (d) An individual who is an affiliate of the administrator, investment manager or the University or an employee, officer or a director of such individual;
- (e) A company which is directly or indirectly controlled by an individual referred to in paragraphs (a) to (d);
and shall be deemed to be a Related Party for a period of up to 12 months after that person has ceased to satisfy the description under paragraphs (a) to (e);
- (f) Any person covered by the definition of Relative under Chapter 112, Florida Statutes or any person that would be otherwise covered in the manner described therein by Chapter 112;

“Secondary Performance Objective” for the Fund is a positive rolling 5-year real total return, net of inflation as defined by the CPI, and net of all Fund investment and operating expenses. For Long-Term Funds, the Secondary Performance Objective is a rolling 5-year total return of greater than the rate of inflation plus 5.0% (3.0% for fixed income), after fees and expenses. To the extent that an actively managed strategy is used, a risk-adjusted, excess annual return of 0.50% is added to the Long-Term Secondary Performance Objective;

“Short-Term Funds” means funds not needed immediately for operating purposes as well as funds reserved for facilities construction or other capital purposes or other purposes. Short-Term Funds are generally invested in high-quality fixed-income investments that generate high levels of current income, the maturities of such investments are either short term or staggered so that maturities coincide with expenditures;

“Statutes” mean the Federal and State of Florida laws and regulations, including Sections 1011.42, 1004.24 and 218.415, Florida Statutes, and the State of Florida Administrative Code Rules of the Department of Education applicable to the University, the Board of Governors’ regulations/policies, including Florida Administrative Code 10.001 and any Statutes and Rules applicable to DSOs and CUs, including Section 1004.28 and 1010.10 and any applicable University regulations;

"Stocks and shares" means common shares, preferred shares and equity-type shares of a company;

“Treasurer” means the University Treasurer or authorized officers in the Office of the Treasurer;

“Trustees” means the Board or other governing body for the Fund, as declared in a Policy Statement adopted by the President of the University or Board [of Trustees](#) or other appropriate governing body for the Fund;

“University” means The University of South Florida Board of Trustees, a public body corporate.

UNIVERSITY OF SOUTH FLORIDA

INVESTMENT POLICY

Policy & Procedures Manual	Effective Date	Policy Number
INVESTMENT POLICY	12/07/06 – Approved by USF Board of Trustees 3/3/15 – Last Amended 3/3/15 – Last Reviewed 10-2021 – Clean Draft	USF BOT 06-001

TABLE OF CONTENTS

		<u>PAGES</u>
1.0	Definitions	1
2.0	Introduction	1
3.0	Statement of Policy	1
4.0	Entities Covered by This Policy	3
5.0	Fund Investment Requirements	4
6.0	Fund Performance Objectives and Investment Report	4
7.0	Fund Asset Allocation	5

8.0	Fund Risk Management	7
9.0	Eligibility Criteria for Fund Investments	9
10.0	Eligible Types of Fund Investments	9
11.0	Fund Concentration Limits	13
12.0	Prohibited Fund Investments and Transactions	13
13.0	Disposal of Ineligible and Prohibited Fund Investments	15
14.0	Valuation of Fund Investment Assets and Liabilities	15
15.0	Related Party Investments	15
16.0	Conflicts of Interest	16
17.0	Exceptions to Policy	17
18.0	Transition Planning	17
	Exhibit A - Definitions	19

1.0 DEFINITIONS

Words and terms used herein shall have the same meanings, for the purpose of this Investment Policy, ascribed to them in Exhibit A attached hereto or elsewhere defined in this Investment Policy unless the context or use clearly indicates a different meaning.

2.0 INTRODUCTION (Purpose and Intent)

Mission of the University

The University of South Florida (the “University”) is a multi-campus national research university that supports the development of the metropolitan Tampa Bay Region, the United States and the world. Building upon unique strengths inherent in Florida’s population, location, and natural resources, the university is dedicated to excellence in:

- Teaching and lifelong learning in a student-centered environment
- Research to advance knowledge and promote social, cultural, economic, educational, health, and technological development
- Service based on academic excellence and the ethic of community responsibility
- Community engagement to build university-community partnerships and collaborations.

Purpose of the Policy

To fulfill its mission, the University will establish an investment program for the investment of funds of the University and of its direct support organizations (DSOs) and component units and units for which the University is legally and financially accountable (CUs) to provide for safety of capital, liquidity matched to needs for funds, and the optimization of investment returns at an acceptable degree of risk and at an acceptable cost.

The purpose of this University Investment Policy (the “Policy”) is to establish a framework for active, prudent professional investment management that applies to all types of investment funds of the University and DSOs and CUs. This Policy states the responsibilities of the parties involved in carrying out the investment program to structure and manage investment portfolios, to evaluate returns and risk, and to report investment performance, all as appropriate to their funds.

The Policy provides for the management of three distinct types of University investment portfolios: A University portfolio, a Foundation endowment portfolio and DSO portfolios.

3.0 STATEMENT OF POLICY

3.1 It is the policy of the University of South Florida that investment management conform to the authority granted by Florida and Federal laws, its Board of Trustees and applicable regulations/policies of the Board of Governors and that the management of investment funds be conducted in such a manner as to promote the interests of the University.

3.2 The University and its DSOs and CUs may, subject to the Policy and specific authority from their respective Boards, develop supplemental investment policies for the Funds under their control.

3.3 The University and its DSOs and CUs shall, subject to the Policy and specific authority from their respective Boards, appoint Investment Committees and adopt Policy Statements and Investment Guidelines appropriate for the Funds under their control.

3.4 This Policy will be implemented, reviewed and monitored by the University CFO and the University Treasurer (“Treasurer”) and the designated CFO of the DSO and CU on behalf of their respective Boards, appropriate for the Funds under their control.

3.5 Under this Policy and pursuant to a delegation of investment authority by the Board of the University, the University CFO and the Treasurer are authorized to prudently manage the financial assets of the University portfolio invested as Short-Term Funds or Long-Term Funds. The University portfolio contains public funds and shall be structured to prioritize safety of principal and liquidity of funds. The realization of investment returns shall be secondary to the requirements for safety and liquidity (F.S. 218.415).

3.6 Under this Policy and pursuant to a delegation of investment authority by the Foundation Board, the Foundation Investment Committee is authorized to prudently manage the financial assets of the endowment portfolio invested as Long-Term Funds. As stated in the Foundation *Endowment Investment Policy*, the primary long-term investment objective of the endowment is to preserve the intergenerational equity of endowed gifts while providing a consistent and reliable source of funding to the University.

3.7 Under this Policy and pursuant to a delegation of investment authority by the Board of the DSO or CU, the Investment Committee of the DSO or CU is authorized to prudently manage the financial assets of the DSO or CU portfolio invested as Short-Term Funds or Long-Term Funds.

3.8 Under this Policy, the Board of the DSO or CU is authorized to create a board-designated endowment (i.e., quasi-endowment or fund functioning as endowment) from a portion of funds not needed for liquidity and reserves of the DSO or CU. The designated amount shall not be less than one million dollars and the minimum time period shall not be less than five years. The board-designated endowment will be held as a long-term investment in either the Foundation endowment portfolio or the DSO or CU portfolio. The board-designated endowment shall support the long-term operations of the DSO or CU subject to the spending policy established by the Foundation or the DSO or CU. Only the Board of the DSO or CU may authorize redemptions after the minimum investment period.

3.9 The University Board, the Foundation Board and the DSO Boards and their respective Investment Committees are responsible for managing the Funds under their respective control in a prudent manner consistent with the “Prudent Person Rule” (F.S. 218.415(4)) and, where applicable to the Fund, the Florida Uniform Management of Institutional Funds Act (F.S. 1010.10).

3.10 At least annually, the University CFO and CFO of the DSO and CU shall review the Policy, the Policy Statement and the Investment Guidelines, as they relate to their respective organizations, with the respective Board of the Fund.

3.11 If a material change in the Fund occurs, the University CFO or Treasurer or CFO of the DSO or CU shall review the Policy, Policy Statement and Investment Guidelines within 90 days of becoming aware of the change.

3.12 If a review leads to a change in the Policy, Policy Statement or Investment Guidelines, the proposed revisions shall be submitted to and adopted by the Boards of the University or DSO or CU, as appropriate, and submitted by the University CFO or CFO of the DSO or CU to the appropriate auditors in a timely fashion, following its adoption by the Boards of the University or DSO or CU.

3.13 The University CFO or CFO of the DSO or CU shall furnish a copy of the Policy to the appropriate auditor of the University or DSO or CU.

3.14 The Policy requires the Boards of the University and each DSO or CU to adopt a Policy Statement for the Fund which shall:

- (a) Declare the allocation of the University portfolio, the Foundation endowment portfolio or DSO or CU's portfolio into the Short-Term Fund and/or Long-Term Fund;
- (b) Declare Primary and Secondary (if desired) Performance Objectives for the Fund, stated both in terms of gross investment returns and net of fees / expenses, which are consistent with and appropriate for the economic environment and circumstances of the Fund;
- (c) Declare the Asset Allocation and Investment Guidelines for the Fund, consistent with its risk tolerances and return expectations;
- (d) Describe the investment authority of the Investment Committee and/or relevant management;
- (e) Describe the risks and risk tolerances for the Fund;
- (f) State the time horizon of the Fund's assets; and
- (g) Address the liquidity needs of the Fund and other legal, regulatory or special constraining circumstances affecting the investments of the Fund.

3.15 The preparation, review and revision of the Policy, and the Fund's Policy Statement and Investment Guidelines, shall give due consideration to the

- (a) Type of Fund;
- (b) Management of interest, liquidity, credit and other financial risks to which the Fund is exposed;
- (c) Funding requirements relevant to the type of Fund;
- (d) Economic conditions;
- (e) Expenses;
- (f) Diversification of the investment portfolio by asset classes and within asset classes, and by investment manager and by investment manager style, as applicable and appropriate;

- (g) Use of options, futures and other derivatives;
- (h) Lending of cash or securities;
- (i) Retention or delegation of the voting rights acquired through investments;
- (j) Possible Related Party transactions within the limits established in the Policy for such transactions;
- (k) Any other matter affecting the investment of the Fund that would be appropriate to be considered in the development and preparation of the Policy and the Fund's Policy Statement and Investment Guidelines.

4.0 ENTITIES COVERED BY THIS POLICY

The Policy applies to the University and to DSOs and CUs. DSOs are separate not-for-profit corporations organized and operated exclusively to assist the University achieve its mission. CUs are organizations operated exclusively to assist the University achieve its mission as defined in Exhibit A to this Policy. In accordance with Florida Statutes and Rules, as applicable, and University Regulations and Policies, these organizations receive, hold, invest and administer property and make expenditures to or for the benefit of the University. All University, DSO and CU investment activities, to the extent such activity is allowed by applicable law, require approval by the University, DSO or CU Boards, and such activities shall be managed by the CFO of the University and Investment Committees of the DSO or CU.

5.0 FUND INVESTMENT REQUIREMENTS

5.1 The University CFO or Treasurer or Investment Committees of the DSO or CU and investment managers, to the extent that the responsibility for the investment and management of the Fund has been delegated by the Boards, shall prudently invest and manage the assets under their responsibility in a manner consistent with the Policy, Policy Statement and Investment Guidelines and such that the Fund provides benefits to the University or DSO or CU at an acceptable risk and at a reasonable cost.

5.2 In the performance of their duties, the University CFO or Treasurer or Investment Committees of the DSO or CU and investment managers shall:

- (a) Determine whether an investment will be able to provide an adequate return at an acceptable risk so that the University or DSO or CU can achieve its stated objectives;
- (b) Recognize the effects of expenses on investment returns by only incurring such costs that are appropriate and reasonable in amount;
- (c) Ensure that, prior to making an investment, appropriate due diligence has been conducted on the investment to ascertain whether credit worthiness, financial condition, earnings potential and ability to meet the obligations are satisfactory;
- (d) Ensure that any collateral or security is of satisfactory quality and value;
- (e) Avoid leaving monies of the Fund idle, except in rare and unavoidable circumstances when cash is required to meet Fund obligations and then not for a period exceeding one month;

5.3 Investments shall be in the sole name of the Trustees of the University or the DSO or CU, or their nominee. For any investment held by way of a nominee, the name of the investment must clearly indicate that the nominee is holding the asset for the Trustees for and on behalf of the University or on behalf of the DSO or CU.

5.4 An investment shall not be made unless approved by the University CFO or Treasurer or Investment Committees of the DSO or CU or by the Fund's investment manager, who has been given that investment discretion by the applicable Board in conformance with this Policy.

5.5 Investment transactions shall be undertaken at arm's length and at rates or prices comparable to those available in the market for similar investment transactions.

5.6 The Fund shall not undertake borrowing without the explicit prior approval of the University CFO or Board of the DSO or CU. The reasons for borrowing and the University CFO or Board of the DSO or CU approval must be appropriately recorded in the Minutes of the Meeting of the next occurring appropriate Board of the University or DSO or CU.

6.0 FUND PERFORMANCE OBJECTIVES AND INVESTMENT REPORTING

6.1 The Primary Performance Objective for the Fund is a total portfolio return which outperforms appropriate market and asset benchmark portfolio returns over a rolling 3 to 5-year time horizon, net of all investment expenses.

(a) The benchmark portfolio return is calculated on a weighted asset class basis and is compared to the appropriate benchmark weighted index returns for each of the major asset classes.

(b) Within the various asset classes, the performance objective is to outperform the relevant, appropriate benchmark index return.

6.2 If established by the Board of the Fund, the Secondary Performance Objective for the Fund is a positive rolling 5-year real total return, net of inflation as defined by the Consumer Price Index (CPI), and net of all Fund investment and operating expenses. For Long-Term Funds, the Secondary Performance Objective is a rolling 5-year total return of greater than the rate of inflation plus 5.0% (3.0% for fixed income), after fees and expenses.

6.3 On a quarterly basis, the Treasurer for the University portfolio, the Foundation CFO for the endowment portfolio and the DSO CFOs for all DSO portfolios will provide an Investment Report of the portfolio investment performance over 1, 3 and 5-year time periods compared to appropriate benchmark weighted index returns, including Asset Allocations, and compared to the Primary Objective and Secondary Objective, if established, to the Boards or Investment Committees of the Funds. These quarterly Investment Reports and Asset Allocations will be provided to the Treasurer or University CFO and reviewed by the University Board.

6.4 At least annually, an Investment Report detailing investment performance for the University portfolio and overview of the DSO portfolios shall be provided by the Treasurer to the Board of the University and by the University CFO or Treasurer to the Board of Trustees of

the University. Annual presentations may be requested of DSO Investment Reports to the Board of Trustees of the University.

7.0 FUND ASSET ALLOCATION

7.1 The University Board and DSO Boards of the Funds shall establish Asset Allocations specific enough to establish a desired investment management framework appropriate for each Fund. Asset Allocation shall be consistent with the objectives, risk tolerance and constraints of the Fund. Asset Allocation shall provide clear guidance for investment portfolio management, providing the highest probability of meeting or exceeding the Fund's return objectives at the lowest risk.

7.2 Asset Allocation provides for basic diversification of the Fund's investment portfolio in order to achieve the Performance Objectives with an acceptable exposure to risk. Asset Allocation recognizes that asset classes will, at different points in a market cycle, perform differently and that the combination of these classes will lower the overall volatility of investment returns.

7.3 Asset Allocations and establishing more limited asset classes within minimum and maximum percent of Fund assets shall be recommended to the Board of the Fund by the Treasurer for the University Funds or CFO of the DSO or CU and approved by the University and DSO Boards of the Fund.

7.4 Asset Allocations and Investment Guidelines will be provided to the investment managers. Asset Allocations and Investment Guidelines will be developed in consideration of the Fund's economic environment, risk tolerances, return expectations and the Fund's liquidity needs.

7.5 Asset Allocations and Investment Guidelines, once adopted by the Board of the Fund, will be reported to the University CFO and reviewed at least annually.

7.6 Appropriate action will be taken to rebalance the Fund, generally on a quarterly basis, by the University Treasurer or CFO of the DSO or CU in order to stay within the Asset Allocations and Investment Guidelines and to maintain proper diversification among individual investment managers. Rebalancing may be accomplished by reallocating funds among asset classes and by managing cash flows into or out of the asset classes by adding funds to underweight asset classes or by withdrawing funds from overweight asset classes.

7.7 Asset Allocations shall first be made to Short-Term Funds to meet the liquidity needs of the University or DSO or CU.

7.8 Asset Allocations exceeding the liquidity needs of the University and DSO or CU may be allocated to Long-Term Funds.

7.9 The Board of the University Fund and Boards of the DSO Funds shall approve the Asset Allocation of the Fund's investment portfolio, allocated to asset class targets, within a minimum

and maximum percentage of the total portfolio for each asset class.,

EXAMPLE OF DSO ASSET ALLOCATION

<u>Short-Term Funds:</u>	<u>Asset Allocation</u>	
<u>Asset Class</u>	<u>Target Percent</u>	<u>Minimum and Maximum Percent of Fund Assets</u>
Domestic Fixed Income Securities and Fixed Income Pooled Funds	30%	0% to 90% of Funds
Cash Equivalent and Money Market Funds	<u>70%</u>	0% to 100% of Funds
Total Short-Term Funds	100% of Short-Term Funds	
<hr/>		
Total Short-Term Funds as % of Total Investment Portfolio	80% of Total Investment Portfolio	

<u>Long-Term Funds:</u>	<u>Asset Allocation</u>	
<u>Asset Class</u>	<u>Target Percent</u>	<u>Minimum and Maximum Percent of Fund Assets</u>
Domestic Fixed Income Securities and Fixed Income Pooled Funds	30%	15% to 40% of Funds
Foreign Fixed Income Pooled Funds	0%	0% to 10% of Funds
Domestic Equity and Equity Pooled Funds	70%	25% to 80% of Funds
Foreign Equity Pooled Funds	0%	0% to 15% of Funds
Mortgage and Asset-Backed Securities and Real Estate and Real Asset Pooled Funds	0%	0% to 20% of Funds
Alternative Investments	<u>0%</u>	0% to 10% of Funds
Total Long-Term Funds	100% of Long-Term Funds	
<hr/>		
Total Long-Term Funds as % of Total Investment Portfolio	20% of Total Investment Portfolio	

7.7 Where short-term funds may be invested with a long-term horizon, while maintaining the liquidity needs of the Fund, the University Board or Board of the DSO or CU may, to enhance investment returns, invest a portion of such short-term funds in asset classes described as long-term within this Policy

8.0 FUND RISK MANAGEMENT

8.1 Investment risk is commonly described by relating it to the uncertainty or the volatility of potential returns from a portfolio or investment over time. The source, probability and impact of this uncertainty depend on the particular portfolio or investment. Sources of investment risk include financial exposure to changes in interest rates, equity and debt markets, inflation, foreign exchange rates, commodity prices, and other global economic and political conditions. Risk also resides in concentrations of securities by issuer and asset class and in concentrations of investments with investment managers. These risks will be diversified across major asset classes, within asset classes and across investment managers.

8.2 Effective risk management requires an understanding of the objectives of the Fund and the University and the DSO and CU, the tolerance for risk, as well as the types and characteristics of portfolios and invested assets. The Treasurer or CFO of the DSO or CU shall develop and establish risk management processes that effectively assess, control and monitor the risks.

8.3 An effective risk management system is characterized by active supervision of risks. The Treasurer or CFO of the DSO or CU shall monitor the implementation of investment risk strategies, the adequacy and effectiveness of the risk management process, and the investment manager's performance in achieving its strategic and financial objectives.

8.4 Effective risk management requires that the risks assumed in the investment portfolios be identified and understood. The Treasurer or CFO of the DSO or CU and investment managers for the Fund shall identify the risks and the related means to measure the risks and the necessary controls and monitoring systems. The Treasurer or CFO of the DSO or CU and investment managers shall have access to timely and competent economic analyses and forecasts for the capital markets in which the Fund is investing to enable the Treasurer or CFO of the DSO or CU and investment managers to continually monitor capital market expectations and developments, currency relationships, interest rate movements, commodity prices and expected returns for asset classes and individual investments. These forecasts and recommendations enable the Treasurer or CFO of the DSO or CU and investment managers to establish appropriate investment guidelines and strategies, select appropriate investments, and manage risk effectively. Annually, the Treasurer shall complete at least 8 hours of continuing professional education related to investment practices and products.

8.5 Risks will vary over time due to changes in the objectives of the University or DSO or CU and the characteristics and objectives of the Fund, composition of the Fund assets, capital markets, economies and political environments. Therefore, the evaluation of the risk assessment, measurement and monitoring systems by the Treasurer or CFO of the DSO or CU shall be ongoing.

8.6 Delegation of investment and management authority to third-party fiduciary managers, to the extent that the responsibility for the investment and management of the Fund has been delegated, is a critical element in the Fund's risk management. Consideration of third-party

fiduciary managers shall include, at a minimum, the Treasurer's and the CFO's for the DSO or CU, as applicable, annual review of the firm's investment and business practices, professional resources, client reporting capabilities, financial strength, historic performance, regulatory history, personnel turnover, comparative fees, and other relevant factors. The Treasurer or CFO of the DSO or CU shall review the firm's approved written policies and standards that support its risk management practices, operating procedures and control processes. The Treasurer or CFO of the DSO or CU shall review the investment manager's risk management system to ensure that it is supportive of the Fund's investment objectives. The Treasurer and the CFO for the DSO or CU, as applicable, shall review the investment manager's performance quarterly, and meet with the investment manager to review performance and independently evaluate the performance of the investment manager at least annually for the respective Board of the Fund.

8.7 Selection of investment managers for Alternative Investments should be based on, but not limited to, the following criteria: tenure and track record of management team, expertise in targeted areas of investment, diversification strategy, policies for valuation and market value reporting, lockup requirements, liquidity of investments, level of general manager investment, fees, potential conflicts of interest, audited financial statements and performance relative to other similar investments.

8.8 Third-party investment managers, depositories, custodians, broker/dealers and investment consultants shall be appointed by the Board of the University or DSO or CU, as appropriate, in accordance with applicable law.

8.9 Investment managers will receive a written letter of instruction outlining investment instructions. Investment managers will only invest in the securities class(es) for which they were retained to manage. A manager's Investment Management Agreement or other subscription documents that detail the manager's strategy and execution of the strategy will satisfy this requirement.

8.10 All securities purchased by the University, DSO or CU, or its investment managers, shall be designated as an asset of the University, DSO or CU, or its nominee, and held in safekeeping by a third-party custodial bank or other third-party custodial institution. No withdrawal of securities, in whole or part, shall be made from safekeeping except by those designated in an Investment Management and Custodial Agreement.

8.11 Sales, purchases and exchanges, competitively bid when feasible and appropriate, should be effected through well-capitalized nationally-known financial institutions, recognized as being major participants in the equity and fixed income markets, in accordance with appropriate investment practices.

8.12 The University, DSO, CU and investment managers, if applicable, shall maintain master repurchase agreements and require all approved institutions and dealers transacting repurchase agreements to adhere to the requirements of the master repurchase agreement.

9.0 ELIGIBILITY CRITERIA FOR FUND INVESTMENTS

- 9.1 Eligibility of an investment is to be determined at the date of its acquisition.
- 9.2 An investment shall be regarded as eligible for purchase or acquisition by the Fund if it
- (a) Meets the applicable requirements of the Policy and applicable Statutes;
 - (b) Is not then in default in any respect;
- 9.3 The percentage of assets that the Fund has invested in an investment or security shall be determined by the following:
- (a) Adding the value of the Fund's proportionate holding of the investment or security by each type of asset in which the Fund is invested, to the value of the asset held in the Fund's remaining investment holdings, then
 - (b) Dividing the sum calculated under paragraph (a) by the total value of the Fund's assets.
- 9.4 The calculated amount of assets that the Fund has invested in an asset class shall not exceed the maximum and minimum Asset Allocation for the specific asset class, which has been approved by the Board of the Fund or Investment Committee and described by the Policy and Policy Statement and more specifically described by the Investment Guidelines for the Fund. Calculations of all percentage limitations shall be done on a market value basis.

10.0 ELIGIBLE TYPES OF FUND INVESTMENTS

10.1 The University CFO and Treasurer or CFO of the DSO or CU and investment managers, to the extent that the responsibility for the investment and management of the Fund has been delegated, may invest the Fund's assets in any type of investment permitted by applicable Statutes and the Policy. If a conflict concerning eligible investments arises between the Statutes and the Investment Policy, the eligible investments described in the Statutes shall apply.

10.2 Eligible Investments – SHORT-TERM FUNDS

- (a) Cash (insured at all times by the Federal Deposit Insurance Corporation).
- (b) United States Treasury Obligations: Direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United State of America with a remaining maturity at the time of purchase of 5 years or less.
- (c) United States Agency Obligations: Direct obligations of the federal agencies which are fully guaranteed by the full faith and credit of the United States of America with a remaining maturity at the time of purchase of 5 years or less.
- (d) Direct obligations of Federal Agencies, whose obligations are guaranteed by the implied full faith and credit of the United States of America, with a remaining maturity at the time of purchase of 5 years or less,
- (e) Certificates of deposit, savings accounts, deposit accounts or money market deposits in amounts that are continuously and fully insured by the Federal Deposit Insurance

Corporation ("FDIC"), including the Bank Insurance Fund and the Savings Association Insurance Fund.

(f) U.S. dollar denominated certificates of deposit, deposit accounts and bankers' acceptances (in each case having maturities of not more than 365 days following the date of purchase) of any domestic commercial bank provided that such bank's short-term certificates of deposit are rated "P-1" by Moody's and "A-1" or better by S&P (not considering holding company ratings).

(g) Commercial paper (having original maturities of not more than 270 days) rated, at the time of purchase in the highest classification, "P-1" by Moody's and "A-1" or better by S&P.

(h) Investments in a Securities and Exchange Commission registered money market fund rated "AAAm" or "AAAm-G" by S&P or "First Tier" consistent with SEC Rule 2a-7 if not rated and being no-load funds.

(i) Pooled Fund investments in a U.S. registered and professionally managed fixed income indexed or actively managed mutual fund with an effective duration of 5 years or less comprised of securities with an average weighted rating of "A" by S&P.

(j) Municipal Obligations or direct, general obligations of any state of the United States of America or any subdivision or agency thereof, whose uninsured and unguaranteed general obligation debt is rated, at the time of purchase, A2 or better by Moody's and A or better by S&P, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose uninsured and unguaranteed general obligation debt is rated, at the time of purchase, A2 or better by Moody's and A or better by S&P with an original or remaining maturity at the time of purchase of 5 years or less.

(k) Corporate notes or other direct obligations issued, assumed or guaranteed by an institution with a minimum credit rating when purchased of "A" or equivalent with an original or remaining maturity not to exceed five years.

(l) Mortgage-backed pass through securities guaranteed by the U.S. Government or a Federal Agency, including securities collateralized by the same (CMO). Investments in CMOs shall be limited to PACs (planned amortization class), NAC (non-accelerated class) or VADM (very accurately defined maturity) securities. The effective duration of these securities shall not exceed 5 years.

(m) Asset-backed securities with credit ratings of "A" or better. The remaining maturity at the time of purchase of these securities shall not exceed 5 years.

(n) The State of Florida's Local Government Surplus Funds Trust Fund, Intergovernmental Investment Pool, State Board of Administration Investment Pool(s), and the State Treasury Investment Pool.

(o) Repurchase agreements, fully secured and collateralized at 102%, which collateral must be held by a third party, whose underlying instruments are securities or obligations of governments with a credit rating of "A" or equivalent, and securities and obligations of the U.S. Government. All agreements will be in compliance with Federal Reserve Bank guidelines.

(p) Securities lending must be fully secured and collateralized by obligations authorized under this Policy. Such collateral must be held by a third party. All agreements will be in compliance with Federal Reserve Bank guidelines.

(q) Where short-term funds may be invested in investments with a long-term horizon while maintaining the liquidity needs of the Fund, the University Board or Board of the

DSO or CU may, to enhance investment returns, invest a portion of such short-term funds in asset classes described as long-term within this Policy.

(r) Loans to University departments, auxiliaries and institutes where authorized by the University Board of Trustees or Board of Directors of the DSO or CU.

(s) Investments as specifically authorized by the University Board of Trustees or Board of Directors of the DSO or CU.

10.3 Eligible Investments – LONG-TERM FUNDS

(a) Corporate notes or other direct debt obligations issued, assumed or guaranteed by an institution with a minimum credit rating when purchased of “A” or equivalent.

(b) Direct commercial paper or promissory notes which have been guaranteed by a domestic commercial bank or life insurance company and the term of which note or paper is not greater than the term of the guarantee, with a minimum credit rating when purchased of “A” or equivalent.

(c) Direct stocks and equity shares of institutions whose securities are listed on a recognized stock exchange of the United States.

- The Fund may invest in the shares of a company offering shares in an initial public offer where the company intends to list on a recognized U.S. stock exchange of a recognized jurisdiction and where the initial public offer meets the requirements of the Securities Acts,
- The Fund may invest in preferred or guaranteed shares, other than ordinary shares, of any institution to which this provision applies.

(d) Pooled Fund investments which are professionally managed indexed or actively managed mutual funds registered with the Securities and Exchange Commission and invested in the following securities authorized by this Policy:

- U.S. Equity Pooled Funds
- U.S. Fixed Income Pooled Funds,
- Foreign Equity and Foreign Fixed Income Pooled Funds –traded as U.S. dollar denominated American Depository Receipts (ADRs) on U.S. exchanges,
- Real Asset Pooled Funds – containing publicly traded instruments such as real estate investment trusts, commodities, inflation linked notes, etc.; also private real asset partnerships investing in real estate and natural resources,

(e) Loans and mortgages subject to the following provisions:

- Invested in loans, mortgages or deeds of trust collateralized by real property located in Florida for the sole benefit of the University, provided that adequate collateral is pledged,
- Loans secured by a pledge of securities or evidences of debt Eligible for Investment,
- Loans granted under these provisions must not exceed 80 percent of the remaining value of the collateral at the date of grant and specify a repayment date and schedule for repayment. For the purposes of these provisions, the remaining value of the collateral is determined by subtracting the total outstanding balance of loans, charges, pledges or liens

- which rank *pari passu* (equal to) or higher than the loan being considered from the fair market value of the collateral,
 - The total value of loans or mortgages to any single related party must not exceed 1 per cent of the fair market value of the Fund's total assets.
- (f) Real Property subject to the following provisions:
- Buildings and other improvements located on mortgaged premises shall be kept insured against loss or damage from fire in an amount not less than the unpaid balance of the obligation or the insurable value of the property, whichever is greater, and
 - Developed real property must be kept insured for its insurable value against loss or damage from fire.
- (g) Mortgage-backed pass through securities guaranteed by the U.S. Government or a Federal Agency, including securities collateralized by the same (CMO). Investments in CMOs shall be limited to PACs (planned amortization class), NAC (non-accelerated class) or VADM (very accurately defined maturity) securities. The effective duration of these securities shall not exceed 5 years.
- (h) Asset-backed securities with credit ratings of "A" or better. The effective duration of these securities shall not exceed 5 years.
- (i) Alternative Investments.
- The Alternative Investments asset class includes all other eligible investments, loans and securities, plus all other investments, loans and securities that have not been specifically identified as eligible in the Policy but have been individually or as a class approved by the Board of the University, DSO, or CU, as applicable, which collectively shall not exceed 25 percent of the fair market value of the Fund's assets.
 - The Alternative Investments asset class, used to diversify and enhance the return of the Fund, includes, but is not limited to, the following: venture capital, private equity partnerships, real estate partnerships, mezzanine, distressed debt, private credit, pooled funds not registered with the SEC and hedge funds.
 - Each Alternative investment will be approved by the appropriate governing body of the Fund.
 - Hedge fund investments will only be made that would comprise less than 10% of any individual partnership's assets, unless specifically approved by the Board of the University, DSO, or CU, as applicable.
- (j) Hedging Transactions subject to the following provisions:
- The Fund may use *bona fide* hedging transactions and derivative instruments for the sole specific objective of altering the risk profile of its investment portfolio,
 - In all cases, the Fund may not use derivatives for the primary purpose of generating income or to speculate on securities or commodity prices,
 - For the purposes of this provision, *bona fide* hedging transactions are those which pertain to securities otherwise eligible for investment including but not limited to financial futures contracts, warrants, options, calls and other rights of purchase; and puts and other rights which require another person to purchase the securities, and

- Provided in all cases that the official responsible for making investment decisions concerning eligible derivative products must have a sufficient understanding of derivative products and the expertise to manage them.
- (k) Securities lending must be fully secured and collateralized by obligations authorized under this Policy. Such collateral must be held by a third party. All agreements will be in compliance with Federal Reserve Bank guidelines.

11.0 FUND CONCENTRATION LIMITS

11.1 Subject to the provisions of the Policy, the Fund shall not hold, acquire or purchase, any combination of investments in or loans upon the security of the obligations, property, and securities of any one issuer exceeding 5 percent of the market value of the assets of the Fund. Direct investments in securities of the U.S. Government, Government Agencies and State of Florida Investment Pools, or Pooled Funds comprised solely of U.S. Government Securities are not subject to these restrictions.

11.2 The Fund may not, either by itself or in conjunction with any related party, acquire, hold or control, without the prior approval of its appropriate governing body, in excess of 5 percent of the voting shares in a corporation or interest in any company.

11.3 Limitations based upon the fair market value of the assets of the Fund shall relate to the Fund's assets as declared in the financial statements of the University or DSO or CU filed with the Auditor General of the State of Florida at the end of the previous fiscal year.

11.4 The limits imposed by the paragraph 11.1 do not apply:
(a) If it can be shown to the satisfaction of the Boards of the University or DSO or CU that the sole cause for the limit being exceeded is as a result of the market appreciation of the investment;
(b) To the acquisition by the Fund of other or additional securities or property by way of dividend or as a lawful distribution of assets, or pursuant to a lawful and bona fide agreement of merger, or consolidation.

12.0 PROHIBITED FUND INVESTMENTS AND TRANSACTIONS

12.1 The Fund shall not engage in short selling.

12.2 The Fund shall not directly invest in or loan its funds upon the security of, or hold the following:

- (a) Ineligible investments or loans under the Statutes or provisions made thereunder;
- (b) Derivative obligations which are not Hedging Transactions, including without limitation inverse floaters, residuals, interest-only, principal-only and range notes;
- (c) Foreign equities and foreign fixed income securities and Pooled Funds traded in foreign currencies and on foreign exchanges,

- (d) Fixed income obligations that do not have a fixed par value or those whose terms do not promise a fixed dollar amount at maturity or call date. These prohibited securities are not intended to exclude otherwise permitted inflation protected securities;
- (e) Securities whose coupon floats inversely to an index or whose coupon is determined based upon more than one index, or securities whose future coupon may be suspended because of the movement of interest rates or an index;
- (f) Tranches of collateralized mortgage obligations (CMO) which receive only the interest or principal from the underlying mortgage securities, commonly referred to as IOs or POs;
- (g) Reverse repurchase agreements;
- (h) Securities issued by an insolvent institution;
- (i) Unsecured loans or leases;
- (j) Speculative investments such as investments which expose the Fund to extraordinary risk;
- (k) Loans and investments in entities related to the auditors or accountants of the Fund, University, DSO or CU;
- (l) Mortgages for properties located outside of Florida, except when approved by the University CFO, or Board of the DSO or CU; and
- (m) Any investment or security which is designed to evade any prohibitions under the Statutes or provisions made thereunder.

12.3 The Fund shall not participate in the underwriting or the marketing of securities in advance of their issuance or enter into any transaction for such underwriting for the account of the Fund jointly with any other person. The Fund may subscribe to the securities when issued or enter into any agreement to withhold from sale any of its property or to repurchase any property sold by it, except repurchase agreements held pursuant to the provisions contained herein for eligible repurchase agreements.

12.4 The Fund shall not increase its holdings in securities or assets, as prescribed in this Policy, to an amount more than the prescribed Asset Allocation limits or other Investment Guidelines except with the approval permitted in paragraph 17.0.

12.5 The assets of the Fund shall not be directly or indirectly invested in securities or investments which are not traded on a recognized United States stock exchange, except when specifically approved by the University CFO or Board of the DSO or CU, as applicable. This restriction shall not apply to Alternative Investments and securities received as a gift, which securities should be liquidated within 1 year of receipt.

12.6 These restrictions do not apply to assets acquired by means of an intellectual property agreement.

13.0 DISPOSAL OF INELIGIBLE AND PROHIBITED FUND INVESTMENTS

13.1 In instances where the prescribed investment limits in the Policy have been exceeded, the Fund shall dispose of such assets or make such investments as are necessary to bring the Fund's

investments within the prescribed limits or shall obtain the approval permitted in paragraph 17.0.

13.2 Any investments acquired by the Fund pursuant to defaults on loans, mortgages, liens, judgments, or other debts shall be disposed of within 1 year after the date of acquisition. The University CFO or CFO of the DSO or CU may extend the time for any such disposal for a definite additional period or periods upon application and reasonable showing that a forced sale of the investments would be inimical to the Fund. Any such investment held by the Fund without the consent of the Board of the University or DSO or CU beyond the time permitted for its disposal shall not be carried or allowed as an asset of the Fund.

14.0 VALUATION OF FUND INVESTMENT ASSETS AND LIABILITIES

14.1 Assets and liabilities of the Fund shall be valued at fair market value.

14.2 An independent external appraiser approved by the University CFO or CFO of the DSO or CU shall:

- (a) Determine the valuation of real property, excluding Real Estate Pooled Funds, upon the
 - (i) Making of a mortgage loan;
 - (ii) Purchase or acquisition of real property, and then no less frequently than each 3 years thereafter;
 - (iii) End of the Fund year coinciding with the effective date of the valuation required by the Investment Policy.
- (b) Where the University CFO or CFO of the DSO or CU deems appropriate, verify valuations for assets which are not real estate; and
- (c) Obtain new appraisals when the University CFO or CFO of the DSO or CU at the expense of the Fund deems it advisable.

15.0 RELATED PARTY INVESTMENTS

15.1 The assets of the Fund shall not be directly or indirectly invested in real property associated with the occupancy or expansion of the business of the investment manager, investment consultant, auditor, University CFO, University President, University Trustees, Board members of the DSO or CU, Treasurer, CFO of the DSO or CU or the associated companies of the foregoing.

15.2 The total of Related Party securities or investments must not exceed 1 percent of the fair market value of the assets of the Fund, unless otherwise restricted pursuant to the requirements of law, including Chapter 112, Florida Statutes, as applicable.

15.3 In any transaction that is entered into by, or on behalf of, the Fund with a person who the University CFO or CFO of the DSO or CU, or any person acting on behalf of the University or DSO or CU Board, knows will become a Related Party to the Fund, that person shall be considered to be a Related Party in respect of the transaction and the fulfillment of an obligation

under the terms of any transaction is part of the transaction and not a separate transaction.

15.4 All transactions with Related Parties shall have the prior written approval of the University CFO or CFO of the DSO or CU and be disclosed to the Board of the University or DSO or CU, and regardless of whether an investment manager may have been given discretionary investment powers, and conform to applicable law, including Chapter 112, Florida Statutes.

15.5 The Treasurer or CFO of the DSO or CU shall maintain a register of all Related Party transactions.

15.6 The register must show in relation to each transaction

- (a) The name of the Related Party;
- (b) Description of the connection with the Fund;
- (c) Type and amount of the investment;
- (d) Date of the transaction and of the approval.

16.0 CONFLICTS OF INTEREST

16.1 The provisions of the Policy apply to individuals defined as a Related Party or a third party retained by a Related Party to provide services to the Fund.

16.2 No Related Party or other person described above may exercise his powers in his own interest or in the interest of a third person, nor may he place himself in a situation of conflict or potential conflict between his personal interest and his duties with regard to the investments of the Fund.

16.3 Any Related Party or other person described above shall disclose any direct or indirect association or material interest or involvement that would result in any actual, potential or perceived conflict of interest with regard to the investments of the Fund. Without limiting the generality of the foregoing, this would include material benefit from any asset held in the Fund, or any significant holding, or membership on the board, or any actual or proposed contracts with the issuer of any securities or investment which are or will be included in the Fund.

16.4 A Related Party or other individual described above shall disclose in writing the nature and extent of his interest to the University CFO or Board of the DSO or CU immediately upon first becoming aware of the conflict. The disclosure must also be made orally if the knowledge of the conflict arises in the course of discussion at a meeting.

16.5 If a Related Party or other individual described above disclosing the conflict has the capacity to participate in or to make decisions affecting the investments of the Fund, the party may only continue to participate in conformance with applicable law and, if allowable, with the approval of the University CFO or the Board of the DSO or CU. The party may elect not to participate with respect to the issue in conflict unless prohibited from doing so by applicable law. His notification shall be considered a continuing disclosure on that issue for purposes of the

obligations outlined by these provisions.

17.0 EXCEPTIONS TO POLICY

Exceptions to some of the requirements specified in this Investment Policy may occasionally occur due to events subsequent to the purchase of investment instruments (e.g. the rating of a corporate note held in the portfolio is downgraded below an "A" rating, or an investment or asset class in the portfolio may appreciate or decline causing the percentage of the total portfolio to rise above or fall below the minimum or maximum percent of Fund assets) or due to other needs in the best interests of the University.

The University CFO and the designated CFO of the DSO or CU and their respective Boards shall be informed immediately of any exception.

Exceptions shall be reviewed for possible corrective action. Exceptions may be temporary or more lasting; they may be self-correcting or require specific action. If specific action is required, the University CFO and CFO of the DSO or CU, as appropriate, will determine the course of action that will correct exceptions. Any subsequent investments will not extend existing exceptions. Exceptions, and the course of action to correct the exceptions, will be reviewed with the University Board and DSO or CU Board, as appropriate.

The Board of Trustees of the University reserves to itself the exclusive right to revise or grant exceptions to the Investment Policy. As long as an exception to the Policy continues, it will be re-evaluated by the Board of Trustees of the University and the respective governing Board at least on an annual basis.

18.0 TRANSITION PLANNING

18.1 Within 60 days of the Policy or revised Policy being approved by the University Board of Trustees, the Treasurer or CFO of the DSO or CU shall file with the University CFO or Board of the DSO or CU:

- (a) A statement noting that the Fund is in compliance with the requirements of the Policy and the Statutes; or
- (b) A plan recommended to the Board of the Fund by the Treasurer or CFO of the DSO or CU:
 - (i) Specifying in detail how compliance is to be achieved within a reasonable period not exceeding 5 years; and
 - (ii) Delineating specific goals to be achieved within a specified reporting period not exceeding 1 year.

18.2 The Treasurer or CFO of the DSO or CU shall review each plan filed pursuant to these transition provisions and shall determine if the plan is reasonable to achieve compliance and specific goals.

18.3 If the Treasurer or CFO of the DSO or CU determines that the plan is not reasonable or does not establish specific goals that may be objectively reviewed, the Treasurer or CFO of the DSO or CU shall not recommend the plan to the Board of the Fund and shall notify the investment manager of the Fund and give the investment manager a period of time not greater than 30 days to submit a plan which is sufficient to comply with the mandate.

18.4 If the Treasurer or CFO of the DSO or CU determines that the plan is reasonable and establishes goals that may be objectively reviewed, the Treasurer or CFO of the DSO or CU shall recommend the plan to the Board of the Fund and so notify the investment manager.

18.5 Upon successful completion of the plan, the Treasurer or CFO of the DSO or CU shall provide to the University Chief Financial Officer or Board of the DSO or CU a statement or other comparable documentation to indicate that the Fund is in compliance with the requirements of the Policy.

EXHIBIT A

DEFINITIONS

“Asset Allocation” means an investment framework of the Fund’s investment portfolio allocated within a minimum and maximum percentage of the total portfolio for each asset class. Asset Allocation is specific enough to establish a desired investment management framework, yet allow latitude for reasonable flexibility on the part of investment managers. Asset Allocation shall be consistent with the objectives, risk tolerance and constraints of the Fund and provide clear investment portfolio management guidance to the investment managers;

“Board” of the University means the governing body for the Fund, as declared in a Policy Statement adopted by the University, University Board of Trustees or President of the University. “Board” of the DSO or CU means the governing body for the Fund, as declared in a Policy Statement adopted by the DSO or CU Board of Directors. “Board” of the University or DSO or CU shall include the Investment Committee, provided that the Board has delegated investment authority for the Fund to an Investment Committee, as declared in the Policy Statement;

“CFO” of the University or DSO or CU means the designated CFO or senior finance officer of the University or DSO or CU or authorized officers or Investment Committees of the Boards of Directors / Trustees of the University or DSOs or CUs;

“CU” means Component Unit of the University, pursuant to Department of Education Rule 6C-9.017 Florida Administrative Code, as certified by the University, or a unit for which the university is financially accountable. It does not include programs, such as those established pursuant to Florida Statute 1004.24 and Florida Administrative Code 6C-10.001, which are housed at the University but whose assets are the legal and financial responsibility of an entity other than the University. Certain programs housed at the University are separately created by Florida Statute and Florida regulations as programs whose assets are the property of an entity other than the University. While those programs are not included in the definition of “component units”, their assets may be recorded in the University’s financial statements. Therefore, those programs, consistent with applicable statutes/regulations by which they are governed and their own prudent, effective investment practices and guidelines, will use this Policy’s terms as guidance to help ensure their practices comply with the University’s financial responsibilities;

“DSO” means Direct Support Organization, pursuant to Section 1004.28 Florida Statutes, as certified by the University;

"Employee" means a full time, part-time or contract worker;

"Fair market value" shall be determined on a consistent basis in compliance with the Financial Accounting Standards Board Statements, the Government Accounting Standards Board Statements, industry guidelines, or State Statutes, whichever is applicable;

"Fund" means a Short-Term Fund, typically invested in short-term interest bearing investments, or a Long-Term Fund, typically invested in longer-term interest bearing, equity and other types of investments. Funds shall be designated as Short-Term Funds or Long-Term Funds by a Policy Statement adopted by the Boards of the University or DSO or CU. The term "Fund" shall mean Short-Term Fund or Long-Term Fund, as the case may be;

"Hedging Transaction" means a purchase or sale of a contract, warrant, option, call, put, or right entered into for the purpose of minimizing risks or offsetting changes in the market values or yield rates of securities held or sold by the Fund;

"Investment Committee" means the Investment Committee of the University, DSO or CU Board, provided that the Board has delegated investment authority for the Fund to an Investment Committee;

"Investment Guidelines" means specific investment guidelines or asset class targets approved by the appropriate governing body of the Fund for a more limited asset allocation mix within the Investment Policy's minimum and maximum Asset Allocation limits for asset classes and / or guidelines for diversifying asset mix among types of eligible investments within the asset classes;

"Investment Performance" is the use of performance measurement systems to calculate a standardized performance return on a portfolio, the various asset classes and the investments over a specified time period. The methods of calculating the returns on a time-weighted, risk-adjusted, total return basis and in a fair, understandable and consistent manner should be consistent with the standards of the investment industry. The use of benchmarks, the standard of comparison for investment performance, will facilitate the evaluation of relative portfolio returns and investment manager performance;

"Investment Report" means a detailed Investment Report provided to the Investment Committee or Board of the Fund on a quarterly basis and the University Trustees and DSO or CU Board at least annually of the Investment Performance of the Fund's Primary and Secondary Investment Performance Objectives. If Fund investment and management responsibility has been delegated to investment managers, the Investment Report will also describe the Investment Performance of the Fund's Primary and Secondary Investment Performance Objectives attained by the investment manager before and after the investment manager's compensation;

"Long-Term Funds" means funds with a long-term investment horizon, in theory perpetual, which may generate a stream of earnings to support current operations that will remain stable or grow in real or inflation-adjusted terms, and which may include true endowment funds (funds received from a donor with a restriction that the principal is not expendable), term endowment funds (funds for which the donor stipulates that the principal may be expended after a stated period of time or upon the occurrence of a certain event) and funds functioning as endowments (funds that have been established by the governing board to function like an endowment fund but that may be expensed at any time at the discretion of the board);

"Material change" includes a

- (a) Change of status of the Fund including termination or winding up of the Fund - partially or in its entirety;
- (b) Merger of the Fund with another fund;
- (c) Change in the declared Short-Term or Long-Term status of the Fund;
- (d) Substantial change in investments or delegation of investments to an investment manager; or
- (e) Other material change in circumstances that the Board or other appropriate governing body of the Fund may declare from time to time;

"Miscellaneous Investments" includes investments, loans and securities that have not been specifically identified in this Policy;

"Obligation" includes bonds, debentures, promissory notes, commercial paper or other evidences of indebtedness;

"Performance Objective(s)" includes two performance objectives for each Fund: (a) the Primary Investment Performance Objective, and (b) the Secondary Performance Objective;

"Policy Statement" means a declaration of the Fund's status made by the appropriate governing body of the Fund, whether the Board of the University or DSO or CU or Investment Committee of the University or DSO or CU with delegated investment authority for the Fund or other appropriate governing body of the Fund;

"Pooled Funds" means professionally managed indexed or actively managed mutual funds registered with the Securities and Exchange Commission and listed on stock exchanges in the United States;

"Primary Investment Performance Objective" for the Fund is a total portfolio return which outperforms appropriate market and asset benchmark portfolio returns over a rolling 3 to 5-year time horizon, net of all investment expenses. The benchmark portfolio return is calculated on a weighted asset class basis and is compared to the appropriate benchmark weighted index returns for each of the major asset classes. Within the various asset classes, the performance objective is to exceed the relevant, appropriate index return;

"Prudent Person Rule" means that in making or retaining each and all investments and in acquiring, investing, reinvesting, exchanging, retaining, selling, supervising and managing funds, there shall be exercised the judgment and care, under circumstances then prevailing, that persons of ordinary prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investment;

"Recognized stock exchange" means any stock exchange that is qualified to operate as a stock exchange in the United States of America;

"Related Party" The following persons shall be treated as a Related Party to the University:

- (a) The administrator, investment manager, investment consultant, University CFO,

Director / Trustee of a DSO or CU, Treasurer, CFO of a DSO or CU or Trustees of the University;

(b) A director, officer or employee of any institution mentioned in paragraph (a);

(c) An individual who, directly or indirectly, holds, or together with his spouse or child, holds more than 10 percent of the voting shares carrying more than 10 percent of the voting rights attached to all voting securities of any person mentioned in paragraph (a);

(d) An individual who is an affiliate of the administrator, investment manager or the University or an employee, officer or a director of such individual;

(e) A company which is directly or indirectly controlled by an individual referred to in paragraphs (a) to (d);

and shall be deemed to be a Related Party for a period of up to 12 months after that person has ceased to satisfy the description under paragraphs (a) to (e);

(f) Any person covered by the definition of Relative under Chapter 112, Florida Statutes or any person that would be otherwise covered in the manner described therein by Chapter 112;

“Secondary Performance Objective” for the Fund is a positive rolling 5-year real total return, net of inflation as defined by the CPI, and net of all Fund investment and operating expenses. For Long-Term Funds, the Secondary Performance Objective is a rolling 5-year total return of greater than the rate of inflation plus 5.0% (3.0% for fixed income), after fees and expenses. To the extent that an actively managed strategy is used, a risk-adjusted, excess annual return of 0.50% is added to the Long-Term Secondary Performance Objective;

“Short-Term Funds” means funds not needed immediately for operating purposes as well as funds reserved for facilities construction or other capital purposes or other purposes. Short-Term Funds are generally invested in high-quality fixed-income investments that generate high levels of current income, the maturities of such investments are either short term or staggered so that maturities coincide with expenditures;

“Statutes” mean the Federal and State of Florida laws and regulations, including Sections 1011.42, 1004.24 and 218.415, Florida Statutes, and the State of Florida Administrative Code Rules of the Department of Education applicable to the University, the Board of Governors’ regulations/policies, including Florida Administrative Code 10.001 and any Statutes and Rules applicable to DSOs and CUs, including Section 1004.28 and 1010.10 and any applicable University regulations;

"Stocks and shares" means common shares, preferred shares and equity-type shares of a company;

“Treasurer” means the University Treasurer or authorized officers in the Office of the Treasurer;

“Trustees” means the Board or other governing body for the Fund, as declared in a Policy Statement adopted by the President of the University or Board of Trustees or other appropriate governing body for the Fund;

“University” means The University of South Florida Board of Trustees, a public body corporate.

Agenda Item: FL 107

USF Board of Trustees
March 8, 2022

Issue: Expenditure Authorization Request

Proposed action:

Approval of updated Expenditure Authorization Request:

	<u>New Total</u>	<u>Increase</u>
SVC HVAC Replacement & Upgrades	\$2,100,000	\$550,000

Executive Summary: The USF Policy for Delegations of General Authority and Signatory Authority requires the approval of the Finance Committee Chair for the procurement of goods and services above \$1 million and the approval of the Finance Committee for the procurement of goods and services above \$2 million. Approval is being requested for the items listed above.

Financial Impact: Authorization is being requested for an additional \$550,000 for this project which was previously approved at \$1,550,000.

Strategic Goal(s) Item Supports:	Goal #5 (Strong and Sustainable Financial Base)
BOT Committee Review Date:	n/a
Supporting Documentation Online (please circle):	Yes No
Prepared by:	Nick Trivunovich, Vice President/CFO (813) 974-3297

USF Approval of Expenditures Exceeding One Million Dollars

Project/Initiative Name: SVC HVAC Replacement & Upgrades

Total Project/Initiative Cost: Original Approval (11/3/2021) = \$1,550,000
Updated Project Cost = \$2,100,000 (\$550,000 increase)

Description: (description and rationale for the project/initiative)

This project will replace obsolete HVAC components to continue to sustain indoor air quality and support the appropriate environment for occupants. Air handler units 7, 8, 9, & 10 are beyond their useful life and require replacement as do the related control systems. New units will be equipped for improved filtration.

The budget adjustment is attributable to a variety of factors:

Project delivery via fast-track process to be in compliance with CARES/CRRSAA grant end dates. Equipment order was released prior to 100% completion of engineering designs. Major equipment was purchased in December, prior to cost increases; labor and minor equipment was included in the GMP proposal from the mechanical contractor after engineering design completion in February and reflected:

- Overall recent inflation in Tampa region.
 - Bloomberg article 2/10/2022: “*Cities in the U.S. sunbelt once again saw some of the highest inflation rates in the country last month, with Tampa, Florida now running at 9.6%.*”
 - Increased HVAC and plumbing labor costs in Tampa market.
 - Increased sheet metal ductwork and duct cleaning costs.
 - JE Dunn Construction Cost Index, Tampa Update, 2021 4th Quarter – “*Sheet metal labor costs rose 94.86% in 4th quarter 2021.*”
 - Increased labor costs due to limited access and configuration of existing facility.
 - Extensive architectural and scaffolding work required.
 - Unforeseen line-stop costs due to aged non-functioning facility valves.
-

Objective: (strategic priority or needs the project/initiative addresses; include strategic goal this project/initiative supports)

Supports Strategic Plan, Goal 1: “To promote the success of well-educated, highly skilled, and adaptable alums...” Indoor air quality and the appropriate learning environment are essential in supporting the student success functions of this building.

Supports Strategic Plan, Goal 5: “To practice continuous visionary planning and sound stewardship...to ensure a strong and sustainable financial base...” This project is a fiscally responsible investment in the physical infrastructure of a building that provides critical services to students and administration.

Funding Source(s):

We hope to fund \$1,550,000 from CARES/CRRSAA funding with the remaining \$550,000 to come from E&G Carryforward. However, there is the possibility that construction progress would require the University to request a lesser amount from CARES/CRRSAA funding and fund an additional \$305,665 from E&G Carryforward. If the greater amount of E&G Carryforward funding is needed for the project, this is still an allowable expense on E&G Carryforward.

Are the funds supporting the project budgeted or non-budgeted?

Budgeted

Prior Approval Process:

Fixed Capital Outlay; CARES/CRRSAA project prioritization; Prior approval (11/3/2021).

List Related Projects/Initiatives: (if any)

CARES/CRRSAA Enhancement of infrastructure associated with pandemic prevention

USF or Campus specific: Tampa
Prepared by: Stephen B. Lafferty
Date Requested: 02/16/2022

USF Policy 0-100 requires approval of this expenditure by the USF Board of Trustees Finance Committee Chair. Approval must be granted in writing and may be granted by electronic communication.

Agenda Item: FL 108

USF Board of Trustees
March 8, 2022

Issue: Reaffirmation of the State University System Free Expression Statement

Proposed action: Approval

Executive Summary:

At the January 2022 Board of Governors meeting, the Board approved the Civil Discourse Final Report.

To promote civil discourse in the State University System, the Board of Governors, the presidents of Florida's twelve public universities, adopted a "Statement of Free Expression" in 2019. The Board's Statement of Free Expression was endorsed by the twelve state universities as a vehicle to establish, maintain, and support a full and open discourse and the robust exchange of ideas and perspectives on all university campuses. Board of Governors Chair Syd Kitson established the Board's Civil Discourse Initiative during his January 2021 "State of the System" address.

The BOG has now set forth several expectations, recommendations, and best practices to the University Leadership, the University President, Academic, Student, and Administrative Affairs to ensure compliance with section 1004.097, Florida Statutes, the Campus Free Expression Act, including reaffirmation of the State University System Free Expression Statement.

Financial Impact: n/a

Strategic Goal(s) Item Supports:

BOT Committee Review Date:

Supporting Documentation Online (please circle):

Yes

No

Prepared by: Kiara Guzzo, Associate Director, Board Operations

APRIL 15TH, 2019

State University System Free Expression Statement

The State University System of Florida and its twelve public postsecondary institutions adopt this Statement on Free Expression to support and encourage full and open discourse and the robust exchange of ideas and perspectives on our respective campuses. The principles of freedom of speech and freedom of expression in the United States and Florida Constitutions, in addition to being legal rights, are an integral part of our three-part university mission to deliver a high quality academic experience for our students, engage in meaningful and productive research, and provide valuable public service for the benefit of our local communities and the state. The purpose of this Statement is to affirm our dedication to these principles and to seek our campus communities' commitment to maintaining our campuses as places where the open exchange of knowledge and ideas furthers our mission.

A fundamental purpose of an institution of higher education is to provide a learning environment where divergent ideas, opinions and philosophies, new and old, can be rigorously debated and critically evaluated. Through this process, often referred to as the marketplace of ideas, individuals are free to express any ideas and opinions they wish, even if others may disagree with them or find those ideas and opinions to be offensive or otherwise antithetical to their own world view. The very process of debating divergent ideas and challenging others' opinions develops the intellectual skills necessary to respectfully argue through civil discourse. Development of such skills leads to personal and scholarly growth and is an essential component of the academic and research missions of each of our institutions.

It is equally important not to stifle the dissemination of any ideas, even if other members of our community may find those ideas abhorrent. Individuals wishing to express ideas with which others may disagree must be free to do so, without fear of being bullied, threatened or silenced. This does not mean that such ideas should go unchallenged, as that is part of the learning process.

And though we believe all members of our campus communities have a role to play in promoting civility and mutual respect in that type of discourse, we must not let concerns over civility or respect be used as a reason to silence expression. We should empower and enable one another to speak and listen, rather than interfere with or silence the open expression of ideas.

Each member of our campus communities must also recognize that institutions may restrict expression that is unlawful, such as true threats or defamation. Because universities and colleges are first and foremost places where people go to engage in scholarly endeavors, it is necessary to the efficient and effective operations of each institution for there to be reasonable limitations on the time, place, and manner in which these rights are exercised. Each institution has adopted regulations that align with Florida's Campus Free Expression Act, section 1004.097, Florida Statutes, and with the United States and Florida Constitutions and the legal opinions interpreting those provisions. These limitations are narrowly drawn and content-neutral and serve to ensure that all members of our campus communities have an equal ability to express their ideas and opinions, while preserving campus order and security.

USF Board of Trustees

On Campus Stadium

Jay Stroman & Michael Kelly | March 8th, 2022



Stadium Site Evaluation Criteria

1. Parking

- Parking Supply

2. Transportation

- Public Transportation
- Vehicular and Pedestrian Access

3. Existing Site

- Utility Capacity, Relocation
- Site Characteristics
- Environmental Considerations

4. Distance to Athletic District

- Football Practice Fields
- Indoor Practice Facility

5. Distance to Student Housing

- Minimal Walking Distance

6. Visibility to Public

- Maximize USF Brand Visibility

7. Sport Operations Facility

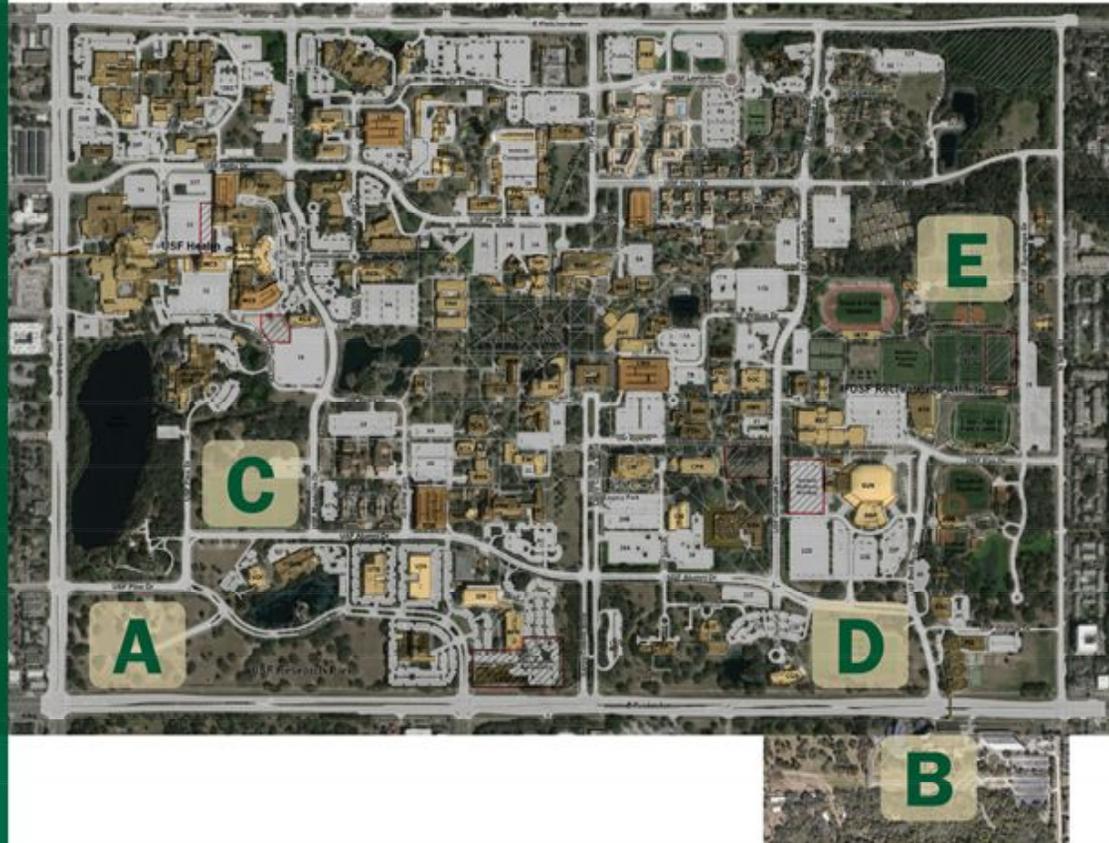
- Ability to Accommodate SOF

8. Tailgating Opportunity

- Premium Tailgating Experience

9. Future Expansion

- Space to Accommodate Expansion



Advantages

- Large open site
- Adjacent to major roads for traffic ingress / egress
- Prominent Location
- Area to accommodate future Expansion

Disadvantages

- Distance to USF utility infrastructure
- Road and easement relocation (USF Pine Rd.) will be required
- Relocation of the USF Botanical Gardens structures will be required
- Distance to student housing
- Limited existing parking

Conclusion

Not willing to encroach or limit USF research park or USF botanical gardens for this purpose.

Site Area: 34 Acres

Site Boundary: ●●●●●●●●

STADIUM SITE - A



Advantages

- Prominent Location
- Adjacent to two major road for traffic ingress / egress

Disadvantages

- Distance to USF utility Infrastructure
- Relocation of overhead power lines
- Distance to student housing
- Existing Building Demolition will be required

Conclusion

Site is not feasible for the stadium due to time necessary to acquire and prepare the land.

Site Area: 26 Acres

Site Boundary: ●●●●●●●●

STADIUM SITE - B



Advantages

- Close to student housing
- Close to existing parking inventory

Disadvantages

- Distance to USF utility infrastructure
- Distance to USF athletic district
- Ability to accommodate future expansion
- Not in a prominent location
- Relocation of campus recreation fields

Conclusion

Site is not feasible due to size compared to other locations studied.

Site Area: 22 Acres

Site Boundary: ●●●●●●●●

STADIUM SITE - C



Advantages

- Prominent location
- Close to existing parking inventory
- Distance to USF utility infrastructure
- Distance to USF athletics district
- Adjacent to major road for traffic ingress / egress

Disadvantages

- Distance to student housing
- Ability to accommodate future expansion
- Road relocation (USF Alumni Dr) will be required

Conclusion

Site is not feasible due to size compared to other locations studied.

Site Area: 20 Acres

Site Boundary: ●●●●●●●●

STADIUM SITE - D



Advantages

- Close to existing parking inventory
- Distance to USF utility infrastructure
- Distance to USF athletics maintenance / event support
- Distance to student housing
- Adjacency to future development
- Site topography could allow for a recessed playing field
- Multiple tailgating options
- Sport Operations Building included in stadium footprint
- Convenient USF Athlete access
- Campus "Green Zone" activation

Disadvantages

- Not in a prominent location
- Relocation of campus recreation fields

Conclusion

This is the USF On Campus Stadium Committee's recommended site

Site Area: 27 Acres

Site Boundary: ●●●●●●●●

STADIUM SITE - E



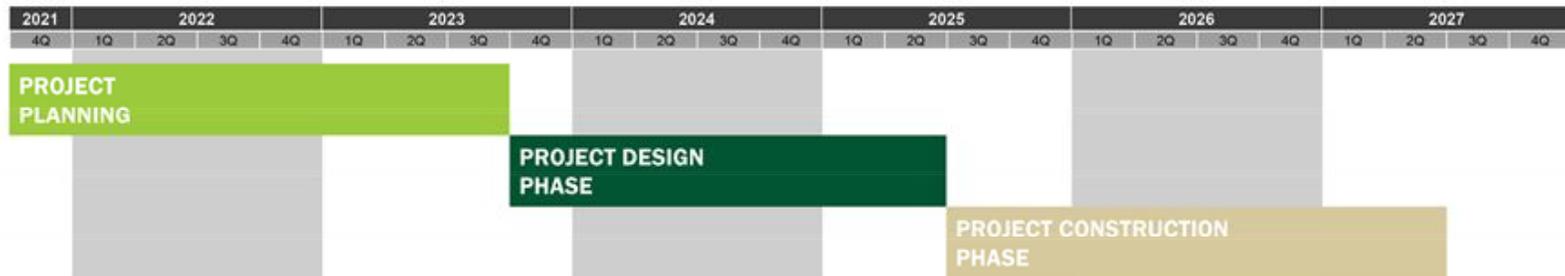
Enlarged Plan of Recommended Site



2026 Stadium Opening Project Schedule



2027 Stadium Opening Project Schedule



USF On Campus Stadium Potential Funding Sources



-  Revenue Bond Financing
-  Other Sources
-  Philanthropy