FLORIDA
AGRICULTURAL AND MECHANICAL
UNIVERSITY

BOARD OF TRUSTEES

OPERATING
PROCEDURES

Adopted September 24, 2001
Amendment Notes are provided as Appendix B
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ARTICLE 1: STATEMENT OF PURPOSE

The Florida Agricultural and Mechanical University Board of Trustees (hereinafter referred to as the “Board”) is vested with all powers and the authority to govern and set policy for “The Florida Agricultural and Mechanical University,” as necessary to provide proper governance in accordance with the Constitution and laws of the State of Florida and with rules, regulations, and policies of the Florida Board of Governors, now existing or hereinafter established. In order to promote the effective discharge of its obligations and achieve its stated objectives, the Board hereby adopts these Board Operating Procedures.

ARTICLE 2: THE BOARD

2.1 CORPORATION/CORPORATE NAME - The Board is a public body corporate entitled “The Florida Agricultural and Mechanical University Board of Trustees” with all the powers of a body corporate.

The Board is a corporation primarily acting as an instrumentality or agency of the State, pursuant to Section 768.28, Florida Statutes.

2.2 COMPOSITION/TRUSTEES - The Board shall be comprised of thirteen (13) members, six (6) of whom shall be appointed by the Governor and five (5) of whom shall be appointed by the Florida Board of Governors. The President of the Student Government Association and the University Faculty Senate shall serve as trustees during their terms of office. The appointed members of the Board shall be confirmed by the Florida Senate.

   2.2.1 Trustees shall serve for staggered 5-year terms, and may be reappointed for additional terms.
   2.2.2 The Governor or Florida Board of Governors may remove a Trustee for cause. Failure of a Trustee to attend three consecutive regular Board Meetings in any fiscal year may also be grounds for removal by the Governor or Florida Board of Governors, as appropriate.
   2.2.3 The Governor or Florida Board of Governors shall fill Board vacancies by appointment, as appropriate.
   2.2.4 Trustees shall serve without compensation, but may be reimbursed for travel and per diem expenses in accordance with Section 112.061, Florida Statutes.

2.3 POWERS AND DUTIES - The Board shall serve as the governing body of “The Florida Agricultural and Mechanical University.” It shall select the President of “The Florida Agricultural and Mechanical University” to serve at the pleasure of the Board and shall hold the President responsible for the university’s operation and management, performance, its fiscal accountability, and its compliance with
federal and state laws and rules and regulations of the Board of Governors. The Board shall have the power to carry out all lawful functions permitted by these operating procedures, by regulation and policies of the Board of Governors, and by the Constitution and laws of the State of Florida, as now or hereafter established.

The Board may adopt rules, regulations, and policies consistent with the University’s mission, with law and with the rules and regulations of the Board of Governors, to fulfill its obligations under the law.

2.4 **CORPORATE SEAL** - The Corporate Seal shall be used only in connection with the transaction of business of the Board and of the University. The Corporate Secretary may affix the seal on any document signed on behalf of the Board.

### ARTICLE 3: OFFICERS OF THE BOARD

3.1 **OFFICERS** - The Corporate Officers of the Board are the Chair, Vice Chair, and Executive Officer/Corporate Secretary.

3.2 **SELECTION and REMOVAL** - The Board shall select its Chair and Vice Chair from the appointed members at its first regular meeting after July in odd numbered years. The Chair shall serve for two (2) years and may be reselected for one (1) additional term. Officers may be removed after reasonable notice by an affirmative vote of no less than two-thirds (2/3) of the members of the Board.

3.3 **CHAIR** - The duties of the Chair shall include presiding at all meetings of the Board, calling special meetings of the Board, attesting to actions of the Board, appointing members of standing or other committees, accepting service of process in all suits filed against the Board, and serving as the spokesperson for the Board.

3.4 **VICE CHAIR** - The duty of the Vice Chair shall be to act as Chair due to the vacancy, absence or disability of the Chair.

3.5 **EXECUTIVE OFFICER/CORPORATE SECRETARY** - The University President shall serve as Executive Officer and Corporate Secretary of the Board. The Corporate Secretary shall be responsible for providing notice of all meetings of the Board and its Committees; setting the agenda and compiling pertinent documents for meetings of the Board, in consultation with the Board Chair; recording and maintaining the minutes of any Board or Committee meeting, including a record of all votes cast in accordance with Section 286.011(2), Florida Statutes; executing or attesting to all documents which have been approved by the Board and/or executed by the Chair, file and preserve all minutes, rules, orders, papers, and documents pertaining to the business and proceedings of the Board; be the custodian of the corporate seal; be the Board’s records custodian; and in the absence of the Board Chair, accept service of process in all suits filed against the
Board. The Corporate Secretary may designate an individual to serve as Assistant Corporate Secretary to the Board.

3.5.1 The University President’s specific powers and duties are enumerated in Board Regulation 1.012, as now or hereafter amended.

3.5.2 As Executive Officer, the President shall serve as the principal liaison officer and official contact between the Board and the faculty, staff, students and direct support organizations of the University.

ARTICLE 4: COMMITTEES

The Board shall establish standing and ad hoc committees, as it deems appropriate to discharge its responsibilities. The Board Chair shall appoint members of committees and their Chairs. Members of the committees shall hold office until the appointment of their successors. Unless specifically delegated or as otherwise provided in these Operating Procedures, the authority to act on all matters is reserved to the Board and the duty of each committee shall be to consider and to make recommendations to the Board upon matters referred to it. Each committee shall have a written statement of purpose and primary responsibilities as approved by the Board.

4.1 EXECUTIVE COMMITTEE - The Executive Committee shall consist of seven (7) Trustees, which shall include the Board Chair, the Chairs of the Academic Affairs Committee, Audit and Compliance Committee, Budget/Finance Committee, Student Affairs Committee, Facilities Planning Committee and Direct Support Organization (DSO) Committee. The Corporate Secretary shall be an ex-officio member without a vote and not counted as part of a quorum for purpose of transacting business. Each Committee member shall serve for a term of two (2) years.

4.1.1 The Executive Committee shall meet upon the call of the Board Chair to conduct its business as the Board Chair and Corporate Secretary may determine, and minutes shall be taken.

4.1.2 The Executive Committee has the authority of the Board to act between regular Board meetings on matters which are either ministerial or which must be decided before the next Board meeting. The actions of the Executive Committee shall be reported to the Board at its next regular Board meeting and shall be confirmed and approved by the Board, if required.

4.2 STANDING COMMITTEES - Members of each standing committee shall be appointed by the Board Chair to serve for a term of two (2) years. Unless specifically delegated and except as otherwise provided in these Operating
Procedures, authority to act on all matters is reserved to the Board, and the duty of each standing committee shall only be to consider and make recommendations to the Board upon matters referred to it.

4.2.1 Academic Affairs Committee - The Academic Affairs Committee shall be responsible for oversight of educational policies and programs. It shall review and consider policies relating to new and existing degree programs, instruction, research, and continuing education, conditions affecting recruitment and retention of faculty members, including tenure, academic freedom and academic responsibility, codes of conduct and appropriate penalties for violations of University rules pertaining to academic dishonesty, and student admissions. It shall make recommendations to the Board on these and other matters referred to it by the Board. It shall make reports to the Board.

4.2.2 Audit and Compliance Committee - The Audit and Compliance Committee shall be responsible for reviewing and recommending to the Board policies affecting internal controls, accountability, and audit. The Audit and Compliance Committee shall have access to internal and external auditors to assess their performance, the scope of audit activities and the adequacy of the system of internal accounting controls to ensure compliance with state and federal laws, regulations and requirements. Internal auditors shall report to the President for administrative support and shall report to the Board as to the process and content of their internal audit reports. The committee shall make reports to the Board. The committee’s responsibilities shall include, but not be limited to:

i. Reviewing internal audits of the University;
ii. Reviewing external audits performed by the State Office of Auditor General and other independent auditors, together with the University’s responses and corrective actions;
iii. Advising the Board on all aspects of internal and external audit and the adequacy of accounting procedures, systems, controls, and financial reporting in accordance with laws and regulations of the state;
iv. Reviewing compliance reports of the University of all laws and regulations pertaining to matters such as research, environment, occupational health and safety, fiscal affairs, including the system of reporting established by the University; and
v. Recommending changes to the Audit Charter.

4.2.3 Budget/Finance Committee - The Budget/Finance Committee shall be responsible for oversight of all policies relating to the financial affairs of the University. It shall review and consider the annual budget and requests for appropriation of funds for the University as prepared by the President, policies relating to the external financing of projects, and the
schedule of tuition, fees, and other student charges, and make recommendations to the Board on these and other matters referred to it by the Board. This committee also shall monitor the University’s financial operations, debt level, and investment performance, if any. It shall make reports to the Board.

4.2.4 **Student Affairs Committee** - The Student Affairs Committee shall be responsible for oversight of policies relating to student affairs, including athletics. It shall review and consider policies relating to student conduct, student life, extracurricular activities, student health, career resources, and student financial affairs, and make recommendations to the Board on these and other matters referred to it by the Board. It shall make reports to the Board.

4.2.5 **Facilities Planning Committee** - The Facilities Planning Committee shall be responsible for overseeing the University’s physical assets (e.g. land, buildings, infrastructure and equipment), and shall make recommendations to the Board on these matters. The Committee's responsibilities shall include, but not be limited to:

i. Reviewing proposed additions of and accepting new facilities, and reviewing proposed additions and renovations of existing facilities, after having evaluated appropriate utilization of existing available space and taking into consideration master plans, infrastructure, traffic, parking, appropriate land use and the effect upon overall University operations, both to include facilities of direct support organizations (DSOs), and other affiliated corporations of the University;

ii. Reviewing annually the Capital Improvement Program list for funding by the Legislature, including the PECO list, and the Capital Improvement Program for all other projects;

iii. Recommending appropriate action with regard to real property acquisition, sale, or lease;

iv. Recommending the naming of facilities;

v. Reviewing and approving the Campus Master Plan; and

vi. Reviewing and approving debt financing for property with the Budget/Finance Committee.

4.2.6 **Direct Support Organization Committee** - The Direct Support Organization (DSO) Committee shall primarily serve as the advisory body to the President related to the areas of direct support organizations, media and communications, and anti-hazing. It shall review and consider regulations, policies and procedures, and shall make recommendations to the Board concerning these areas and other matters referred to it by the Board. It shall further provide oversight concerning these matters and make reports to the Board as appropriate.
4.2.7 **Governance Committee** - The Governance Committee is responsible for reviewing and making recommendations to the Board on various Board functions. The Committee's responsibilities shall include, but not be limited to:

i. Approving annually the charters for standing Board committees;
ii. Reviewing periodically Board Operating Procedures;
iii. Initiating Board training when appropriate;
iv. Evaluating the Board's performance;
v. Periodically reviewing Board of Trustees’ governance;
vi. Overseeing University collective bargaining agreements; and
vii. Recommending Board regulations pertaining to the employees of the University and overseeing public and governmental relations.
viii. Providing oversight concerning these matters and make reports to the Board as appropriate.

4.3 **SPECIAL COMMITTEES** - The Board Chair may establish such Special Committees as deemed necessary for the orderly conduct of the business of the Board. Special Committees shall have powers and duties and period of service as the Chair may determine; however, no Special Committee shall be created to act upon matters within the purview of a standing committee.

**ARTICLE 5: MEETINGS**

All meetings of the Board and its committees shall be open to the public and all official acts of the Board or its committees shall be taken at public meetings, unless otherwise provided by law. The Board attorney or designee shall be present at all Board and Committee meetings, as appropriately noticed. The provisions of Section 24, Article I of the Florida Constitution and Chapter 286, Florida Statutes, shall govern Board and committee meetings.

5.1 **REGULAR MEETINGS** - Regular meetings of the Board shall convene at least four (4) times each year, or as needed, at a date, time, and place designated by the Board.

5.2 **SPECIAL MEETINGS** - Special meetings of the Board, including hearings and workshops, shall be held at the call of the Board Chair or upon request of seven (7) members of the Board. The Board Chair shall designate the date, time, and place of such meetings. The Corporate Secretary shall send written notice of such special meetings to all Trustees, along with a statement of the purpose of the meetings. No matter may be considered at any special meeting that was not included in the call of the special meeting.
5.3 **EMERGENCY MEETINGS** - Emergency meetings of the Board or its Committees shall be called by the Board Chair or upon the request of seven (7) members of the Board, upon no less than twenty-four (24) hours’ notice, whenever, in the opinion of the Board Chair or upon the request of seven (7) members of the Board, an issue requires immediate Board action. The Corporate Secretary shall notify the Board in writing upon the first and subsequent requests by members of the Board for an emergency meeting. The Board Chair shall notify the Corporate Secretary of such emergency meetings. The Corporate Secretary shall immediately serve verbal or written notice upon each Trustee, stating the date, time, and place of the meeting and the purpose for which the meeting has been called. No other business will be transacted at the meeting, unless additional emergency matters are agreed to by a majority of the Trustees in attendance. The minutes of each emergency meeting will reflect the manner and method by which notice of such emergency meeting was provided to each Trustee and will state the actions taken and the specific facts and reasons for calling the emergency meeting.

5.4 **NOTICE OF MEETINGS** - Notice of regular meetings and special meetings shall be given by mail or email not less than seven (7) days prior to the meeting. Notice of an emergency meeting shall be given by posting a notice at the Florida Press Center, 336 East College Avenue, Tallahassee, Florida 32301, of time, place, date, and purpose of the meeting.

5.4.1 **Public Notice of Meetings** - Notice of meetings and hearings shall be published in a newspaper of general circulation or the Florida Administrative Weekly and shall include a statement of the general subject matter to be considered.

5.5 **QUORUM** - A quorum for the transaction of business shall consist of seven (7) Trustees. A quorum for all Standing and Special Committees shall consist of a majority of the committee, except that in no case shall the number be fewer than two (2).

5.6 **VOTING PROCEDURE** - No business will be transacted without an affirmative vote of the Board, and a majority vote of all the members of the Board is required for establishing policy, for making rules and regulations, for appointing and removing the President, and for approving or terminating programs. Each Trustee shall have one (1) vote. A vote shall be recorded or counted for each Trustee present, except when, with respect to such Trustee, there is or appears to be, a possible conflict of interest under Sections 112.311, 112.313, and 112.3143, Florida Statutes. In such cases, the Trustee shall comply with disclosure requirements in Section 112.3143, Florida Statutes.

5.6.1 **Proxies** - The use of proxies for purposes of determining a quorum, for voting, or for any other purpose is prohibited.
5.7 MEETING BY TELEPHONE OR OTHER COMMUNICATIONS MEDIA TECHNOLOGY - With proper public notice, the Board or its Committees may participate in meetings by telephone conference call and other communications media technology, whereby all Trustees participating in the meeting can hear each other at the same time, to conduct business in the same manner as if the proceeding were held in person.

5.7.1 The notice of any meeting, which is to be conducted by means of communications media technology, will state where and how members of the public may gain access to the meeting.

5.8 RULES OF PROCEDURE – Meetings shall be conducted according to parliamentary rules in the latest edition of Robert’s Rules of Order, unless otherwise modified by the Board and provided for within these operating procedures. The Board is required to make a motion or formally announce that the meeting time will be extended at the time the meeting is scheduled to adjourn.

5.9 AGENDA - The agenda for each meeting of the Board shall be prepared by the Corporate Secretary, in consultation with the Board Chair. The agenda shall be prepared in sufficient time prior to the meeting to ensure that a copy of the agenda will be provided to the Trustees at least fourteen (14) days in advance of the meeting. Supporting documentation shall be prepared in sufficient time prior to the meeting to ensure that a copy of such documents will be provided to the Trustees at least seven (7) days prior to the meeting. The Corporate Secretary shall mail or email a supplemental agenda to the Trustees prior to the meeting, if additional items or supporting documentation become available.

5.9.1 Addendum to Agenda. Any Trustee may, at any regular meeting, propose an addendum to the agenda. The Board may, by a majority, vote to consider and to take final action on the addendum to the agenda.

5.10 MINUTES - The Corporate Secretary shall be responsible for recording the minutes of any Board or Committee meeting, including a record of all votes cast, and promptly transmitting a copy of the minutes to each Trustee or Committee member and to other parties deemed appropriate.

5.10.1 A court reporter shall be present at each Regular Meeting of the Board. A permanent record of each Regular Meeting of the Board shall be maintained.

5.11 CLOSED SESSIONS AT PUBLIC MEETINGS - The Board may conduct closed sessions when it meets to consider or discuss pending litigation with the Board attorney, pursuant to Section 286.011(8), Florida Statutes, as now or hereafter amended; collective bargaining matters pursuant to Section 447.605, Florida Statutes, as now or hereafter amended; matters related to the evaluation
of a claim filed with or offers of compromise of claims filed with the University’s risk management program, pursuant to Section 768.28, Florida Statutes, as now or hereafter amended or to hear challenges to the content of student records and reports.

5.12 CLOSED SESSIONS AND PUBLIC RECORDS - The minutes of attorney-client sessions and risk management meetings shall be exempt from public disclosure until termination of the litigation and settlement of all claims arising out of the same incident. All work products developed by the Board and the University in preparation for and during collective bargaining negotiations shall be exempt from disclosure.

ARTICLE 6: CODE OF ETHICS

6.1 CONFLICT OF INTEREST - Trustees stand in a fiduciary relationship to the University. Therefore, Trustees shall act in good faith, with due regard to the interest of the University, and shall comply with the fiduciary principles and laws set forth in the Code of Ethics for Public Officers and Employees, Sections 112.311-112.326, Florida Statutes, and Board Regulation 1.019. Such principles and laws include, but are not limited to, matters addressing contracts and transactions with the University; voting conflicts; disclosure and disclosure forms; solicitation and acceptance of gifts, favors, or compensation; misuse of public position or confidential information; employment of relatives; and exemptions.

ARTICLE 7: AMENDMENTS TO THE OPERATING PROCEDURES

7.1 VOTING, NOTICE AND FILING REQUIREMENTS. The Board shall review its Operating Procedures annually. The Board’s Operating Procedures may be amended or repealed at any regular meeting of the Board by an affirmative vote of no less than two-thirds (2/3) of the members of the Board, provided that written notice and a copy of any proposed amendment or repeal are filed with the Corporate Secretary of the Board and mailed or emailed to each Trustee at least seven (7) days in advance of the meeting at which the amendment or repeal is to be voted upon.

7.2 WRITTEN NOTICE BY CORPORATE SECRETARY. It shall be the responsibility of the Corporate Secretary to mail or email written notice and a copy of the proposed amendment or repeal to each Trustee at least seven (7) days in advance of the meeting at which the amendment or repeal is to be voted upon.
ARTICLE 8: APPEARANCES BEFORE THE BOARD

8.1 APPEARANCES BEFORE THE BOARD; WRITTEN COMMUNICATIONS - Individuals or group representatives who desire to appear before the Board to address a subject within the Board’s jurisdiction shall file a written request with the Corporate Secretary at least ten (10) days prior to the consideration of the matter by the Board. The Corporate Secretary, in consultation with the Board Chair, will determine whether the item will be heard and when the item will be heard. When addressing agenda matters, members of the public shall confine their comments to the subject of the agenda matter. The Board Chair shall have the authority to limit immaterial, unnecessary, or redundant presentations or requests. Nothing in this section prohibits a person from filing written communications to the Board in regard to matters then under consideration. However, unsigned communications shall not be introduced to the Board. The Board Chair may place time limits on any presentation or decline to hear any matter determined by it to be out of its jurisdiction.

The Board Chair may recognize any individual or representatives of groups to address the Board.

8.2 PUBLIC COMMENTS; TIME LIMITED - Individuals, organizations, groups or factions who desire to appear before the Board to be heard on a proposition pending before the Board shall complete a public comment form specifying the matter on which they wish to be heard. Public comment forms will be available at each meeting and must be submitted prior to the plenary meeting of the Board. For meetings held telephonically, public comment forms can be obtained from the Corporate Secretary and must be submitted prior to the date of the meeting. Organizations, groups or factions wishing to address the Board on a proposition shall designate a representative to speak on its behalf to ensure the orderly presentation of information to the Board. The Board will reserve a maximum of fifteen (15) minutes during the plenary meeting of the Board to take public comment unless the Board Chair or a majority of the Board grants additional time. Each person recognized for the purpose of public comments by the Board Chair shall limit his or her comments to agenda matters currently before the Board. The person shall step forward to the podium, and shall give his or her name in an audible tone for the record. Persons and representatives of organizations, groups or factions addressing the Board during the public comments section of the Board meeting shall limit their remarks to three (3) minutes, unless the Board Chair or a majority of the Board grants further time. All remarks shall be addressed to the Board as a body and not to any member thereof, nor to members of the audience. No person, other than the Board and the person having the floor, shall be permitted to enter into any debate or discussion, either directly or through a member of the Board, without the permission of the Chair.

8.3 ENFORCEMENT OF DECORUM - The University’s police chief, or such member of the University’s police department as the chief may designate, shall
carry out orders and instructions given by the Chair or by a majority of the Board present for maintaining order and decorum at the Board meetings. Public members attending Board meetings shall observe the same rules of propriety, decorum and good conduct applicable to members of the Board. Any person making personal, impertinent or slanderous remarks or who becomes boisterous while addressing the Board or while attending the Board meeting shall be removed from the room if the police chief or officer is so directed by the Chair, and such person may be barred from further audience with the Board. Unauthorized remarks from the audience, stamping of feet, whistles, yells and similar demonstrations shall not be permitted by the Chair, who shall direct the removal of such offenders from the room.

ARTICLE 9: INDEMNIFICATION

9.1 PERFORMANCE OF OFFICIAL DUTIES. In any civil action brought against a Trustee for any act or omission arising out of and in the course of the performance of his or her duties and responsibilities, the Board may defray all cost of defending, including reasonable attorney’s fees and expenses, along with costs of appeal, and may hold harmless and protect such Trustee from any financial loss resulting from the lawful performance of his or her duties and responsibilities. In the discretion of the Board, claims based on such actions or omissions may be settled prior to or after the filing of the suit.

9.2 INSURANCE COVERAGE. The Board may arrange for and pay for the premium for appropriate insurance to cover all such losses and expenses.

ARTICLE 10: GENERAL

10.1 COLLECTIVE AUTHORITY AND ACTION - The authority of the Trustees is conferred upon them as a Board, and Trustees bind the Board and the University only by acting together as a Board. No individual member shall commit the Board to any policy, declaration, or action without prior approval of the Board.

10.2 FISCAL YEAR - The fiscal year of the Board shall commence on July 1 of each year and end on June 30.

10.3 BOARD RECORDS - Public access to Board records shall be governed by the provisions of Section 24, Article I of the Florida Constitution and the Public Records Law, Chapter 119, Florida Statutes.

10.4 REGULATION DEVELOPMENT, RULEMAKING AND POLICY - The Board may adopt, amend, or repeal rules, regulations, and policies consistent with
the University mission, with law, and with the rules and regulations of the Florida Board of Governors.

10.5 **CHIEF LEGAL OFFICER**- The Vice President for Legal Affairs, as Chief Legal Officer, reports functionally to the Chair of the Board and to the Chair of the Governance Committee, and reports both functionally and administratively to the President.
Florida Agricultural & Mechanical University
Board of Trustees

AUDIT COMMITTEE CHARTER

1. Purpose

The Board of Trustees has established the Audit Committee, pursuant to Section 4.2.2 of the Board of Trustees Operating Procedures. The primary function of the Audit Committee is to assist the Board of Trustees in discharging its oversight responsibilities for the financial reporting process, the system of internal control, the audit process, and the University’s process for monitoring compliance with laws and regulations. The Audit Committee’s principal activities will include:

- Oversight of the University’s business risk assessment, by reviewing procedures in place to assess and minimize significant risks;
- Oversight of the University’s internal control structure, to review the effectiveness and reliability of its business, financial and information system controls;
- Oversight of the quality and integrity of the University’s financial reporting processes to ensure the balance, transparency, and integrity of published financial information;
- Review of the internal audit function and overall audit process;
- Review and approval of the annual audit plan; and
- Review of the University’s process for monitoring compliance with laws, regulations and policies.

The Audit Committee’s role is one of oversight, not preparation or operation. Its members rely on the representations of Senior Management, the Division of Audit and Compliance, the General Counsel, other committees of the Board of Trustees, and other professional consultants.

2. Authority

The Audit Committee is authorized to:

- Perform activities within the scope of this charter.
- Appoint, compensate, and oversee the work of any public accounting firm employed by the University.
- Resolve any disagreements between management and the auditors regarding financial reporting.
• Retain independent counsel, accountants, or others to advise the committee or assist in the conduct of an investigation.
• Seek any information it requires from faculty, staff, and students of the University, all of whom are directed to cooperate with the committee’s requests.
• Meet with University management, external auditors, or outside counsel as necessary.

Nothing in this Charter shall be construed to limit the authority of the Board of Trustees or the Audit Committee.

3. Organization and Composition

The Audit Committee shall be appointed and be comprised of members of the Board of Trustees as provided in the Board of Trustees Operating Procedures. The members will be free from any financial, family or other material personal relationship, including relationships with members of University management, University auditors, and other professional consultants that would interfere with the exercise of his or her independence from management or the institution. A majority of the Audit Committee members will be financially literate, with at least one member designated as a “financial expert”.

University staff liaisons are the Vice President for Audit and Compliance and Vice President for Finance and Administration.

4. Meetings

The Audit Committee will meet at least four times annually. Additional meetings may occur as circumstances dictate. The Audit Committee will invite members of management, auditors, or others to attend meetings and provide pertinent information as necessary. The meetings will be open to the public. Meeting agendas and appropriate briefing materials will be prepared and provided in advance to members.

5. Responsibilities and Duties

The Audit Committee believes its policies and procedures should remain flexible in order to best react to changing conditions and provide reasonable assurances to the Board of Trustees that the scope of audit activities and the adequacy of the system of internal controls ensure compliance with state and federal laws, regulations and requirements. The Audit Committee shall make reports to the Board of Trustees, as it deems necessary. In addition to the duties as provided in the Board of Trustees Operating Procedures, the Audit Committee will fulfill their duties and responsibilities as follows:

A. General
1. Adopt a charter that is approved by the Board of Trustees that specifies its scope of responsibility, process, etc. The charter shall be reviewed as necessary, but at least biannually, with recommended revisions being submitted to the Board for approval.
2. Maintain minutes and/or other records of meetings and activities.
3. Report Committee actions to the Board of Trustees with such recommendations as the Committee may deem appropriate.
4. Conduct or authorize investigations into any matters within the Committee’s scope of responsibilities. The Committee shall be empowered to retain independent accountants, counsel or others to assist in the conduct of any investigation, upon approval of the Board of Trustees.
5. Review and monitor the implementation of management’s responses to audit recommendations.
6. Require the Vice President of Audit and Compliance to report in writing annually on the activities of the office.
7. Confirm annually that all responsibilities outlined in this charter have been carried out.
8. Review any reports issued by the University that relate to the Audit Committee responsibilities.
9. Perform other governance oversight as assigned by the Board of Trustees.
10. The Vice President for Audit and Compliance, as the Chief Audit Executive, reports functionally to the Chair of the Board of Trustees and reports administratively to the President.
11. Provide an open avenue of communication between the Vice President of Audit and Compliance, external auditors, and the Board of Trustees.

B. Internal Audit

1. Review and approve the annual internal audit plan, ensuring that it addresses key areas of risk. Review the internal audit activity’s performance relative to the plan.
2. Approve and periodically review the charter, staffing, and activities of the internal audit activity function to ensure they comply with professional standards and address emerging audit issues.
3. Review a summary of significant findings and recommendations of completed internal audits, including management’s response and time frame for corrective action, to ensure appropriateness of actions taken.
4. Obtain a periodic progress report on the status of executing the internal audit plan and approve major changes or deviations from the approved audit plan.
5. Determine the degree of implementation of past audit recommendations and the sufficiency of corrective actions taken in addressing those recommendations.
6. Approve decisions regarding the appointment and removal of the Vice President of Audit and Compliance. Ensure there are no unjustified restrictions or limitations, and concur in the appointment, replacement, or
dismissal of the Vice President of Audit and Compliance.

7. Review with the Vice President of Audit and Compliance the internal audit activity budget, resource plan, activities, and organizational structure of the internal audit function.

8. Within 60 days after the end of each fiscal year, review the performance of the Vice President of Audit and Compliance and concur with the annual compensation and salary adjustment.

9. Discuss with the Vice President of Audit and Compliance any difficulties encountered in the course of audits and investigations, including restrictions on the scope of work or access to required information, and any lack of cooperation.

10. Review the effectiveness of the internal audit function, including the results of the quality assurance program.

11. Identify areas warranting improvements, if any, and make policy recommendations to the Board of Trustees.

12. The Chair of the Audit Committee, or designee, should meet with the Vice President of Audit and Compliance regularly to discuss confidential matters.

13. Propose adequate controls and guidelines for receiving complaints regarding accounting controls and reports of financial fraud.

C. Compliance with Laws, Regulations and Policies

1. Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management’s investigation and follow-up of any non-compliance or fraudulent activities.

2. Obtain regular updates from management and legal counsel regarding compliance matters that may have a material impact on the University’s operations, financial statements, programs or compliance policies.

3. Review and approve procedures for the receipt, retention, and treatment of complaints regarding financial or operational matters.

4. Review the findings of any examinations by state and federal regulatory agencies.

5. Review the programs and policies of the University designed by management to assure compliance with applicable laws and regulations and monitor the results of compliance efforts.

6. Review results of the University’s monitoring and enforcement of compliance with University standards of ethical conduct and conflict of interest policies.

D. Internal Controls and Risk Assessments

Review with senior management, the Division of Audit and Compliance, and other relevant offices and committees:

1. The effectiveness of the University’s process for identifying significant financial, operational, reputational, strategic and regulatory risks or exposures and management’s plans and efforts to monitor and control such risks.

2. The effectiveness of the University’s internal controls, including the status and adequacy of information systems and security and other relevant matters.
3. Major risks identified and other significant risk management issues that may require action.
4. The University’s insurance coverage and the process used to manage any uninsured risks.

E. Financial Statements and Reports

Management is responsible for the preparation, presentation, and integrity of the University’s financial statements and for the appropriateness of the accounting principles and reporting policies used by the University. The following shall be the principal duties and responsibilities of the Audit Committee regarding financial statements.

1. Review annual audited financial statements with management and ensure that significant findings and recommendations made by auditors and management’s response are received, discussed and appropriately acted on.
2. Make inquiries and an assessment of management and auditors concerning the adequacy and effectiveness of the University’s systems of financial reporting and internal control system, including information technology security and internal control.
3. Discuss with financial management, State Auditor General and other outside consultants the appropriateness of accounting principles used by the University, University Direct Support Organizations, and Intercollegiate Athletics.
4. Review the audit report on Federal Awards as required by OMB Circular A-133.
5. Review the annual audit reports of direct support organizations, including management response and corrective action plans to address the resulting recommendations. As necessary, consult with the Direct Support Organizations Committee regarding the audit reports.
6. Review annual financial statements and management letters from audits of Intercollegiate Athletics, including the corrective action plan to address the resulting recommendations.
7. Review the adequacy and completeness of financial disclosures made by management for reasonable portrayal of the University’s financial condition.
8. Review significant accounting and reporting issues and recent professional and regulatory pronouncements, and understand their impact on the financial statements of the University.
9. Review compliance with federal and state guidelines for financial reporting.

F. Ethics and Business Conduct

1. Require management to report on procedures that provide assurance that the University’s mission and code of conduct are properly communicated to all employees on an annual basis.
2. Review the University’s code of conduct annually and direct management to establish a system reasonably designed to assure compliance with the code.
3. Ensure internal and external auditors have access to necessary University
records, personnel, space and equipment.

G. Legal

Periodically, meet with the University’s General Counsel to review any legal matters that may have a significant impact on the University’s overall financials or operations and its compliance with regulatory agencies.

6. Rescission of Prior Board Actions

The Audit Committee Charter previously adopted by the Board of Trustees is hereby repealed or rescinded effective upon the adoption of this Audit Committee Charter.

Approved June 10, 2015
Florida A&M University Board of Trustees
Operating Procedures
August 6, 2015

APPENDIX “B” - OPERATING PROCEDURES AMENDMENT NOTES

February 17, 2003

June 30, 2005 – The following articles or sections were amended by the Board of Trustees

- Sections 2.3 and 3.5.1, amended to eliminate the statutory powers and duties for the Board of Trustees and President, and to provide the applicable Florida Statutes setting out the powers and duties of the Board of Trustees and the President.
- Section 4.1 amended to provide for the Chair of the Facilities Planning Committee as a member of the Executive Committee.
- Section 4.2.3 amended to include the duties of the Budget/Finance Committee to include “monitor the University’s financial operations, debt level and investment performance, if any.”
- Section 4.2.5 created to provide for the Facilities Planning Committee as a standing committee of the Board, and to outline the duties and responsibilities of the committee.
- Preliminary statement to Article 5, to clarify the “open meetings” requirements for the Board and its committees.
- Section 5.2, amended to provide that special meetings may be called by the chair or 7 members of the Board, for the Corporate Secretary to provide written notice of the meeting along with a statement of the purpose of the meeting and to limit the meeting to its stated purpose.
- Section 5.9.1 created to permit a Trustee to propose an addendum to the agenda and to require a majority vote of the Board to consider and take final action on the addendum.
- Sections 5.11 and 5.12, amended to reference the applicable statutory provisions which permit closed sessions of the Board and to recognize the limited public records exemption for attorney-client sessions and risk management and the public records exemption for collective bargaining issues.
- Article 8 (Appearances before the Board) amended to clarify and distinguish between scheduled appearances and public comments before the Board. The article provides for a new section (Section 8.3) which provides for the enforcement of decorum during Board meetings.

March 2, 2006 – The following article was amended by the Board of Trustees.

- Section 3.5.2 created to provide the President as the principal liaison officer and official contact between Board and the faculty, staff, students and direct support organizations of the university.

September 7, 2006

- Audit and Compliance Charter of BOT adopted and incorporated as Appendix A.
December 8, 2011

- Section 5.3, amended to provide that emergency meetings may be called by the chair or upon request by 7 members of the Board, and for the Corporate Secretary to provide written notice of such requests to the Board.

August 6, 2012

- Appendix A, Audit Committee Charter and the Audit Committee Policy and Procedures adopted on September 7, 2006, were repealed and replaced as hereby incorporated in Appendix A.

October 3, 2013

- Section 5.3, amended to provide that emergency meetings may be called by the chair or upon request by 7 members of the Board, and for the Corporate Secretary to provide written notice of such requests to the Board.

- Article 3, amended to designate the Chair of the Board as the spokesperson for the Board.

- Article 5, amended to require the presence of the Board attorney or designee at all appropriately noticed meetings, that the Board will be provided the meeting agenda at least 14 days prior to the meeting and materials will be provided at least 7 days prior to the meeting, and adding the term “email” where appropriate.

- Article 6, amended to include reference to FAMU BOT Regulation 1.019.

- Article 7, amended to require the Board to review its Operating Procedures annually and adding the term “email” where appropriate.

January 9, 2014

- Article 4.1, amended to expand the number of Trustees from 6 to 7 as members of the Executive Committee; remove the Board Vice Chair as a member of the Executive Committee; and include the Chair of the Direct Support Organization Committee as a member of the Executive Committee.

- Article 4.2.6, created to include the Direct Support Organization as a standing committee.

- Article 8.2, amended to comply with Section 286.0114, Florida Statutes.

- Other technical and ministerial changes also were made to reflect accuracy, consistency and continuity.

June 10, 2015

- Appendix A, Audit Committee Charter and the Audit Committee Policy and Procedures adopted on August 6, 2012, were repealed and replaced as hereby incorporated in Appendix A.

August 6, 2015

- Article 10.5, created to define the joint reporting relationship of the General Counsel.

December 11, 2015

- Article 3.4, amended to authorize the Vice-Chair to act due to the “vacancy” of the Chair.

- Article 4.2.7, created to include the Governance Committee as a standing committee.

- Article 5.8, amended to require the Board to make a motion or formally announce that the meeting time will be extended at the time the meeting is scheduled to adjourn.