

Corrective Action Plan

Major Gift from Gregory Gerami, Batterson Farms Corporations, The Isaac Batterson Family 7th Trust

Issue 1	Recommendation #1
<p>Failure to Provide Adequate Information to the University Board of Trustees and Foundation Board of Directors to Enable the Boards to Fulfill their Respective Fiduciary Responsibilities. (Rpt Refence – Pg 3)</p>	<p>Changes to FAMU Policies and Regulations We recommend modifying FAMU Foundation Policies and Guidelines to place the determination for whether gifts over a certain threshold are in the “best interest of the University” at the sole discretion of the Foundation Board of Directors.</p>
<p>Corrective Action Plan</p>	
<ol style="list-style-type: none"> 1. Review Current Policies and Guidelines: Conduct a thorough review of current FAMU Foundation policies and guidelines to identify specific areas requiring modifications in line with the recommendation. 2. Establish a Gift Threshold: Define a financial threshold for gifts that require Board approval. Consider historical data, current financial landscape, and peer institutions' practices to determine the appropriate threshold. 3. Policy Modification Drafting: Draft the necessary modifications to the FAMU Foundation Policies and Guidelines. This should include clear language that determines who has responsibility for accepting or rejecting gifts over an established threshold, such as the FAMU Foundation, VP of Advancement, and/or University President. 4. Stakeholder Review and Feedback: Circulate the draft modifications among key stakeholders, including University leadership, for feedback and additional input. Ensure legal compliance and alignment with university objectives. 5. Board Approval of Revised Policies: Present the final draft of the revised policies to the Foundation Board of Directors for approval. Ensure that the policies are formally adopted into the Foundation’s governance framework. 6. Communication and Training: Develop and implement a communication strategy to inform relevant stakeholders, including Foundation staff, University leadership, and potential donors, about the changes. Provide training sessions to Foundation staff on the updated policies and procedures. 7. Implementation and Monitoring: Implement the revised policies immediately upon Board approval. Establish a monitoring process to ensure compliance with the new guidelines and to assess the effectiveness of the policy change. Regularly review the impact of the new policy and make adjustments as needed. 	
Responsible Party & Implementation Date	Resources Required for Implementation
<p>Responsible Party: Foundation Board Attorney and Interim VP for Advancement</p> <p>Implementation Date: November 15, 2024</p>	

Corrective Action Plan

Major Gift from Gregory Gerami, Batterson Farms Corporations, The Isaac Batterson Family 7th Trust

Issue 1 (Continued)	Recommendation #2
Failure to Provide Adequate Information to the University Board of Trustees and Foundation Board of Directors to Enable the Boards to Fulfill their Respective Fiduciary Responsibilities. (Rpt Refence – Pg 3)	FAMU Regulation Update We recommend clear language be added to Florida A&M University Regulation, Chapter 1.021, detailing the President’s responsibility to provide timely and adequate information to the University Board of Trustees related to financial matters above a certain threshold.
Corrective Action Plan	
<ol style="list-style-type: none"> 1. Review of Current Regulation: Conduct a comprehensive review of the current language in FAMU Regulation, Chapter 1.021, to identify gaps related to the President’s responsibility for communicating financial matters to the Board of Trustees. 2. Establish a Financial Threshold: Determine a clear financial threshold above which the President is required to report to the Board of Trustees. This threshold should be aligned with the University’s financial policies and comparable to peer institutions. 3. Drafting the Regulation Update Develop draft language to amend FAMU Regulation, Chapter 1.021. The draft should clearly define the President’s responsibility to provide timely and adequate information to the Board of Trustees about significant financial matters exceeding the established threshold. 4. Stakeholder Review and Feedback: Circulate the draft amendment among key stakeholders for feedback. Ensure that the proposed changes are legally sound, clear, and in the best interest of the University’s governance framework. 5. Board of Trustees Approval: Present the final draft of the regulation update to the University Board of Trustees for review and approval. Ensure that all necessary documentation and rationale for the changes are provided. 6. Regulation Implementation: Once approved, formally incorporate the updated regulation into the University’s governance documents. Communicate the changes to all relevant parties, including University leadership and administrative departments. 7. Training and Communication: Develop and deliver training sessions to university leadership, including the President and senior administrative staff, on the new reporting requirements. Additionally, provide clear communication to all relevant departments about the changes in the regulation. 8. Monitoring and Reporting: Establish a monitoring system to ensure compliance with the updated regulation. Include periodic reviews and reports to the Board of Trustees to confirm that the President is providing timely and adequate financial information as required. 	
Responsible Party & Implementation Date	Resources Required for Implementation
Responsible Party: General Counsel and Chief Policy Officer Implementation Date: January 31, 2025	

Corrective Action Plan

Major Gift from Gregory Gerami, Batterson Farms Corporations, The Isaac Batterson Family 7th Trust

Issue 2	Recommendation
<p>Apparent Conflict that Exists Between the Florida Sunshine Law and the Florida Public Records Act as they Relate to University Donor Anonymity (Footnote to Issue 1, Recommendation #2 above (Rpt Reference – pg 3))</p>	<p>Confidential Records and Sunshine Laws We recommend finding legal counsel to reconcile this and raising the issue to the SUS Board of Governors. Consult with legal counsel to reconcile challenge[s] due to an apparent conflict that exists between the Florida Sunshine Law and the Florida Public Records Act as they relate to university donor anonymity. The Florida Sunshine Law allows for closed meetings of a university board of trustees for certain specified topics; however, this does not include for the purpose of preserving requests for anonymity by donors. The Florida Public Records Act, by contrast, allows for donors who wish to remain anonymous to preserve their anonymity by exempting their information from public records requests, giving universities the ability to deny public request for records that would jeopardize a donor’s anonymity. These two statutes are difficult to harmonize where a board of trustees requires information about a donor to carry out its fiduciary duties because the Sunshine Laws requires non-exempt meetings be open to the public.</p>
<p>Corrective Action Plan</p>	
<ol style="list-style-type: none"> 1. Consult with Legal Counsel: Engage with internal and, if necessary, external legal counsel to fully understand the conflict between the Florida Sunshine Law and the Florida Public Records Act. Specifically, explore the legal implications of both statutes as they pertain to donor anonymity and board of trustees’ fiduciary duties. 2. Legal Analysis and Reconciliation: Conduct a detailed legal analysis to identify potential ways to reconcile the conflicting statutes. This may include exploring case law, legal precedents, and interpretations that can provide a pathway to harmonize the requirements of both laws. 3. Develop a Legal Position: Based on the legal analysis, develop a formal legal position that outlines how the University will address the conflict, if applicable. 	
Responsible Party & Implementation Date	Resources Required for Implementation
<p>Responsible Party: Interim General Counsel</p> <p>Implementation Date: October 1, 2024</p>	<p>N/A</p>

Corrective Action Plan

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Issue 3	Recommendation
Current Disposition of Major Gift (Rpt Reference – Pages 4 & 54)	Communication to Donor of Foundation Position We recommend the Foundation consider communicating its position in writing to the Donor to make clear the Foundation’s position: (1) the Gift Agreement was never executed, (2) the transfer of stock was invalidated by the Carta, transfer agent, and (3) the stock certificates in the Foundation’s possession have been canceled. As such, as of May 14, 2024, the University and the Foundation have no ownership interest in Batterson Farms Corporation nor any legal relationship with the Donor.
Corrective Action Plan	
<ol style="list-style-type: none"> 1. Consider Drafting a Communication to the Donor: <ul style="list-style-type: none"> ○ Consult with legal counsel and any relevant stakeholders to determine whether a formal communication with the donor is needed. ○ If a need is determined, draft a formal letter to the Donor that clearly outlines the Foundation’s position. The letter should include: <ol style="list-style-type: none"> 1. A statement that the Gift Agreement was never executed. 2. An explanation that the transfer of stock was invalidated by the Carta transfer agent. 3. Confirmation that the stock certificates in the Foundation’s possession have been canceled. 4. A declaration that, as of May 14, 2024, the University and the Foundation have no ownership interest in Batterson Farms Corporation nor any legal relationship with the Donor. 2. Review and Approval of the Communication (if applicable): Submit the drafted letter for review and feedback to the Foundation Board of Directors, Foundation Legal Counsel and/or University Legal Counsel to ensure it accurately reflects the Foundation’s position and adheres to legal standards. Make any necessary revisions based on feedback. 3. Document the Communication and Response (if applicable): Document the delivery of the letter, including the date and method of delivery. Track any response or further communication from the Donor. Ensure all related correspondence is stored in the Foundation’s records for future reference. 	
Responsible Party & Implementation Date	Resources Required for Implementation
Responsible Party: Interim VP of Advancement Implementation Date: October 1, 2024	

Corrective Action Plan

Major Gift from Gregory Gerami, Batterson Farms Corporations, The Isaac Batterson Family 7th Trust

Issue 4	Recommendation #1
University Organizational Structure Allows for Certain Individuals to Bypass Established Checks and Balances. (Rpt Reference – Pages 4 & 55)	Roles of Vice President for University Advancement and Executive Director of the Foundation We recommend the Interim President evaluate separating the roles of Vice President for University Advancement and Executive Director of the Foundation into two distinct positions.
Corrective Action Plan	
<ol style="list-style-type: none"> 1. Assessment of Current Roles and Responsibilities: Conduct a comprehensive assessment of the current roles and responsibilities associated with the Vice President for University Advancement and Executive Director of the FAMU Foundation. This assessment will include an analysis of the workload, key functions, and the effectiveness of having these roles combined. 2. Benchmarking and Best Practices: Research and benchmark best practices from peer institutions regarding the structure of their advancement and foundation leadership. Determine how similar universities organize these roles and the impact of separating them. 3. Stakeholder Consultation: Engage with key stakeholders, including the FAMU Foundation Board of Directors, senior university leadership, and FAMU Board of Trustees, to gather input and feedback on the potential separation of these roles. Understand concerns, expectations, and potential benefits or challenges associated with the change. 4. Evaluation and Decision-Making: Based on the assessment, benchmarking, and stakeholder feedback, evaluate the pros and cons of separating the roles. Develop a recommendation for either maintaining the current structure or separating the roles into two distinct positions. 5. Action Plan for Separation (if approved): If the decision is made to separate the roles, develop a comprehensive action plan for the transition. This plan should include: <ul style="list-style-type: none"> ○ Job Descriptions: Draft new job descriptions for each role, clearly defining responsibilities, expectations, and reporting structures. ○ Recruitment: Initiate the recruitment process for the new positions, including internal and external searches if necessary. ○ Transition Planning: Outline steps for a smooth transition, ensuring continuity of operations in both University Advancement and the FAMU Foundation. ○ Budget and Resources: Assess and allocate the necessary budget and resources to support the two distinct positions. 	
Responsible Party & Implementation Date	Resources Required for Implementation
Responsible Party: Interim VP for Advancement and Interim President Implementation Date: September 30, 2024	



Corrective Action Plan

Major Gift from Gregory Gerami, Batterson Farms Corporations, The Isaac Batterson Family 7th Trust

Issue 4 (Continued)	Recommendation #2
University Organizational Structure Allows for Certain Individuals to Bypass Established Checks and Balances. (Rpt Reference – Pages 4 & 55)	Analysis of Senior Leadership Reporting Chains Additionally, we recommend the University undertake an analysis of senior leadership reporting chains to ensure positions are staffed with qualified individuals that provide a strong framework of oversight and accountability. However, the Executive Director of the Foundation should continue to report directly to the President and the Foundation Board of Directors, as the head of a direct support organization.
Corrective Action Plan	
<ol style="list-style-type: none"> 1. Conduct a Comprehensive Review of Current Reporting Chains: Review the existing reporting structure of senior leadership positions within the University. This includes mapping out current reporting lines, identifying overlaps or gaps in oversight, and assessing the clarity of each position's responsibilities. Review the existing reporting structure of senior leadership positions within the University. This includes mapping out current reporting lines, identifying overlaps or gaps in oversight, and assessing the clarity of each position's responsibilities. 2. Evaluate Qualifications and Effectiveness of Current Leadership: Conduct an evaluation of the qualifications, experience, and performance of individuals in senior leadership roles. This should include a review of their ability to provide effective oversight, accountability, and strategic guidance within their respective areas. 3. Benchmarking and Best Practices: Research and benchmark against best practices in reporting structures, leadership qualifications, and performance evaluation processes from peer institutions. Identify successful models that enhance oversight and accountability in similar university settings. 4. Stakeholder Consultation: Engage with key stakeholders, including senior leadership and external experts, to gather input on the current reporting structure and potential improvements. Ensure that any changes align with the University's strategic goals and governance needs. 5. Develop a Revised Reporting Structure: Based on the review, evaluation, and stakeholder feedback, develop a revised reporting structure that strengthens oversight and accountability. Ensure that the new structure clearly defines reporting lines, responsibilities, and accountability mechanisms. 6. Implementation of the Revised Structure: Implement the revised reporting structure, including any necessary staffing changes, reassignments, or adjustments in responsibilities. Communicate the changes clearly to all affected parties and provide support during the transition. 7. Training and Development: Offer training and development opportunities to senior leaders to ensure they are well-equipped to fulfill their roles in the new reporting structure. Focus on enhancing leadership skills, strategic oversight, and accountability. 	
Responsible Party & Implementation Date	Resources Required for Implementation
Responsible Party: Chief of Staff, Chief Operating Officer, and Deputy Chief Operating Officer Implementation Date: November 15, 2024	



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Issue 5	Recommendation #1
<p>The University’s Current Position Descriptions for The Vice President for University Advancement and The Executive Director of The Foundation Are Notably Broad and Lack Specific Elements Related to Due Diligence. (Rpt Refence – Pg 55 & 56)</p>	<p>Revision of University Position Descriptions We recommend the position descriptions be revised to highlight the importance of conducting accurate research on prospective donors. This due diligence need not be performed directly by the Assistant Vice President for University Advancement or Vice President, but these individuals should be required to know what tools are available for due diligence and when a due diligence request should be made. Additionally, specific responsibilities for ensuring compliance with due diligence protocols should be clearly outlined in their job descriptions to prevent future oversights and ensure the integrity of the donation process.</p>
Corrective Action Plan	
<ol style="list-style-type: none"> 1. Review Current Position Descriptions: Conduct a thorough review of the current position descriptions for the Assistant Vice President for University Advancement and the Vice President for University Advancement. Identify gaps related to due diligence responsibilities and compliance with donor research protocols. 2. Identify Due Diligence Tools and Resources: Compile a comprehensive list of tools and resources available for conducting due diligence on prospective donors. This can include databases, consulting with experts in the fundraising arena, and any other relevant tools that can assist in donor research. 3. Draft Revised Position Descriptions: Revise the position descriptions to include specific language that: <ul style="list-style-type: none"> ○ Highlights the importance of conducting accurate research on prospective donors. ○ Requires the Assistant Vice President for University Advancement and Vice President to be knowledgeable about the due diligence tools available and when to initiate a due diligence request. ○ Clearly outlines their responsibilities for ensuring compliance with due diligence protocols. ○ Includes accountability measures to prevent future oversights in the donation process. ○ Includes a requirement that the Executive Director of the Foundation hold an annual strategy session in conjunction with the Chair of the Foundation Board of Directors. Facilitation of the strategy session, should the need arise, should be sought by professionals familiar with Foundation best practices and industry trends. ○ Includes professional development requirements within the position description, such as attendance of the annual conference for the Association of Governing Boards. 4. Training and Communication: Develop and deliver training sessions for the Assistant Vice President and Vice President for University Advancement on the updated position descriptions, with a focus on due diligence protocols and the use of available tools. Communicate the importance of these responsibilities to the entire advancement team. 	
Responsible Party & Implementation Date	Resources Required for Implementation
<p>Responsible Party: Interim VP of Advancement and Chief of Staff</p> <p>Implementation Date: November 15, 2024</p>	



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Issue 6	Recommendation #1
<p>The University and Foundation (Staff) Failed to Utilize the Comprehensive Commercial and Open-Source Tools Available Through the Office of Prospect Research to Verify the Source of Donated Funds. (Rpt Refence – Pg 56 - 59)</p>	<p>Office of Advancement Training We recommend that all individuals in the Office of Advancement should receive appropriate training on this topic, including a requirement that due diligence to be conducted of all donors prior to accepting a gift. Due diligence should be a mandatory requirement for all donors, and derogatory information should be flagged and elevated to the vice president or executive vice president level for approval to proceed in accepting that donation.</p>
Corrective Action Plan	
<ol style="list-style-type: none"> 1. Develop Training Curriculum: Design a training curriculum focused on due diligence for donors. The curriculum should cover: <ul style="list-style-type: none"> ○ The importance of due diligence in the donation process. ○ Specific procedures for conducting due diligence on all donors. ○ Tools and resources available for donor research. ○ Identification and handling of derogatory information. ○ Protocols for escalating issues to the vice president or executive vice president level. 2. Identify Training Participants: Identify all individuals within the Office of Advancement who will be required to participate in the training. This should include all staff members involved in donor relations, fundraising, and gift acceptance. 3. Schedule and Deliver Training Sessions: Schedule and conduct mandatory training sessions for all identified participants. Ensure that the training is delivered in a format that accommodates all staff, such as in-person workshops, webinars, or online modules. Provide opportunities for participants to ask questions and engage with the material. 4. Create and Distribute Due Diligence Guidelines: Develop and distribute written guidelines on due diligence procedures to all staff in the Office of Advancement. These guidelines should include step-by-step instructions for conducting due diligence, criteria for identifying derogatory information, and the process for escalating issues. 5. Implement a Due Diligence Checklist: Create a due diligence checklist that must be completed for every donor before accepting a gift. This checklist should ensure that all necessary steps are taken, and it should be signed off by the responsible staff member and reviewed by a supervisor before proceeding with the gift acceptance. 6. Establish an Escalation Protocol: Formalize a protocol for escalating derogatory information identified during due diligence to the vice president or executive vice president level. This protocol should include clear criteria for what constitutes derogatory information and detailed steps for escalation. 7. Continuous Improvement and Refresher Training: Provide regular refresher training sessions to ensure that all staff remain informed about due diligence procedures. Update the training curriculum and guidelines based on feedback, new tools, or changes in compliance requirements. 	
Responsible Party & Implementation Date	Resources Required for Implementation
<p>Responsible Party: Interim VP of Advancement</p> <p>Implementation Date: November 15, 2024</p>	

Corrective Action Plan

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Issue 7	Recommendation #1
<p>The University’s Lack of Policies or Procedures Surrounding Donations Has Created Significant Confusion, Forcing the University to Rely on Other Sources or Create Ad-Hoc Rules. (Rpt Reference – Pg 59-61)</p>	<p>Policy for Different Types of Gifts, Including Private Stock Transfers A comprehensive policy needs to be created to anticipate and address different types of gifts, including private stock transfers. This policy should include:</p> <ol style="list-style-type: none"> 1. Clear Guidelines for Various Gift Types: Establish protocols for the acceptance of different types of gifts, including private stock, real estate, and other non-cash assets. 2. Due Diligence Requirements: Mandate due diligence procedures for all types of donations, ensuring that the sources and nature of the gifts align with the University’s mission and comply with legal standards. 3. Training and Education: Provide training for Foundation leadership and relevant staff on the intricacies of private stock transfers and other complex donations. 4. Documentation and Compliance: Ensure that all necessary documentation, including independent audits, appraisals, and IRS forms, are completed and maintained in compliance with legal and ethical standards.
Corrective Action Plan	
<ol style="list-style-type: none"> 1. Policy Development: Draft a comprehensive policy that covers the acceptance of different types of gifts, including but not limited to private stock, real estate, and other non-cash assets. The policy should include: <ul style="list-style-type: none"> o Clear Guidelines for Various Gift Types: Establish protocols and criteria for accepting different types of gifts, detailing the specific requirements and considerations for each type. o Due Diligence Requirements: Define mandatory due diligence procedures for all types of donations, ensuring alignment with the University’s mission and legal standards. o Documentation and Compliance: Outline the necessary documentation, including independent audits, appraisals, and IRS forms, required for each gift type. 2. Stakeholder Review and Feedback: Present the draft policy to key stakeholders, including the Foundation Board of Directors, University leadership, and legal counsel, for review and feedback. 3. Approval and Adoption of Policy: Submit the final policy for formal approval by the Foundation Board of Directors and/or University leadership. Once approved, the policy will be adopted and incorporated into the Foundation’s governance framework. 4. Training and Education: Develop and deliver training programs for Foundation leadership and relevant staff on the newly established policy, with a focus on the intricacies of private stock transfers and other complex donations. The importance of due diligence and compliance with legal and ethical standards. The specific protocols and documentation requirements for different types of gifts. 	
Responsible Party & Implementation Date	Resources Required for Implementation
<p>Responsible Party: Foundation Board Attorney and Interim VP for Advancement</p> <p>Implementation Date: November 15, 2024</p>	

Corrective Action Plan

Major Gift from Gregory Gerami, Batterson Farms Corporations, The Isaac Batterson Family 7th Trust

Issue 8	Recommendation #1
Training and Leadership Influence (Rpt Reference – Page 61)	Comprehensive Training All individuals involved in the gift process should receive comprehensive training on the following: <ol style="list-style-type: none"> 1. Chain of Command: Clear guidelines on the chain of command and when senior leadership should become involved in the gift process. 2. Due Diligence Procedures: The requisite documentation required for due diligence and who is responsible for ensuring it is completed. 3. Documentation and Signatures: Understanding who should sign the documents and at what stage. 4. Announcement Protocols: When announcements of donations should be made to ensure all due diligence and approvals have been completed.
Corrective Action Plan	
<ol style="list-style-type: none"> 1. Develop Training Modules: Develop a series of training modules that cover the following key areas: <ul style="list-style-type: none"> ○ Chain of Command: Clear guidelines on the chain of command in the gift process, including when and how senior leadership should be involved. ○ Due Diligence Procedures: Detailed instructions on the requisite documentation for due diligence, including who is responsible for completing and verifying these documents. ○ Documentation and Signatures: Step-by-step guidance on who should sign various documents during the gift process and at what stages these signatures are required. ○ Announcement Protocols: Guidelines on when public announcements of donations should be made, ensuring that all due diligence and necessary approvals are completed beforehand. 2. Identify Training Participants: Identify all individuals within the Office of Advancement and related departments who are involved in the gift process. Ensure that the training reaches everyone responsible for any aspect of gift acceptance, documentation, or announcements. 3. Schedule and Deliver Training Sessions: Schedule and deliver comprehensive training sessions to all identified participants. Ensure that the sessions are interactive and provide opportunities for participants to ask questions and clarify any doubts. 4. Create and Distribute Reference Materials: Develop and distribute reference materials, including quick reference guides, checklists, and flowcharts, that participants can use during the gift process. These materials should reinforce the training content and provide easy-to-access information on chain of command, due diligence, documentation, and announcement protocols. 	
Responsible Party & Implementation Date	Resources Required for Implementation
Responsible Party: Interim VP for Advancement Implementation Date: November 15, 2024	



Corrective Action Plan

Major Gift from Gregory Gerami, Batterson Farms Corporations, The Isaac Batterson Family 7th Trust

Issue 9	Recommendation #1
<p>There Is No Threshold for When the University Board of Trustees or The Foundation Board of Directors Must Be Informed About Donations. (Rpt Refence – Pg 61 - 63)</p>	<p>Changes to FAMU Policies and Regulations</p> <p>To ensure the wealth of knowledge present on the Foundation Board of Directors and University Board of Trustees is fully utilized, it is paramount that leadership receive important information in a timely manner. Currently, the President must inform the University Board of Trustees to enter into settlement agreements at or in excess of \$250,000. There is no threshold for when the University Board of Trustees or the Foundation Board of Directors must be informed about donations. A similar threshold should be established for donations to ensure transparency and oversight.</p>
Corrective Action Plan	
<ol style="list-style-type: none"> 1. Review Current Policies and Practices: Conduct a review of current policies and practices regarding the reporting of donations to the University BOT and Foundation BOD. Identify any existing gaps and compare them with the settlement agreement threshold policy. 2. Determine Appropriate Donation Threshold: Collaborate with the University BOT and Foundation BOD to determine an appropriate financial threshold for donations that should trigger mandatory reporting to both boards. Consider factors such as the University's financial landscape, the potential impact of donations, and best practices from peer institutions. 3. Draft Policy for Reporting Threshold: Draft a formal policy that establishes the agreed-upon threshold for informing the University BOT and Foundation BOD about donations. The policy should outline the procedure for reporting and specify the types of donations that require notification (e.g., cash, stock, real estate). 4. Review and Approve the Policy: Present the draft policy to the University BOT and Foundation BOD for review and/or approval. Make any necessary revisions based on their feedback to ensure the policy is comprehensive and aligns with both boards' expectations. 5. Implement the Reporting Procedure: Implement the new reporting procedure, ensuring that all relevant departments and staff are aware of the threshold and the steps to be taken when a donation meets or exceeds it. Incorporate the procedure into the University's governance and operational frameworks. 6. Communicate the New Policy: Communicate the new policy to all relevant stakeholders, including University leadership, the Foundation BOD, the University BOT, and Advancement staff. Ensure that the communication is clear and that all parties understand the importance of the threshold for transparency and oversight. 	
Responsible Party & Implementation Date	Resources Required for Implementation
<p>Responsible Party: FAMU Interim General Counsel and Chief Policy Officer and Foundation Attorney</p> <p>Implementation Date: December 20, 2024</p>	



Corrective Action Plan

Major Gift from Gregory Gerami, Batterson Farms Corporations, The Isaac Batterson Family 7th Trust

Issue 9 (continued)	Recommendation #2
<p>There Is No Threshold for When the University Board of Trustees or The Foundation Board of Directors Must Be Informed About Donations. (Rpt Refence – Pgs 61 - 63)</p>	<p>EthicsPoint Reporting Furthermore, there was a breakdown in the ethics notification process. The system itself and the administration thereof by the Office of Compliance and Ethics is sufficient. However, there remains an inefficiency in the process whereby individuals designated as recipient of hotline tips have no requirement to review the tips. Individuals received the notification about Mr. Gerami, but several did not open the notice. Each office should designate individuals responsible for reviewing and acknowledging ethics complaints to ensure they are addressed promptly and appropriately.</p>
Corrective Action Plan	
<ol style="list-style-type: none"> 1. Review Current EthicsPoint Reporting Process: Conduct a comprehensive review of the current EthicsPoint reporting process, focusing on how hotline tips are received, distributed, and monitored. Identify gaps in the current system, particularly regarding the responsibility and accountability for reviewing and acknowledging tips. 2. Identify and Designate Responsible Individuals: Work with each department to identify and designate specific individuals responsible for reviewing and acknowledging EthicsPoint hotline tips. Ensure that these individuals are in positions of authority and have the necessary knowledge to address complaints effectively. 3. Establish Clear Responsibilities and Expectations: Develop clear guidelines outlining the responsibilities of designated individuals. These guidelines should include: <ul style="list-style-type: none"> ○ Timely Review: Requirement to review all ethics notifications within a specified timeframe (e.g., 24-48 hours). ○ Acknowledgment: Mandatory acknowledgment of receipt and initiation of appropriate actions within the system. ○ Follow-Up: Procedures for following up on complaints to ensure they are addressed promptly and effectively. 4. Integrate Accountability Measures: Integrate accountability measures within the EthicsPoint system to track whether designated individuals are reviewing and acknowledging tips. This may include: <ul style="list-style-type: none"> ○ Automated Alerts: Setting up automated reminders for designated individuals if a tip has not been reviewed within the required timeframe. ○ Audit Logs: Implementing audit logs to record when and by whom a tip was reviewed and acknowledged, ensuring transparency and accountability. 5. Training and Communication: Provide training sessions for all designated individuals on their responsibilities within the EthicsPoint system. The training should cover the importance of timely review, the acknowledgment process, and how to navigate the system effectively. 	
Responsible Party & Implementation Date	Resources Required for Implementation
<p>Responsible Party: Chief Compliance & Ethics Officer and University Interim General Counsel</p> <p>Implementation Date: October 1, 2024</p>	

Corrective Action Plan

Major Gift from Gregory Gerami, Batterson Farms Corporations, The Isaac Batterson Family 7th Trust

Issue 10	Recommendation #1
<p>FAMU Leadership Frequently Cited an NDA as a Reason for Not Disclosing or Sharing Information with the University Board of Trustees or Foundation Board of Director Members or Responding to Questions from Stakeholders and the Media. (Rpt Refence – Pgs 63 - 64)</p>	<p>BOT Fiduciary Duties The University Board of Trustees (BOT) plays a critical role in providing fiduciary oversight to the University. To effectively fulfill their obligations, it is imperative that the University Board of Trustees not be excluded from information necessary for them to perform their duties. Excluding the University Board of Trustees from critical discussions and decisions undermines their ability to ensure the University's financial health, integrity, and compliance with legal and ethical standards.</p>
<p>Corrective Action Plan</p>	
<ol style="list-style-type: none"> 1. Review Current Communication and Reporting Practices: Conduct a thorough review of the current communication and reporting practices between the University administration, the BOT, and the FAMU Foundation Board of Directors (BOD). Identify any gaps or instances where the BOT and BOD may have been excluded from critical discussions or decisions. 2. Establish Clear Guidelines for BOT and BOD Involvement: Develop clear guidelines that outline when and how the BOT/BOD should be informed and involved in critical discussions and decisions. These guidelines should include: <ul style="list-style-type: none"> ○ Criteria for Critical Information: Define what constitutes critical information that must be shared with the BOT and BOD(e.g., significant financial decisions, legal matters, ethical concerns, etc.). ○ Communication Protocols: Establish protocols for ensuring that information is communicated to the BOT and BOD in a timely and comprehensive manner, including regular updates and emergency notifications when necessary. ○ Meeting Inclusions: Ensure that the BOT and BOD is included in relevant meetings where decisions are being made that impact the University's financial health and integrity. 3. Implement Regular Reporting Mechanisms: Implement regular reporting mechanisms to keep the BOT and BOD informed of critical issues. This could include: <ul style="list-style-type: none"> ○ Quarterly Reports: Provide detailed quarterly reports on the University's financial status, legal matters, and compliance issues. ○ Special Briefings: Schedule special briefings for the BOT and BOD when significant decisions are pending or when urgent matters arise. ○ Access to Information: Ensure that BOT and BOD members have access to relevant documents and data needed to make informed decisions. 4. Training for BOT and BOD Members: Provide training for BOT and BOD members on their fiduciary duties, the importance of being informed, and the specific types of information they should expect to receive. This training should also cover how to interpret financial reports, legal updates, and compliance information. 	
Responsible Party & Implementation Date	Resources Required for Implementation
<p>Responsible Party: VP for Advancement & Deputy Chief Operating Officer Implementation Date: November 15, 2024</p>	

Corrective Action Plan

Major Gift from Gregory Gerami, Batterson Farms Corporations, The Isaac Batterson Family 7th Trust

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Issue 10 (continued)	Recommendation #2
<p>FAMU Leadership Frequently Cited an NDA as a Reason for Not Disclosing or Sharing Information with the University Board of Trustees or Foundation Board of Director Members or Responding to Questions from Stakeholders and the Media. (Rpt Refence – Pgs 63 - 64)</p>	<p>Donor Confidentiality and Florida Sunshine Law – BOT Closed Door Sessions To maintain the confidentiality of legitimate donors while ensuring comprehensive oversight, University policies should explore options to allow for closed sessions or individual briefings of the University Board of Trustees when discussing sensitive donation-related matters. This amendment will enable the University Board of Trustees to be fully informed and engaged in the decision-making process without compromising donor privacy. This recommendation may present a challenge due to an apparent conflict that exists between the Florida Sunshine Law and the Florida Public Records Act as they relate to university donor anonymity. We recommend the Board of Trustees seeks legal counsel to reconcile this and raises the issue to the SUS Board of Governors.</p>
Corrective Action Plan	
<ol style="list-style-type: none"> 1. Legal Review of Closed Sessions Options: Conduct a legal review to explore options for allowing closed sessions or individual briefings of the BOT when discussing sensitive donation-related matters. Review existing statutes and case law to determine permissible exceptions under the Florida Sunshine Law. 2. Develop Policy Amendment Proposal (if applicable): Based on the legal review, draft a policy amendment proposal that outlines conditions under which closed sessions or individual briefings may be held. Ensure the proposal balances donor confidentiality with the BOT's need for comprehensive oversight. 	
Responsible Party & Implementation Date	Resources Required for Implementation
<p>Responsible Party: University Interim General Counsel and Foundation Attorney</p> <p>Implementation Date: September 30, 2024</p>	

Corrective Action Plan

Major Gift from Gregory Gerami, Batterson Farms Corporations, The Isaac Batterson Family 7th Trust

Issue 10 (continued)	Recommendation #3
<p>FAMU Leadership Frequently Cited a Non-Disclosure Agreement (NDA) as a Reason for Not Disclosing or Sharing Information with the University Board of Trustees or Foundation Board of Director Members or Responding to Questions from Stakeholders and the Media. (Rpt Refence – Pgs 63 - 64)</p>	<p>Revision of FAMU Confidentiality Agreement Furthermore, the FAMU Confidentiality Agreement, which existed prior to this incident, lacks clarity regarding the extent and limitations of confidentiality. It remains unclear what type of counsel senior leadership received concerning the NDA or Confidentiality Agreement. The Office of General Counsel should revise this document to explicitly outline what discussions and disclosures are permitted, ensuring necessary transparency among university leadership.</p>
Corrective Action Plan	
<ol style="list-style-type: none"> 1. Review the Existing Confidentiality Agreement: Conduct a thorough review of the existing FAMU Confidentiality Agreement to identify areas that lack clarity regarding the extent and limitations of confidentiality. Assess any past counsel received concerning the NDA or Confidentiality Agreement. 2. Draft Revised Confidentiality Agreement: Draft a revised version of the FAMU Confidentiality Agreement that explicitly outlines permitted discussions and disclosures. Ensure that the revised document balances the need for transparency among university leadership with the protection of confidential information. 3. Stakeholder Review and Approval: Present the revised Confidentiality Agreement to key stakeholders, including the BOT and senior leadership, for review and approval. Make any necessary revisions based on their feedback. 4. Implement and Communicate the Revised Agreement: Implement the revised Confidentiality Agreement across the University. Ensure that all relevant parties, including University leadership and those involved in donor relations, understand and sign the updated agreement. Provide training sessions to clarify the revised terms. 	
Responsible Party & Implementation Date	Resources Required for Implementation
<p>Responsible Party: University Interim General Counsel and Chief Policy Officer</p> <p>Implementation Date: September 30, 2024</p>	

Corrective Action Plan

Major Gift from Gregory Gerami, Batterson Farms Corporations, The Isaac Batterson Family 7th Trust

Issue 10 (continued)	Recommendation #4
<p>FAMU Leadership Frequently Cited an NDA as a Reason for Not Disclosing or Sharing Information with the University Board of Trustees or Foundation Board of Director Members or Responding to Questions from Stakeholders and the Media. (Rpt Reference – Pgs 63 - 64)</p>	<p>Training on Non-Disclosure Agreements (NDA) Additionally, we recommend that the Office of General Counsel provide comprehensive training to appropriate staff about NDAs and the FAMU Confidentiality Agreement. This training should cover the scope of these agreements, the importance of transparency, and the circumstances under which information can and should be shared with the University Board of Trustees and other key stakeholders.</p>
Corrective Action Plan	
<ol style="list-style-type: none"> 1. Develop Training Curriculum: Create a comprehensive training curriculum that covers: <ul style="list-style-type: none"> ○ The scope and legal implications of NDAs and the FAMU Confidentiality Agreement. ○ The importance of transparency in university operations. ○ Guidelines on when and how information covered by these agreements can be shared with the BOT, BOD, and other key stakeholders. ○ Case studies or scenarios illustrating proper and improper use of NDAs and confidentiality agreements. 2. Identify Training Participants: Identify all staff members who are involved in negotiating, signing, or enforcing NDAs and confidentiality agreements, as well as those who may need to share sensitive information with the BOT or other stakeholders. This may include senior leadership, legal counsel, FAMU Foundation staff, and advancement officers. 3. Schedule and Deliver Training Sessions: Schedule and conduct training sessions for all identified participants. Ensure the sessions are interactive, allowing participants to ask questions and engage with the material. 4. Create and Distribute Reference Materials: Develop and distribute reference materials that participants can use after the training. These materials should include: <ul style="list-style-type: none"> ○ Summaries of key points from the training. ○ Quick reference guides on the scope of NDAs and confidentiality agreements. ○ Flowcharts or decision trees for determining when and how information should be shared with the BOT, BOD, or other stakeholders. 	
Responsible Party & Implementation Date	Resources Required for Implementation
<p>Responsible Party: University Interim General Counsel</p> <p>Implementation Date: November 15, 2024</p>	

The above plan was approved by:

Donald Palm, Ph.D.
Executive Vice President and Chief Operating Officer
Interim Vice President of Advancement
Interim Executive Director, FAMU Foundation

Date

Timothy Beard, Ph.D., CRC, BCMC,
President

Date