

# Governance, Audit, and Compliance Committee Meeting Agenda

Wednesday, November 15, 2022

9:00 – 10:30 AM

*Or upon the conclusion of the previous committee meeting*

Florida Polytechnic University  
Applied Research Center & via WebEx

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## MEMBERS

Mark Bostick, Chair  
Cliff Otto

Dr. Laine Powell, Vice Chair

Bob Stork

## AGENDA

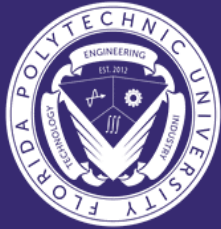
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|-------|---|---|
| I.    | Call to Order   | Mark Bostick, Chair                                   |
| II.   | Roll Call   | Sherri Pavlik   |
| III.  | Public Comment  | Mark Bostick  |
| IV.   | <a href="#">Approval of the September 21, 2022 Minutes</a><br><b>*Action Required*</b>                    | Mark Bostick  |
| V.    | <a href="#">2022-24 Governance, Audit, and Compliance Committee Work Plan</a>                             | Mark Bostick  |
| VI.   | <a href="#">Audit &amp; Compliance Update</a>   | David Blanton, CAE/CCO                                |
| VII.  | <a href="#">REVISED University Audit Risk Assessment and Audit Plan, FY23</a><br><b>*Action Required*</b> | David Blanton   |
| VIII. | <a href="#">Textbook Adoption Monitoring Review – Fall 2022</a>   | David Blanton   |
| IX.   | Regulations<br><b>*Action Required*</b>   | David Fugett<br>Vice President and<br>General Counsel |
|       | A. <a href="#">FPU-1.015 Allegations of Fraud, Waste, Abuse, or Financial Mismanagement</a>               |   |
| X.    | <a href="#">President's Evaluation for 2021-22</a><br><b>*Action Required*</b>                            | Mark Bostick  |
| XI.   | <a href="#">Renewal of President's Employment Agreement for 2023-2024</a><br><b>*Action Required*</b>     | Mark Bostick  |

XII. [President's Compensation Adjustments](#)  
**\*Action Required\***

Mark Bostick

XIII. Closing Remarks and Adjournment

Mark Bostick



# Governance, Audit, and Compliance Committee Meeting

Wednesday, September 21, 2022  
2:45 – 4:30 PM

## Florida Polytechnic University WEBEX TELE-CONFERENCE MEETING

I. Call to Order

Committee Chair Mark Bostick called the Governance, Audit, and Compliance Committee meeting to order at 2:45 p.m.

II. Roll Call

Sherri Pavlik called the roll: Committee Chair Mark Bostick, Committee Vice Chair Laine Powell, Trustee Cliff Otto, and Trustee Bob Stork were present (Quorum)

Other Trustees present: Trustee Melia Rodriguez

Staff present: President Randy Avent, Kathy Bowman, Mike Dieckmann, Dr. Allen Bottorff, David Blanton, Melaine Schmiz, Alex Landback, Kris Wharton, and Sherri Pavlik

III. Public Comment

There were no requests received for public comment.

IV. Approval of Minutes

**Vice Chair Laine Powell made a motion to approve the May 24, 2022, minutes for the Governance Committee Meeting. Trustee Cliff Otto seconded the motion; a vote was taken, and the motion passed unanimously.**

**Trustee Bob Stork made a motion to approve the May 20, 2022, minutes for the Audit and Compliance Committee Meeting. Vice Chair Laine Powell seconded the motion; a vote was taken, and the motion passed unanimously.**

V. Governance, Audit, and Compliance Committee Charter: 2022-2024

Committee Chair Bostick explained that the Committee Charter is reviewed every two years to ensure that it accurately reflects the committee's responsibilities. The charter was opened for comments. There were no further discussions.

**Trustee Cliff Otto made a motion to recommend approval of the 2022-2024 Governance, Audit, and Compliance Committee Charter to the Board of Trustees. Trustee Bob Stork seconded the motion; a vote was taken, and the motion passed unanimously.**

VI. Governance, Audit, and Compliance Committee Work Plan:2022-2024

Committee Chair Mark Bostick stated that the committee's Work Plan for 2022-2024 has been updated to ensure it accurately reflects the work done in quarterly committee meetings. The

work plan was opened for comments. There was no further discussion.

**Trustee Cliff Otto made a motion to recommend approval of the 2022-2023 Governance, Audit, and Compliance Committee Work Plan. Trustee Bob Stork seconded the motion; a vote was taken, and the motion passed unanimously.**

VII. Audit and Compliance Update

David Blanton provided the Committee with an update on all Audit and Compliance activities.

External audit updates:

- Bright Futures and FSAG Audits: These two-year audits concluded in June of 2021. There are no findings for Florida Poly.
- Information Technology Audit: An extensive audit looking at cyber security controls. Estimated to be completed by the first of the year. This audit reduces risk for this committee.
- Financial Audit: Interim fieldwork has not yet started. Blanton expects release by March 31, 2023.

Concern was expressed at the recent BOG meeting regarding two audit findings of the University's Direct Support Organization (DSO):

- Financial Audit – the University Foundation was cited for no documentation of restricted donor intent. This has been corrected and there are no further requirements for monitoring. Internal processes have been implemented to require documentation of donor intent at the time donation is received.

Crowe Report – the University Foundation was cited for the lack of segregation of accounting duties. A new employee position is slated to segregate these duties. Blanton suggested quarterly updates should be provided to this committee. A follow-up report will be provided when the corrective action is in place.

Blanton discussed upcoming projects which included textbook adoptions monitoring for Fall 2022, the Performance Based Funding (PBF) audit, and the establishment of a Risk Oversight Committee that will present periodic reporting on what has been done to identify and mitigate various risks.

VIII. UAC Annual Report – FYE 22

Blanton highlighted the completion of three (3) audit reports, five (5) compliance reports, and a self-assessment for Quality Assurance Review (QAR). He also issued reports for review of the UNF and UWF Compliance and Ethics Programs.

IX. UAC Risk Assessment & Audit Plan – FYE 23

Blanton presented the annual risk assessment and audit plan outlining the proposed work to be performed by University Audit for the 2022-23 fiscal year.

**Trustee Bob Stork made a motion to recommend approval of the University Audit Risk Assessment and Work Plan for the fiscal year ended June 30, 2023, to the Board of Trustees. Vice Chair Laine Powell seconded the motion; a vote was taken, and the motion passed unanimously.**



X. UAC Compliance & Ethics Program Plan – FYE 23

Blanton stated this plan assists the Committee with its oversight responsibility to ensure that the Plan is aligned with the University's strategic plan, objectives, and applicable risk; and that it provides for the effective use of UAC resources. Focus areas for this year include textbook affordability compliance, employment background checks, foreign influence, fraud prevention and detection, reporting system, training, and other advisory services.

Trustee Stork inquired how foreign influence is monitored. David stated that it is currently a consultative matter. The University is required to report certain relationships of interactions or transactions with foreign entities to the BOG. There have been none reported to date.

**Trustee Cliff Otto made a motion to recommend approval of the Compliance & Ethics Program Plan for fiscal year ended June 30, 2023, to the Board of Trustees. Vice Chair Laine Powell seconded the motion; a vote was taken, and the motion passed unanimously.**

XI. Independent Review of Compliance and Ethics Plan

Blanton presented the five-year review of the Compliance and Ethics Plan (CEP). The plan was completed June 2022 and was accomplished through self-assessment and external review from Chief Compliance Officers from FSU and NCF.

XII. Quality Assurance Review (QAR)

Blanton noted that this report is required by the BOG and was the first QAR for Florida Poly. The report provides assurances that audits are conducted in conformance with IIA Standards and was accomplished through self-assessment and validation by Sam McCall, an external validator.

Trustee Stork inquired about the amount Blanton's workload and asked him to keep the Committee informed should he require additional assistance in the future. Blanton stated he could possibly outsource audit tasks should risks rise to an unacceptable level.

XIII. Performance Based Funding (PBF) Audit Scope and Objectives 2022 Audit

Blanton presented the proposed scope and objectives for the upcoming PBF Data Integrity audit which is due to the BOG by March 1, 2023. He stated this is the third year of PBF participation by Florida Poly.

**Trustee Bob Stork made a motion to recommend approval of the proposed scope of the Performance Based Funding Data Integrity Audit Scope to the Board of Trustees. Vice Chair Laine Powell seconded the motion; a vote was taken, and the motion passed unanimously.**

XIV. Foundation Financial Controls Review

Blanton reiterated the external review conducted by Crowe as stated in the Audit and Compliance update: the University Foundation was cited for lack of segregation of accounting duties. A follow-up report on Foundation controls will be conducted to ensure that Foundation duties are appropriately segregated when management indicates the corrective action is in place.

XV. Regulations

Regulation FPU-1.0041 Prohibition of Discrimination in University Training or Instruction

Melaine Schmiz stated the Board of Governors adopted a regulation in regard to the recent amendments to section 1000.05(4), Florida Statutes and have expanded the definition of discrimination based on race, color, national origin, or sex to include certain enumerated concepts and prohibits the University from endorsing such concepts through mandatory training or instruction.

**Trustee Cliff Otto made a motion to recommend approval of the new regulation FPU-1.0041 Prohibition of Discrimination in University Training or Instruction to the Board of Trustees. Trustee Bob Stork seconded the motion; a vote was taken, and the motion passed unanimously.**

Regulation FPU-1.005 Discrimination and Harassment Complaint and Investigation Procedures

Schmiz stated the amendment changes to Regulation FPU-1.005 Discrimination and Harassment Complaint and Investigation Procedures were related to the previous Regulation. Updates are made in the procedures, who complaints are reported to, the process of the complaint, and how it is reported.

**Trustee Bob Stork made a motion to recommend approval of the new regulation FPU-1.005 Discrimination and Harassment Complaint and Investigation Procedures to the Board of Trustees. Trustee Cliff Otto seconded the motion; a vote was taken, and the motion passed unanimously.**

Regulation 1.0125 Fraud Prevention and Detection

Alex Landback stated that this regulation is a conversion and revision of our existing fraud prevention and detection policy to be compliant with BOG Regulation 3.003. The proposed regulation includes strategic emphasis on fraud prevention and detection strategies and provides a risk management framework that works with Blanton's Risk Oversight Committee. Upon approval of this Regulation, the Policy will be repealed.

**Trustee Cliff Otto made a motion to recommend approval of new Regulation 1.0125 Fraud Prevention and Detection to the Board of Trustees. Vice Chair Laine Powell seconded the motion; a vote was taken, and the motion passed unanimously.**

Regulation 6.005 Sick Leave

Landback presented two minor changes to this regulation. The first clarifies the job categories of employees that are eligible to accrue sick leave, and the second clarifies that faculty on nine-month contracts only accrue sick leave during the nine-month contract period.

**Vice Chair Laine Powell made a motion to recommend approval of the amendment to regulation FPU-6.005 Sick Leave to the Board of Trustees. Trustee Bob Stork seconded the motion; a vote was taken, and the motion passed unanimously.**

XVI. Policies

Policy FPU-6.0032 University Employee Bonus Plan

Landback explained this policy was created in response to the BOG regulation and Florida Statutes which allow eligible employees to receive bonuses. The policy has certain requirements, specifically that starting September 2023, the president provides an annual

report to the BOT confirming the bonus paid during the prior year complies with the bonus criteria and are within the approved University budget. The report will also include the total amount of funds allocated for performance, recruitment, or retention during that period. The policy defers the development of procedures and guidelines to the Human Resources department.

President Avent stated this is one vehicle to use for retention in the midst of a tight job market. Trustee Stork ask for clarification on the amount reported to the Board. Landback confirmed the amounts would be an accumulative total of the allotment and no individual names would be included.

**Trustee Bob Stork made a motion to recommend approval of FPU-6.0032 University Employee Bonus Plan to the Board of Trustees. Trustee Cliff Otto seconded the motion; a vote was taken, and the motion passed unanimously.**

XVII. President's Annual Review – Trustee Evaluation Instrument

Committee Chair Bostick stated that an evaluation instrument has been used to obtain feedback from each trustee as part of the president's annual evaluation process. The proposed evaluation instrument is modeled after the 2020 and 2021 evaluation instruments and the President's Operational Goals approved by the Board in May 2021.

In addition to his operational goals, Diversity, Equity, and Inclusion has been added to the evaluation. This is in response to the BOG Florida Equity Report Guidelines, section X. as it states:

*"Each university President is evaluated annually. The sections of said evaluation that address performance in the areas of diversity, equity, and inclusion need to be recorded in the Florida Equity Reports, with a narrative explain the evaluation process, outcomes, and rating scale with definitions."*

The approved evaluation instrument, along with the final report of the President's FYE 22 Accomplishments, will be sent to each Trustee in October.

Trustee Stork inquired if the Diversity, Equity, and Inclusion assessment would be added in all categories, or would it be its own category. President Avent and Landback confirmed there was only one question on the evaluation, and it would not apply to every goal.

Trustee Powell inquired if the evaluation was standard for all universities or specific to Florida Poly. President Avent and Board Chair Otto stated the evaluation instrument is specific to Florida Poly. Otto further explained that every university is given freedom to use whatever instrument they wish to evaluate their president. Florida Poly's evaluation instrument has been used the past two years with no negative criticism. Diversity, Equity, and Inclusion is the only addition to this year's instrument.

**Trustee Cliff Otto made a motion to recommend approval to the Board of Trustees of the Trustee Evaluation Instrument titled "President's Annual Review" to be used in the FYE 2022 evaluation of the President's performance. Vice Chair Laine Powell seconded the motion; a vote was taken, and the motion passed unanimously.**

XVIII. President's FYE22 Accomplishments

President Avent informed trustees that today's presentation is an aggregation of his quarterly reports to the Board. A new process for quarterly updates will include an emailed copy of the monthly Leadership Meeting minutes which will include updated accomplishments.

Avent reviewed the University's FYE22 Accomplishments, focusing on the areas of Admissions,

Student Experience, Student Progression, Curriculum, Graduate School, Efficient Administration, Advancement, Right People, and Other which included Information Technology Services, Facilities, and Diversity, Equity, and Inclusion.

Vice Chair Powell inquired if the compensation analysis presented under Right People will include faculty only or all staff. President Avent stated this study is focused on staff and will properly assign job titles and descriptions. Faculty salary data is easy to obtain, and the University has a representative group, negotiated with the Faculty, to obtain salary pay bands.

Trustee Stork stated his disappointment in the need for a new ERP. President Avent stated the University planned to go with the Workday Student Information System, however, have there have been many difficulties and a loss of confidence in their system. A consultant has been hired to review and look at different options. Mike Dieckmann stressed that CAMS is inefficient and causes steep overhead by running a non-integrated system. Workday will be given the opportunity to re-earn the University's business.

XI. Closing Remarks and Adjournment

With no further business to discuss, the meeting adjourned at 4:31 p.m.

**Florida Polytechnic University  
Governance, Audit, and Compliance Committee  
Board of Trustees  
November 15, 2022**

**Subject: 2022-2024 Governance, Audit, and Compliance Committees Work Plan**

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**Proposed Committee Action**

Review only. No action required.

**Background Information**

Trustee Mark Bostick, Governance, Audit, and Compliance Committee Chair will review the Committee's 2022-2024 Work Plan.

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**Supporting Documentation:** Governance, Audit, and Compliance Committee Work Plan 2022-2024

**Prepared by:** David Fugett, VP and General Counsel



# Committee Work Plan

## Governance, Audit, and Compliance Committee Work Plan 2022-2024

### SEPTEMBER

- Review Governance, Audit, and Compliance Committee Charter (review every two years – due September 2022)

#### Governance:

- Make recommendation on the trustee evaluation instrument to be used for President's annual review
- Review President's Outcome Metrics (for prior FY)
- Review President's Powers and Duties (if needed)

#### Audit and Compliance:

- University Operational Audit – Auditor General (*minimum every three years*)
- UAC Annual Report (*prior FY*)
- UAC Risk Assessment and Audit Plan (*current FY*)
- University Compliance and Ethics Program Plan (*current FY*)
- Performance Based Funding Audit Scope Approval

### NOVEMBER

#### Governance:

- Make recommendations to the Board on President's evaluation outcome and compensation changes
- Make recommendation to Board on renewal of President's employment agreement and any necessary changes to the agreement

#### Audit and Compliance:

- Textbook Affordability Monitoring Report (*Fall semester*)

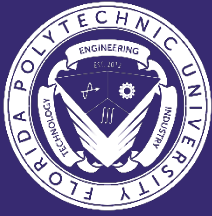
### FEBRUARY

#### Governance:

- Review Board Bylaws (review every 3 years – due 2024)
- Discuss nominations for Board Chair and Vice Chair (every 2 years - due February 2024)
- Oversee Board self-assessment (every 5 years – due February 2023)

#### Audit and Compliance:

- Performance Based Funding Audit and Data Integrity Certification
- University Annual Financial Audit (*prior FY*)
- Foundation 990 Financial Audit (*prior FY*)



# Committee Work Plan

## JUNE

### Governance:

- Make recommendation to Board on President's proposed goals for FY+1
- Discuss Board training needs
- Make recommendation on nominations for Board Chair and Vice Chair (every two years – due May 2024)

### Audit and Compliance:

- Textbook Affordability Monitoring Report (*Spring semester*)
- Bright Futures Audit (*review and approve every two years – due June 2024*)

**Florida Polytechnic University  
Governance, Audit and Compliance Committee  
Board of Trustees  
November 15, 2022**

**Subject: Audit & Compliance Update**

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**Proposed Committee Action**

Information only – no action required.

**Background Information**

David Blanton, Chief Audit Executive/Chief Compliance Officer (CAE/CCO) will provide the Committee with an update of all University audit and compliance activity including the status of all external audits and University Audit & Compliance activities and plans. Included in the update will be recent changes to the annually required Performance Based Funding (PBF) Data integrity certification.

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**Supporting Documentation:** Revised PBF Data Integrity Certification form

**Prepared by:** David A. Blanton, CAE/CCO





# Data Integrity Certification

## March 2023

In accordance with Board of Governors Regulation 5.001(8), university presidents and boards of trustees are to review, accept, and use the annual data integrity audit to verify the data submitted for implementing the Performance-based Funding model complies with the data definitions established by the Board of Governors.

Given the importance of submitting accurate and reliable data, boards of trustees for those universities designated as preeminent or emerging preeminent are also asked to review, accept, and use the annual data integrity audit of those metrics to verify the data submitted complies with the data definitions established by the Board of Governors.

**Applicable Board of Governors Regulations and Florida Statutes:** Regulations 1.001(3)(f), 3.007, and 5.001; Sections 1.001.706, 1001.7065, and 1001.92, Florida Statutes

**Instructions:** To complete this certification, university presidents and boards of trustees are to review each representation in the section below and confirm compliance by signing in the appropriate spaces provided at the bottom of the form. Should there be an exception to any of the representations, please describe the exception in the space provided.

Once completed and signed, convert the document to a PDF and ensure it is ADA compliant. Then submit it via the Chief Audit Executives Reports System (CAERS) by the close of business on March 1, 2023.

**University Name:** [Click or tap here to enter text.](#)

### Data Integrity Certification Representations:

1. I am responsible for establishing and maintaining, and have established and maintained, effective internal controls and monitoring over my university's collection and reporting of data submitted to the Board of Governors Office which will be used by the Board of Governors in Performance-based Funding decision-making and Preeminence or Emerging-preeminence Status.
2. In accordance with Board of Governors Regulation 1.001(3)(f), my Board of Trustees has required that I maintain an effective information system to provide accurate, timely, and cost-effective information about the university, and shall require that all data and reporting requirements of the Board of Governors are met.
3. In accordance with Board of Governors Regulation 3.007, my university provided accurate data to the Board of Governors Office.

## Data Integrity Certification, March 2023

4. In accordance with Board of Governors Regulation 3.007, I have tasked my Data Administrator to ensure the data file (prior to submission) is consistent with the criteria established by the Board of Governors. The due diligence includes performing tests on the file using applications, processes, and data definitions provided by the Board Office. A written explanation of any identified critical errors was included with the file submission.
5. In accordance with Board of Governors Regulation 3.007, my Data Administrator has submitted data files to the Board of Governors Office in accordance with the specified schedule.
6. I am responsible for taking timely and appropriate preventive/ corrective actions for deficiencies noted through reviews, audits, and investigations.
7. I recognize that Board of Governors' and statutory requirements for the use of data related to the Performance-based Funding initiative and Preeminence or Emerging-preeminence status consideration will drive university policy on a wide range of university operations – from admissions through graduation. I certify that university policy changes and decisions impacting data used for these purposes have been made to bring the university's operations and practices in line with State University System Strategic Plan goals and have not been made for the purposes of artificially inflating the related metrics.
8. I certify that I agreed to the scope of work for the Performance-based Funding Data Integrity Audit and the Preeminence or Emerging-preeminence Data Integrity Audit (if applicable) conducted by my chief audit executive.
9. In accordance with section 1001.706, Florida Statutes, I certify that the audit conducted verified that the data submitted pursuant to sections 1001.7065 and 1001.92, Florida Statutes [regarding Preeminence and Performance-based Funding, respectively], complies with the data definitions established by the Board of Governors.

Exceptions to Note: [Click or tap here to enter text.](#)

# Data Integrity Certification, March 2023

## Data Integrity Certification Representations, Signatures:

*I certify that all information provided as part of the Board of Governors Data Integrity Certification for Performance-based Funding and Preeminence or Emerging-preeminence status (if applicable) is true and correct to the best of my knowledge; and I understand that any unsubstantiated, false, misleading, or withheld information relating to these statements render this certification void. My signature below acknowledges that I have read and understand these statements. I certify that this information will be reported to the board of trustees and the Board of Governors.*

Certification: \_\_\_\_\_  
University President

Date: \_\_\_\_\_

*I certify that this Board of Governors Data Integrity Certification for Performance-based Funding and Preeminence or Emerging-preeminence status (if applicable) has been approved by the university board of trustees and is true and correct to the best of my knowledge.*

Certification: \_\_\_\_\_  
University Board of Trustees Chair

Date: \_\_\_\_\_

**Florida Polytechnic University  
Governance, Audit and Compliance Committee  
Board of Trustees  
November 15, 2022**

**Subject: REVISED University Audit Risk Assessment and Audit Plan, FY23**

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**Proposed Committee Action**

Recommend approval of the revised University Audit Risk Assessment and Audit Plan for the 2022-23 fiscal year to the Board of Trustees.

**Background Information**

As required by the Internal Audit Charter, Florida Board of Governors Regulations, and Internal Auditing Standards, audits are to be scheduled and performed according to a risk-based annual plan which shall be submitted to the President, the AACC, and the Board of Governors. The goal of the Plan is to effectively use audit resources and provide audit coverage to areas with the greatest known risks and to dedicate sufficient time in administering the Compliance and Ethics Program.

The Plan should be reviewed by the Committee to ensure it is consistent with expectations for University Audit with respect to risk, planned audits, and other activities performed by the audit function. The Plan may be updated, as necessary throughout the year, to reflect changes in the University's strategic plan, program initiatives, and external environment factors along with accommodating requests from the Board of Trustees and University management.

NOTE re: the revision: The Plan stands as previously approved; however, hours have been shifted from other activities in order to add a follow-up review on the Foundation's internal control deficiency, as identified in the Crowe report.

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**Supporting Documentation:** University Audit Risk Assessment and Audit Plan, 2022-23 FY (Report No. 2023-02R).

**Prepared by:** David A. Blanton, CAE/CCO



**FLORIDA POLYTECHNIC**  
UNIVERSITY

**University Audit**  
**Risk Assessment & Work Plan ~ REVISED**  
**For the Fiscal Year Ended June 30, 2023**  
**Report No: FPU 2023-02R**  
**October 2023**

Note: This amended Audit Plan only includes portions of the full Risk Assessment and Audit Plan for FYE23. Please see report No. 2023-02, approved by the Audit & Compliance Committee on September 21, 2022, for the full report.

## Risk Areas

The following areas were determined to present the highest risk using the risk assessment methodology or represent audits or reports that are required to be completed:

Rank	Audit Risk Area	Objectives/Purpose of Audit or Activity	Notes
1	Performance Based Funding (PBF) Data Integrity Audit	As required, to determine whether the University has established adequate controls to properly report on the various metrics related to PBF.	A
2	Annual Report – FYE22	As required, this report summarizes the audit activities for University Audit and facilitates proper oversight by the AACC.	
3	Risk Assessment & Audit Plan - FYE23	As required, to effectively use audit resources to provide audit coverage to areas with the greatest known risks and other required audit activities.	
4	Quality Assurance Review (QAR)	As required, an external review of the audit function to determine conformance with Institute of Internal Auditors (IIA) Standards.	B
5	Foundation Follow-up	To determine whether controls have been properly implemented to adequately correct the segregation of duties finding included in the Crowe "Review of Internal Controls for University Support Organizations Report".	C
6	Asset Accountability	To determine whether appropriate controls exist to adequately account for University capital asset acquisitions (for both capitalized assets and highly desirable assets under the capitalization threshold).	
7	Expense Cards	To determine whether appropriate controls exist over the issuance and use of University-issued expense cards.	
Notes:			
A – PBF audit and BOT data certification is required to be presented to the BOG by March 1, 2023. This is the third year that Florida Poly will participate in the funding for PBF and a condition of participation is an audit of the data integrity supporting the metrics developed to measure performance. Consequently, this is ranked highest priority for the 2022-23 Plan year.			
B – University Audit completed the self-assessment in FYE22 and an external validator is contracted to complete final report in early FYE23.			
C- Risk not originally included on audit plan approved September 21, 2022, and thus plan amended to include follow up to this audit finding. The project will commence once the Foundation has hired an additional accountant.			

The following Work Plan summarizes planned activity pursuant to the risk-based assessment, required audits, and available hours for UAC to administer the audit and compliance functions at the university:

<b>Florida Polytechnic University University Audit &amp; Compliance Work Plan (A) 2022-23 Fiscal Year</b>		
Activity	Estimated Hours	Total Hours
<b>ADMINISTRATIVE ACTIVITIES:</b>		220
Periodic meetings with President/Board	40	
BOG Communications	40	
Prepare Audit & Compliance Liaison Materials and Attend Briefings	120	
Other	20	
<b>INVESTIGATIVE ACTIVITIES:</b>		100
Complaint Intake, Preliminary Inquiries, Investigations (C)	100	
<b>COMPLIANCE ACTIVITIES:</b>		400
Administration of the Compliance and Ethics Program	400	
<b>AUDITING ACTIVITIES:</b>		896
UAC Risk Assessment and Audit Plan 2022-23	80	
UAC Annual Report	30	
Performance Based Funding Data Integrity Audit	430	
Foundation Follow-up to Crowe Report	40	
Expense Card Audit	140	
Asset Accountability Audit	140	
QAR/Peer Review (B)	36	
<b>MANAGEMENT ADVISORY/CONSULTING ACTIVITIES:</b>		140
Various (C)	140	
<b>TRAINING ACTIVITIES:</b>		120
Webinars, SUS Committees, and Continuing Professional Education	120	
<b>Total Estimated Hours</b>	<b>1,876</b>	<b>1,876</b>
Notes:		
(A) This annual work plan is subject to change based on requests made by the Board to evaluate particular programs or activities.		
(B) Estimated hours only relates to facilitating external reviewer since the self-assessment for the QAR was performed by UAC in the prior fiscal year.		
(C) Estimated hours for investigations and management advisory services not readily quantifiable and could change significantly depending on the number of allegations, investigations, and/or consulting requests.		

*Note: Reallocated 20 hours from investigative activities and 20 hours from management advisory/consulting activities to amend plan for Foundation Follow-up to Crowe Report.*

**Florida Polytechnic University  
Governance, Audit and Compliance Committee  
Board of Trustees  
November 15, 2022**

**Subject: Textbook Adoption Monitoring Review – Fall 2022**

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**Proposed Committee Action**

Information only. No action required.

**Background Information**

University Compliance conducted a monitoring review over textbook adoptions, to determine compliance with State law. State law requires each university to post prominently in the course registration system and on its website, as early as feasible, but at least 45 days before the first day of class for each term, a hyperlink to lists of required and recommended textbooks and instructional materials for at least 95 percent of all courses and course selections offered at the university during the upcoming term. Additionally, the new requirements in State law related to required textbook listing information was included in the scope of the review.

The university contracts with a bookstore vendor (vendor) to manage and operate the bookstore. The university notifies the vendor of adoptions and the vendor is responsible for subsequently posting the adopted textbooks and instructional materials on the vendor website. At the request of the university, the vendor provided a course file report evidencing the dates that (1) university staff communicated the adoption and (2) the subsequent posting of such information by the vendor to their website.

In conducting this interim monitoring review, University Compliance included a review of the vendor course file, university records, analytical review procedures, and inquiries to arrive at the conclusions reached and summarized in the monitoring review report. This monitoring report assists the Committee in their oversight responsibility and consideration of this matter which has been cited as audit findings in several recent operational audits.

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**Supporting Documentation:** UAC Report No. 2023-04, Textbook Adoptions Compliance Monitoring Review – Fall 2022

**Prepared by:** David A. Blanton, CAE/CCO





FLORIDA POLYTECHNIC  
UNIVERSITY

**Report No: FPU 2023-04**

**October 2022**

**University Audit & Compliance  
Textbook Adoptions  
Compliance Monitoring Review  
Fall 2022**

David A. Blanton, CPA, CCEP  
Chief Audit Executive and Chief Compliance Officer

**University Audit & Compliance  
Textbook Adoptions Compliance Monitoring Review  
Fall 2022 Semester**

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University Audit and Compliance (UAC) is employed by the University. UAC's mission is to serve the University by recommending actions to assist in achieving its strategic and operational objectives. This assistance includes evaluating and providing assurance of activities designed and implemented by management to strengthen internal controls, reduce risk to and waste of resources, and improve operations to enhance the performance and reputation of the University. Accordingly, this report is intended solely for the use of University management and its various oversight authorities and is not intended for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

## I. Background and Monitoring Approach

Pursuant to the Audit Work Plan<sup>1</sup> approved by the Audit & Compliance Committee, University Audit and Compliance (UAC) conducted a monitoring review over compliance with textbook affordability laws<sup>2</sup> for the Fall 2022 semester. This monitoring review was performed as a result of the risk assessment prepared by UAC for the 2022-23 fiscal year and as a result of recurring findings in the State Auditor General's operational audits<sup>3</sup>. The university may be subjected to additional oversight and accountability<sup>4</sup> by both the Board of Governors and the Joint Legislative Auditing Committee due to the recurrence of noncompliance in this area for the last three operational audits.

State law<sup>2</sup> requires each university to post prominently in the course registration system and on its website, as early as feasible, but at least 45 days before the first day of class for each term, a hyperlink to lists of required and recommended textbooks and instructional materials for at least 95 percent of all courses and course selections offered at the university during the upcoming term. Additionally, new legislation requires each university to maintain textbook listings in a searchable database and that such information is archived for the last five years.

The university contracts with a bookstore vendor (vendor) to manage and operate the bookstore. The university notifies the vendor of adoptions, and the vendor is responsible for subsequently posting the adopted textbooks and instructional materials on the vendor website. At the request of the university, the vendor provided a course file report evidencing the dates that (1) university staff communicated the adoption and (2) the subsequent posting of such information by the vendor to their website.

Procedures performed by UAC in conducting this monitoring review included review of the vendor course file and university records, analytical review procedures, and inquiries to arrive at the conclusions reached in **Section III** of this report. This monitoring review and the related report was not conducted pursuant to *Institute of Internal Auditing Standards*.

## II. Entrance/Exit Conference

**Entrance Conference:** At the inception of the monitoring review, UAC communicated with university academic and institutional research staff to explain the purpose and the scope of the monitoring review and to establish a timeline for completion.

**Exit Conference:** At the conclusion of the monitoring review, UAC communicated with university academic and institutional research staff to discuss the results of the review. A summary of the findings/observations was provided, and corrective action was discussed.

<sup>1</sup> UAC Compliance and Ethics Program Plan for the Fiscal Year Ended June 30, 2023.

<sup>2</sup> Section 1004.085(5), Florida Statutes

<sup>3</sup> Auditor General operational audit report Nos. 2016-067, 2018-214, and 2021-008.

<sup>4</sup> Pursuant to BOG Regulation 4.004 and Section 11.45(7)(j), Florida Statutes.

### III. Monitoring Results

UAC performed monitoring procedures over textbook adoptions and compliance with applicable laws for the Fall 2022 semester. **Table 1** below outlines various compliance requirements applicable to this review and provides an indication as to whether appropriate controls have been designed and implemented to ensure compliance for each requirement. Detailed findings or observations for any noncompliance referenced in the tables below are included in **Section IV** of this report.

Table 1 Textbook Affordability Compliance Criteria			Finding #
1.	The university complied with the requirement that a hyperlink to lists of required and recommended textbooks and instructional materials for at least 95 percent of all courses and course selections offered at the University for the Fall 2022 term was prominently posted in the course registration system and on its website at least 45 days prior to the first day of class.	<input checked="" type="checkbox"/>	-
2.	Exceptions to the compliance deadline were properly submitted in writing to the designated university official and outlined reasonable justification for the exception in accordance with Board of Governors (BOG) Regulation 8.003(1)(h).	<input checked="" type="checkbox"/>	-
3.	The University accurately and timely reported textbook adoptions to the Chancellor of the State University System by September 30, 2022, as required <sup>5</sup> .	<input checked="" type="checkbox"/>	-
4.	The list of required and recommended instructional materials included the International Standard Book Number (ISBN) <u>or</u> all other required identifying information which must include, at a minimum, all of the following: the title, all authors listed, publishers, edition number, copyright date, published date, and other relevant information necessary to identify the specific textbooks or instructional materials required and recommended for each course.	<input type="checkbox"/>	1
5.	The list of required and recommended instructional materials was searchable by course subject, course number, course title, instructor name, title of textbook or instructional material, and by author.	<input type="checkbox"/>	1
6.	The list of required and recommended instructional materials was easily downloadable by current and prospective students.	<input checked="" type="checkbox"/>	-
7.	The list of required and recommended instructional materials was complete and included all courses offered in the Fall 2022 term.	<input type="checkbox"/>	1
8.	The list of required and recommended instructional materials remained posted for at least 5 academic years.	n/a	-

**LEGEND:**

- Appropriate controls in place to ensure compliance for this requirement.
- Processes need to be enhanced to ensure compliance for this requirement.

<sup>5</sup> The "Textbook and Instructional Materials Affordability Annual Report" was presented to and approved by the Florida Poly Board of Trustees on September 28, 2022 and was accepted by the BOG on September 30, 2022.

#### **IV. Findings/Instances of Non-compliance**

As noted in **Table 2** below, the university complied with the requirement that a hyperlink to lists of required and recommended textbooks and instructional materials for at least 95 percent of all courses and course selections offered at the University for the Fall 2022 term was prominently posted in the course registration system and on its website at least 45 days prior to the first day of class.

<b>Table 2 Textbook and Instructional Materials Textbook Posting Dates<sup>6</sup> Fall 2021 Term</b>	
Timely Course Sections	318
Late Course Sections	2
Total Course Sections	320
Percent Timely	99.4%

UAC was able to conclude that the University had established appropriate controls to ensure material compliance with the timeliness of textbook adoption requirements; however, as noted below, certain enhancements are necessary to ensure full compliance with the revised law.

#### **Finding 1: University Listing of Instructional Materials - Required Information and Completeness**

Significant changes to existing State law<sup>7</sup> were enacted that require the university to maintain listings of instructional materials and textbooks. These changes, identified in **Table 1** items 4 through 8, represent the newly enacted requirements. In addition to the information posted and made available to students by the bookstore vendor, the university maintains its own listing on the university Registrar's webpage. In reviewing what the new legislation requires and what the university has implemented for the Fall 2022 semester, UAC noted the following matters that require enhanced controls and/or processes to ensure conformance with the new requirements:

- The law requires either the ISBN or certain other specified information be included in the listing to identify the instructional materials for each course section. The university included most of the required information in their listing; however, course subject, course title, publication date, and copyright date were not included as required by law.
- Since course subject and course title were not included in the university's listing, the downloaded listing was not searchable by these criteria, as required by law.

<sup>6</sup>Posting date as reflected in vendor course file report and/or University listing dated 7/8/22.

<sup>7</sup> Section 1004.085, Florida Statutes (2022), effective 7/1/22.

- UAC noted that 20 course sections posted by the bookstore vendor for Fall 2022 were not included on the listing published by the university. UAC was advised that 11 of these course sections utilized a new software product which required significant lead time for the bookstore vendor to get the SKU's assigned for these first-time adopted products. As a result, they were not included on the university's listing. The remaining 9 course sections not included on the university's listing were due to courses added after the 45-day deadline. Controls and processes should be enhanced to reconcile both listings to ensure all course sections are posted on the university's final listing.

The university is working with the bookstore vendor to include the missing information identified in the first two bullets above in its textbook listing and has indicated that all SUS institutions are experiencing this same matter of noncompliance. The university will enhance controls to ensure that final course offerings are reconciled and in agreement with final courses offered to address the third bullet above.

## V. Other Observations

As summarized in table 3 below, UAC performed similar compliance monitoring reviews for previous semesters. The results of recent monitoring efforts indicate the university has maintained compliance with State law over timely adoptions for the last four semesters.

<b>Term</b>	<b>UAC Report No.</b>	<b>Result</b>
Fall 2022	2023-04	Compliant
Spring 2022	2022-07	Compliant
Fall 2021	2022-05	Compliant
Spring 2021	2021-07	Compliant
Fall 2020	2021-05	Non-compliant <sup>8</sup>

BOG Regulations over textbook adoptions were amended in September 2020 to require innovative pricing techniques and payment options for course materials include opt-out and opt-in provisions for students. In the most recent Annual Textbook and Instructional Materials Affordability Report filed with the BOG (2022), the university indicated that the opt-in provision was evaluated through

<sup>8</sup> Compliance review concluded that the university adopted timely; however, new bookstore vendor did not maintain sufficient evidence/records of posting necessary to demonstrate compliance with State law.

the bookstore vendor and did not identify any cost savings due to low volume. The University responded that this option would continue to be evaluated over time.

UAC would like to extend gratitude to Zaira Medina for her assistance with these monitoring efforts and for enhancing controls to ensure compliance.

## **VI. References and Technical Assistance**

Listed below are the applicable guidelines and other information related to textbook adoption compliance used by UAC to set the scope of this monitoring review:

- Florida Poly Regulation FPU-5.003, Textbook and Instructional Materials Selection and Affordability
- Section 1004.085(5), Florida Statutes
- Section 1004.085(7), Florida Statutes
- BOG Regulation 8.003, Textbook and Instructional Materials Affordability

**Florida Polytechnic University  
Governance, Audit, and Compliance Committee  
Board of Trustees  
November 15, 2022**

**Subject: FPU-1.015 Allegations of Fraud, Waste, Abuse or Financial Mismanagement**

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**Proposed Committee Action**

Recommend to the Board of Trustees the approval of the regulation amendment **FPU-1.015 Allegations of Fraud, Waste, Abuse or Financial Mismanagement.**

**Background Information**

This regulation is amended to align with Board of Governors (BOG) Regulation 4.001, which was amended by the BOG on June 30, 2022. This regulation also updates the reference in (5), as policy FPU-1.0125P has been repealed and replaced by regulation FPU-1.0125 (approved by the Board of Trustees on September 28, 2022).

The Notice of Amended Regulation was posted on the University's website on October 14, 2022. No comments were received during the review and comment period.

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**Supporting Documentation:**

1. Draft regulation amendment FPU-1.015 Allegations of Fraud, Waste, Abuse or Financial Mismanagement
2. BOG Regulation 4.001 University System Process for Complaints of Fraud, Waste, Abuse or Financial Mismanagement

**Prepared by:** Alex Landback, Associate General Counsel



**THE FLORIDA POLYTECHNIC UNIVERSITY BOARD OF TRUSTEES  
NOTICE OF REGULATION AMENDMENT**

**REGULATION NUMBER AND TITLE: FPU-1.015 Allegations of Fraud, Waste, Abuse, or Financial Mismanagement.**

**SUMMARY OF THE REGULATION:** This regulation is amended to align with Board of Governors (BOG) Regulation 4.001, which was amended by the BOG on June 30, 2022. This regulation also updates the reference in (5), as policy FPU-1.0125P has been repealed and replaced by regulation FPU-1.0125 (approved by the Board of Trustees on September 28, 2022).

**TEXT OF REGULATION:** The full text of the Regulation Amendment can be viewed below and on the Florida Polytechnic University Board of Trustees website, at <https://floridapoly.edu/university-policies-regulations-rules.php>. If you would like a copy of the Regulation Amendment, please contact Sherri Pavlik, Executive Assistant to VP and General Counsel, (863) 874-8412 or [ogc@floridapoly.edu](mailto:ogc@floridapoly.edu).

**AUTHORITY:** Article IX, Sec. 7, Fla. Constitution; Board of Governors Regulations 1.001, 3.003, 4.001.

**NAME OF PERSON INITIATING PROPOSED REGULATION AMENDMENT:** Dr. Allen Bottorff, Vice President, Finance and Administration

**ANY PERSON SEEKING TO COMMENT ON THE PROPOSED REGULATION MUST SUBMIT COMMENTS IN WRITING TO THE CONTACT PERSON LISTED BELOW. ALL WRITTEN COMMENTS MUST BE RECEIVED BY THE CONTACT PERSON WITHIN 14 CALENDAR DAYS OF THE DATE OF PUBLICATION OF THIS NOTICE.**

**THE CONTACT PERSON REGARDING THIS PROPOSED REGULATION AMENDMENT IS:** Alex Landback, Associate General Counsel at 4700 Research Way, Lakeland, Florida 33805, Email: [ogc@floridapoly.edu](mailto:ogc@floridapoly.edu), Phone: (863) 874-8487, Fax: (863) 874-8716.

**DATE OF PUBLICATION:** October 14, 2022

**THE FULL TEXT OF THE REGULATION AMENDMENT IS ATTACHED TO THIS NOTICE.**

## THE FLORIDA POLYTECHNIC UNIVERSITY BOARD OF TRUSTEES

### FPU-1.015 Allegations of ~~Waste, Fraud, Waste, Abuse, or~~ Financial Mismanagement, ~~Misconduct, and Other Abuses.~~

- (1) **Purpose.** This regulation addresses the responsibility for detecting and reporting any significant and credible allegation(s) of fraud, waste, abuse, financial mismanagement, misconduct and other abuses in accordance with Board of Governors (“BOG”) Regulation 4.001.
- (2) **Responsibilities and Authority of the Chief Audit Executive.** The Florida Polytechnic University Board of Trustees (“Board”) designates the University Chief Audit Executive (“CAE”) as the official university contact for reporting and investigating allegations of suspected waste, fraud, abuse, financial mismanagement, misconduct, and other abuses and to review statutory whistle-blower information and coordinate all activities of the university as required by the Florida Whistle-blower’s Act (112.3187, F.S.). Upon the CAE’s receipt of a complaint alleging suspected waste, fraud, mismanagement, misconduct, or other abuses, the CAE will evaluate the nature of the complaint(s) and suspected activity and whether the allegation is significant and credible to determine if an investigation is warranted. University policies will be promulgated to implement this process.
- (3) **Allegations Made Against the President or a Board Member.** The CAE shall provide timely notification to the BOG, through the OIGC, of any significant and credible allegation(s) of fraud, waste, abuse, financial mismanagement, misconduct, and other abuses made against the university president or a Board member. Such allegations will be handled as follows:
  - (a) **Initial Review and Preliminary Inquiry.** The Chair of the Board (or the Chair of the Audit and Compliance Committee if the allegations involve the Board Chair), in consultation with the Chair of the Board of Governors, shall review the matter and may ask the OIGC to conduct a preliminary inquiry, in accordance with section 10.2.a of the OIGC charter.
  - (b) **Investigation.** If, as a result of the review and/or preliminary inquiry, it is determined that an investigation is warranted, it shall take one of the following forms:
    1. The Board will hire an independent outside firm to conduct the investigation with OIGC guidance and monitoring; or
    2. The OIGC will perform the investigation.
  - (c) **Subject’s Response to Investigation Report.** At the conclusion of such investigation, the investigator’s report shall be submitted to the subject, who shall have twenty (20) working days from the date of the report to submit a written response.
  - (d) **Investigator’s Rebuttal to Subject’s Response.** If the subject submits a written response to the investigation report, the investigator may, within ten (10) working days from receipt of the written response, create a rebuttal to the response.

(e) Final Report. The subject's response and the investigator's rebuttal to the response, if any, shall be included in the final report ~~presented~~provided to ~~the chair of the Board~~ Chair of Trustees and the Board of ~~Governor's Audit and Compliance Committee~~Governors.

- (4) **Allegations Made Against the Chief Audit Executive or Chief Compliance Officer.** If any allegation of fraud, waste, abuse, financial mismanagement, misconduct, or other abuses is made against the chief audit executive or chief compliance officer, the General Counsel will serve as the official contact for reporting and investigating such suspected fraudulent or wrongful acts and misconduct. If such allegation is significant and credible, the General Counsel will timely notify the Board of Governors, through the OIGC. The investigation will then be handled in accordance with paragraph (4) above.
- (5) **Alternate Authority Designation.** In the absence of a CAE the Office of the General Counsel shall assume the responsibilities and authority delegated to the CAE herein and in accordance with University ~~Policy~~Regulation FPU-1.0125~~P~~ *Fraud Prevention and Detection*.

*Authority: BOG regulation 4.001*

*History: New: 3.16.17; Amended: MM.DD.YYYY*

#### **4.001 University System Processes for Complaints of Fraud, Waste, Abuse, or Financial Mismanagement**

- (1) The Office of Inspector General and Director of Compliance (OIGC) for the State University System of Florida Board of Governors shall be organized to promote accountability, efficiency, and effectiveness, and to detect fraud and abuse within state universities. The OIGC charter is incorporated herein by this reference.
- (2) Each board of trustees shall have a process for university staff, faculty, students, and board of trustees' members to report allegations of fraud, waste, abuse, or financial mismanagement to the university chief audit executive.
- (3) Significant and credible allegations are those that, in the judgment of the chief audit executive, require the attention of those charged with governance and have indicia of reliability. For significant and credible allegations of fraud, waste, abuse, or financial mismanagement within the university and its board of trustees' operational authority, the chief audit executive shall timely provide the OIGC sufficient information to demonstrate that the board of trustees is both willing and able to address the allegation(s). If the information provided by the chief audit executive does not clearly demonstrate that the board of trustees is both willing and able to address the allegation(s), then the OIGC will conduct a preliminary inquiry in accordance with section 10.2.a of the OIGC charter.
- (4) Upon the OIGC's receipt of a complaint, the OIGC will evaluate the nature of the allegation(s) to determine operational authority, proper handling, and disposition. University-related allegations will be handled as described below:
  - (a) Such allegations will be referred to the university chief audit executive for appropriate action without regard to the final responsible entity at the university. As appropriate, a copy of the referral will be provided to the chief compliance officer and general counsel. For significant and credible allegations of fraud, waste, abuse, or financial mismanagement, the chief audit executive shall provide the OIGC with university action and final case disposition information sufficient to demonstrate that the board of trustees was both willing and able to address such allegations.
  - (b) When case disposition information does not clearly demonstrate that the board of trustees was both willing and able to address significant and credible allegation(s), then the OIGC will conduct a preliminary inquiry in accordance with section 10.2.a of the OIGC charter.
- (5) Each board of trustees shall adopt a regulation which requires timely notification to the Board of Governors, through the OIGC, of any significant and credible allegation(s) of fraud, waste, mismanagement, misconduct, and other abuses made against the

university president or a board of trustees' member. Such allegations will be handled as follows:

- (a) The chair of the board of trustees (or chair of the board of trustees' audit and compliance committee if the allegations involve the board chair), in consultation with the chair of the Board of Governors, shall review the matter and may ask the OIGC to conduct a preliminary inquiry, in accordance with section 10.2.a of the OIGC charter. If it is determined by the chair of the board of trustees (or chair of the board of trustees' audit and compliance committee if the allegations involve the board chair) and the chair of the Board of Governors or through an OIGC preliminary inquiry that an investigation is warranted, it shall take one of the following forms:
  1. The board of trustees will hire an independent outside firm to conduct the investigation with OIGC guidance and monitoring; or
  2. The OIGC will perform the investigation.
- (b) At the conclusion of such investigation, the report shall be submitted to the subject, who shall have twenty (20) working days from the date of the report to submit a written response. The subject's response and the investigator's rebuttal to the response, if any, shall be included in the final report provided to the board of trustees and the Board of Governors.

(6) The board of trustees' regulation shall articulate how the university will address any significant and credible allegation(s) of fraud, waste, abuse, or financial mismanagement, misconduct, and other abuses made against the chief audit executive or chief compliance officer.

Authority: Section 7(d), Art. IX, Fla. Const.; History: New 11-3-16, Amended 06-30-22.

**Florida Polytechnic University  
Governance, Audit, and Compliance Committee  
Board of Trustees  
November 15, 2022**

**Subject: President's Evaluation for 2021-22**

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**Proposed Committee Action**

Recommend approval of the document "*President's Annual Review, July 2021-June 2022, Composite of the Trustees' Evaluations*" as the document reflecting the President's annual evaluation for 2021-22 to the Board of Trustees.

**Background Information**

Pursuant to the President's employment contract and the Board of Trustees Policy on Annual Review of the President, the Board of Trustees must conduct an annual review and assessment of the President's performance. The purpose of the annual review process is to enable the President to strengthen his performance; to inform the Board's decisions on compensation adjustments and other terms of the President's employment; and to enable the President and the Board to set mutually agreeable goals.

The Governance Committee has the responsibility for organizing and conducting the annual review process with the President and making recommendations related to the outcome of the annual review process to the full Board.

1. **Self-Evaluation.** The President's FY22 Institutional Accomplishments was provided to the Board of Trustees in early October and was used as part of the evaluation process. In addition, a copy of the self-evaluation was provided to the Board of Governors, as required.
2. **Evaluation Instrument.** As part of the formal review process, an evaluation instrument was distributed, along with the President's FY22 Institutional Accomplishments, to the Trustees for completion. The results from the evaluation instrument are compiled and are provided to the Governance Committee to assist in formulating its recommendation on the outcome of the President's evaluation.

Chair Cliff Otto met with Chancellor Marshall Criser to discuss President Avent's evaluation as required.

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**Supporting Documentation:**

1. President's Institutional Accomplishments FY22
2. Composite of the Trustees' Evaluations (July 2021 to June 2022)
3. Florida Polytechnic University Board of Trustees Policy on Annual Review of the President, in pertinent part

**Prepared by:** David Fugett, VP and General Counsel



# **INSTITUTIONAL ACCOMPLISHMENTS FY22**

## **FLORIDA POLYTECHNIC UNIVERSITY**

Final Report  
to the Board of Trustees  
on FY22 Operational Goals

Randy K. Avent  
October 2022



# Performance Metrics

	FY21	Peers	FY22 GOALS	FY22 RESULTS	
<b>RANKING</b>					
USNWR Regional			<40	1	●
USNWR Engineering			<60	59 (All) 28 (Public)	● ●
<b>DEGREE ALIGNMENT</b>					
% Graduates Employed or Enrolled	74.1%		75%	70%	●
Median Wages for BS Graduates	\$ 56,300		\$ 54,000	\$ 54,400	●
% BS Programs in Strategic Emphasis	100.0%	79%	100.0%	100.0%	●
% Grad Programs Strategic Emphasis	100.0%	67%	100%	100%	●
<b>STUDENT SUCCESS</b>					
FTIC 4-year Graduate Rate	34%	37%	41%	41%	●
Academic Progress Rate	77%	82%	66%	75%	●
% HS students in top 10%	25%		22%	32%	●
% BS Degrees w/o Excess Hours	89%		75%	89%	●
6-Yr Graduation Rate	50.0%	65%	56%	57%	●
Time-to-Degree	4		4.4	3.9	●
<b>ECONOMIC DEVELOPMENT</b>					
% BS with 2+ Workforce Experiences	85%		84%	84%	●
Research Expenditures (\$K)	\$ 1,091		\$ 1,013	\$ 1,325	●
Number BS Degrees Awarded	293	867	251	218	●
Number Grad Degrees Awarded	15	554	26	34	●
UG Headcount	1267	4161	1300		●
G Headcount	48	1482	59		●
<b>AFFORDABILITY</b>					
Average Cost to Student	\$ (7,450)	\$ 22,265	\$ 2,000	\$ 2,000	●
University Access Rate	34%	26%	32%	31%	●
% 15+ Hours	32%		32%	32%	●
% Instruction Online	0%		10%	0%	●





# Institutional Accomplishments 2021-2022

## 1. ADMISSIONS

### INCREASE THE NUMBER, QUALITY, AND DIVERSITY (RACIAL, GENDER AND GEOGRAPHIC) OF OUR STUDENT POPULATION

The Admissions team focused its efforts on converting FTIC applicants into enrollments primarily through increased advertisements on social media sites and enhanced exposure with national search partners. A robust Search Engine Optimization (SEO) program strengthened brand awareness and fueled an increased number of applications across FTIC, transfer, and graduate students. Additionally, new international agents were added to increase international applications.

Pipeline programs centered around diversity initiatives continued to drive applications through programs such as STEM Tech Days; Game Expo Day; First-Year STEM and Coding Certificate program; a new summer STEM academy; Girl Scout programming; as well as targeting specific High Schools to support teachers with an online Calculus tutoring program.

Data supports an increase of applicants from 2,335 in FY21 to 3,082 in FY22; however, actual deposits declined from 707 to 631 and actual enrollments declined from 629 to 554 over the same period. We attribute this decline to lack of available housing on campus. Graduate students enrolled declined from 29 to 22, attributed to the increased number of jobs available in the market.

The quality of FTIC students remains strong with the percentage of incoming students with high school pre-calculus or greater increased from 92% to 95%. Diversity increased in four out of five categories, including female, Black/African American, out-of-state, and international students. Latino diversity decreased slightly from 24% to 21%.

Branding and national rankings remain important to our growth, so a significant effort was invested on a national ranking campaign. For a second year in a row, the University remained the No. 1 public college in the South by U.S. News and World Report. The University also ranked third among all top colleges in the region – both public and private. Other key rankings we received this year included:

- #28 of 230 public engineering program without a Ph.D.
- #1 best college in the region for veterans
- #2 among schools in the region whose students graduate with the least student debt
- One of the top 30 best value schools in the region, factoring academic quality and cost after total expenses and financial aid

## 2. STUDENT EXPERIENCE

### CREATE A STUDENT-FACING EXPERIENCE THAT RESULTS IN A HIGH NET PROMOTOR SCORE (NPS) WHILE NOT BEING A “HELICOPTER UNIVERSITY”

The Office of Student Affairs directed efforts to develop well-rounded students through programs supporting mental and physical health, residential and campus life, and career development. The new Peer Health Educator (PhE) program focused on mental fitness and stress reduction, and a new campaign launched providing support mechanisms for disabled students. To augment physical fitness and recreational activities, 11 intramural and 10 sports teams competed against other universities.

Student leadership programs across the University joined together to enhance development of leadership skills, while new students participated in a four-phased expanded orientation program, providing a solid foundation for their success. Students were further supported through a new Residential Life contract with Vestcor that includes four new programs around community, engagements, and connections.

Career development continued as a top priority for our students. We hired an Internship Coordinator and held Career Fairs with 92 companies participating. Several individual Campus Days were held for numerous companies giving students exposure to both employment openings and company culture.

Much time was spent by administration and the Board to determine how to best address the need for additional student housing. As a result, we engaged Brailsford & Dunlavy as our primary advisor for the next phase of on-campus housing. Subsequently we issued an Invitation to Negotiate (ITN) to solicit proposals and selected Capstone Development Partners with whom we entered pre-development agreements with Board of Trustees approval. The Division of Bond Financing offered public financing using a tax-exempt bond issued by the State of Florida, contingent on meeting Board of Governors requirements and approval.

### **3. STUDENT PROGRESSION**

**HELP STUDENTS SUCCEED WHILE AT FLORIDA POLY (E.G., APR, GRADUATION RATES, ...) AND AFTER (E.G., HIGH-DEMAND MAJORS, HARD & SOFT SKILLS, ...)**

We recognized early in 2022 that our Performance Based Funds (PBF) numbers had suffered as they relied more on improvement points versus excellence points. In response, Academic Affairs implemented the “Freshman Initiative” which created tighter controls on registration with careful course-load balancing across semesters based on past academic performance. Additionally, we began building a “Freshman Council” by creating Freshman course guidelines and replaced the Academic Professional Skill class with a hands-on, team-based class that creates better student engagement. Forgiveness pathways were created to improve student retention and an Academic Review Board was created to build a culture of responsibility. Partnering with The LearnWell Project provided Peer Learning Strategies for students. Thanks to the generous donation of Gary C. Wendt, we also implemented new programs to emphasize student leadership and student activity.

In addition to the Freshman Initiative, Academic Affairs developed a six-element strategy for student success that stabilizes PBF by growing excellence points. These elements include:

- Excellence and achievement in the Freshman year (~ Freshman Initiative)
- Student culture: Supporting the whole student
- Graduate on time
- Grow and support the Graduate program
- Provide appropriate support for Pell students
- Promote strong employment outcomes for our students

### **4. CURRICULUM**

**MAINTAIN REGIONAL ACCREDITATION THROUGH THE FIVE-YEAR REAFFIRMATION PROCESS**

The University submitted a five-year reaffirmation application to SACSCOC that included both a compliance certification and Quality Enhancement Plan (QEP) focused on student progression. The on-site committee visit in February resulted in no findings, and a final decision will be made at the December SACSCOC Board meeting. In the 2022 Session, the state legislature passed SB7044 requiring each SUS university to change accrediting agencies; we began laying the foundation for moving to the Higher Learning Commission (HLC) in early 2023.

This year, we added three new degrees in Cybersecurity Engineering (BS), Data Science (MS), and Engineering Management (MS); two new concentrations in Intelligent Mobility & Autonomous Systems, and Simulation; and two new certificates in Applied Mathematics, and Coding for Data Analytics. New courses were added in Student

Life Skills, Marketing Analytics, Python for Data Analytics, Global Strategic Management & Leadership, Machine Learning, Network Programming, Software Engineering, Autonomous Vehicles, Fatigue and Fracture Mechanics, Engineering Failure Analysis, VLSI, Power, Computer Systems Design, Circuits and Microprocessors, Experimental Techniques in Engineering Physics, and Introduction to Electromagnetism.

## **5. GRADUATE SCHOOL**

### **GROW AND MATURE A PROGRAM THAT VALUES RESEARCH AND PROFESSIONAL EDUCATION**

While we added two new master's degrees as mentioned previously, we now also offer three pathways for students to achieve their degree: 1) a traditional thesis-based program (that transitioned into a more highly selective program that is robustly funded and supports faculty research); 2) a 10-month (course only) program; and 3) a 16-month (course only plus project/internship) program. Our graduate school produced 37 graduates, meeting the threshold needed for PBF metric 8 to be changed to the "Percentage of Graduate Programs in Strategic Emphasis."

## **6. EFFICIENT ADMINISTRATION**

### **BECOME MORE FINANCIALLY SUSTAINABLE AND RESILIENT BY REDUCING ADMINISTRATIVE OVERHEAD AND INCREASING OUR EFFICIENCY**

We accomplished significant improvements to Board processes by appointing an Assistant Secretary to the Board who is dedicated to managing Board operations and meeting the needs of our trustees.

With the hiring of Dr. Allen Bottorff, Vice President and CFO, we made vast process improvements in finance and administration. As a result, the annual financial report for FYE22 noted strong financial ratios (without the Applied Research Center) and that the total assets of \$190 million exceeded total liabilities of \$34 million resulting in a net position for the University of \$156 million.

The budget department assisted our budget managers by implementing a Cost Center Manager Dashboard to create budget management tools. Additionally, they automated financial statements with Workday to generate core financials on demand, saving managers considerable time.

Procurement focused on attracting minority-owned businesses by implementing a training program to grow this list of approved vendors. This team also issued over 40 formal solicitations that include the Housing Study, Student Housing Development, Gary C. Wendt Engineering Building, Cooling Towers, and other minor projects. They also decreased maverick spending, improved templates and forms, and improved utilization of procurement-related functions in Workday.

To better support our campus community, we evaluated student and employee training requirements and programs; subsequently, we implemented the Training Committee's recommendation to provide professional development courses through Coursera, a MOOC which offers online, job-based learning programs and professional certificates.

## **7. ADVANCEMENT**

### **SECURE SUPPORT AND FUNDING TO KEEP THE UNIVERSITY INDEPENDENT AND GROWING WITH A STRONG REPUTATION**

The Advancement department established a new Alumni Leadership Committee comprised of committed student alumni who developed a strategic communication plan, set goals, and sponsored alumni events.

We also collaborated with a campaign consultant to build a capital campaign that includes analysis, goals, and metrics. The campaign is in the silent phase with a goal of raising \$20M (currently raised \$4.9M).

Total FY22 Foundation revenue was \$3.44M with \$0.8M unrestricted, \$1.70 restricted, and \$0.84 permanently restricted (endowment). They achieved a 56.8% donor retention rate (avg=20.5%) and an 8% donor acquisition rate (avg=3.7%).

We hired a Legislative Affairs Officer to expand advocacy efforts with the BOG and state Legislature. We advocated University priorities to key legislators (e.g., Senate President, Speaker of the House, Governor's Office, Senate Appropriation Chair, Education and Budget Chairs, Committee Members, Polk County Delegation, ...), resulting in a recurring operational increase of \$5M to the base budget.

External Affairs created engagement opportunities with top executives and business leaders to implement the BOG Workforce Alignment initiative. This included hosting several strategic partners on campus (e.g., Bay Area Legislative Delegation meeting, Cybersecurity Roundtable, Consul General of Israel, ...), and strengthening our relationship with key industry stakeholders and private partnerships. We also continued economic and land development discussions with several property owners of land surrounding campus.

Our Communications and Marketing team increased engagement across all social media platforms over 35%, increased media exposure by 4.6%, and increased website traffic by over 3%. Additionally, they produced over 145 quality web stories and press releases promoting our University. A highlight was to have the University's Innovation, Science and Technology (IST) building featured on the International TV show "How Did They Build That" on the Smithsonian Channel.

## **8. RIGHT PEOPLE**

### **CREATE FACULTY EXCELLENCE AROUND THE TRIPARTITE MISSION OF TEACHING, RESEARCH, AND SERVICE**

This year, we conducted 89 full-time searches (Staff=58, Faculty=31) with 39 hired during the "Great Resignation." Additionally, we made several key hires and promotions including the Vice President of Finance and Facilities, Vice President and General Counsel, Vice President of Information Technology Services (promotion), as well as the Legislative Affairs Officer and Director of Auxiliary Services. We contracted with Witt-Kieffer to assist us in hiring an AVP of Human Resources.

To promote a positive work culture, we implemented a strong raise package that awarded merit and provided "cost of living" raises for our lower paid employees, began a Title and Total Compensation (TTC) study, and conducted a hybrid "Work From Home" experiment to improve retention and inform a new Poly South space on campus.

## **OTHER HIGHLIGHTS**

### **Information Technology Services**

I promoted our CIO to Vice President and Cabinet member to reflect its importance and investments within the University. Under his leadership, the ITS team improved academic technology for students and faculty, integrated the most advanced classroom technology in the ARC and upgraded the IST classrooms to be near that standard, provided self-serve student laptop checkout kiosks in the IST and ARC, and integrated cloud technologies into virtual lab and classroom environments.

A focus on improving the productive use of data for operational excellence and improved decision support led to a new data fabric platform to allow integration across the University, and creation of a Data Engineering function to help improve the quality, accuracy, and timeliness of data. The ITS team updated and simplified critical campus IT infrastructure and modernized mission-critical information systems. One ongoing challenge is the aging CAMS system, so we contracted The Tambellini Group to help select a new ERP system and student module.

Cybersecurity is a critical issue all universities face. To address this, we improved security and mitigated IT-related risks by creating new procedures for after-hours emergency support for mission-critical systems and adopting the latest best-practices framework for IT security and ransomware protection and fully implemented that framework.

In an effort to improve University-wide collaboration of governance and technology, we created the University Systems Executive Council (USEC) for strategic coordination, the University Systems Coordinating Group (UCoord) for tactical and operational business systems planning across the University, and the Data Stewardship Council as a subset of UCoord to advance the productive use of data and business intelligence.

## **Facilities**

The facilities department had a busy year. Most importantly, the Applied Research Center (ARC) was substantially completed. Other major projects included completion of the design of the International Flavors and Fragrances (IFF) building, implementation of an RFP for the Gary C. Wendt Engineering Building with design-build firms short listed and selected, and support for Residence Hall 3 efforts. Minor projects that were completed include the Wellness Center Nest, the chiller and cooling tower expansion design (construction is in progress), and an admissions remodel design and Student Business Services design.

A new ten-year Campus Master Plan (CMP) was completed. Additionally, the Educational Plant Survey (EPS) conducted by the BOG to classify existing space included two recommendations for future facilities: an engineering building, and a Student Achievement Center.

## **Diversity, Equity, and Inclusion**

Our Board of Trustees is diverse with over 55% women and 30% Black/African American; however, we lack Hispanic representation although student body is nearly 20% Hispanic.

The Affirmative Action Plan model of comparing availability to representation provides a good construct. Our data reflects a strong minority representation in students, although females still have a weaker representation. Faculty is well represented in both females and minorities, and staff are represented reasonably well in females and minorities.

One challenge that continues to plague both student and faculty diversity goals is pipeline issues. In this coming year, there will a strong focus on increasing diversity, equity, and inclusion throughout the University.

# **Florida Polytechnic University Board of Trustees Policy on Annual Review of the President, in pertinent part**

This policy supplements Florida Board of Governors ("BOG") regulations and provides guidelines for conducting the annual review and assessment of the President's performance, goals, and compensation by the Board of Trustees ("Board"). This policy outlines the purposes and details the process by which the President's performance, goals, and compensation shall be reviewed by the Board on an annual basis. In addition, a comprehensive review of the President's performance and compensation shall first be conducted toward the latter part of the President's third year of employment with the University and then normally occur at five-year intervals thereafter.

## **Principles**

The Board believes six principles should guide and inform the review of the President's performance:

1. The review should derive from explicit values of the University and from the University's strategic plan, work plan, accountability report, and the BOG's Strategic Plan.
2. The review process should set specific annual goals for the President.
3. Reviewing the President's performance is a non-delegable responsibility of the Board. While other viewpoints may be considered by the Board, specifically those of faculty, the Board must take direct responsibility for the review.
4. The review process should be a reciprocal process that includes a self-evaluation from the President.
5. The review should focus on how well the President advances the major institutional objectives of the University.
6. A formal review should be conducted annually, immediately following the academic year. A comprehensive review should occur the latter part of the President's third year of employment with the University and then normally occur at five-year intervals thereafter. Informal evaluations should occur frequently, in the form of informal conversations between the President and the Board Chair.

## **Annual Review**

### **Purpose**

The purpose of the annual review process is to enable the President to strengthen his or her performance, to enable the President and the Board to set mutually agreeable goals, and to inform the Board's decisions on compensation adjustments and other terms of the President's employment.

## **Responsibility**

The Board is responsible for assessing the President's performance, goals, and compensation. The Board's Governance Committee, as its members shall mutually decide and within the parameters of this policy, is delegated the responsibility for organizing and conducting the annual review process with the President and making recommendations related to the outcome of the annual review, the annual goals, and the President's compensation to the full Board.

## **Process**

1. On or before June 1 of each fiscal year, the President will submit his or her proposed goals for the upcoming fiscal year to the Board Chair and the Governance Committee.
2. The Governance Committee will discuss the goals for the upcoming year with the President and present the proposed goals to the full Board for discussion and approval.
3. In September of each year, the President shall initiate the annual review process by preparing a self-evaluation that addresses higher level activities for the just concluded fiscal year. The President will submit his or her self-evaluation to the Board Chair and the Governance Committee by October 15 of each year. The self-evaluation format will remain the same year to year unless revised by the Committee in consultation with the President in the intervening period.
4. Once the President has submitted the self-evaluation and proposed goals to the Board Chair, the Board Chair shall provide copies of the same to the chair of the BOG and request the chair of the BOG's participation in the annual evaluation; the chair of the BOG may involve the chancellor in the review process. Such participation will include a review of the President's responsiveness to the BOG's strategic goals and priorities and compliance with system-wide regulations.
5. The Governance Committee shall review the self-evaluation and proposed goals and may request any additional information from the President to assist the Board in its review.
6. Prior to the Board meeting at which the President's review, goals, and compensation will be acted upon, the Chair shall send to the President and all members of the Board the self-evaluation and proposed goals, any supplemental information the Governance Committee may have requested of the President and any supplemental information the Governance Committee has developed.
7. The Board shall complete the annual review and make any compensation award contemplated under the President's Employment Agreement no later than December 31 of each year, commencing December 2020.

After the Board's deliberation and action, minutes shall be published to document the review of the President's performance, goals, and any adjustments to the President's compensation.

## **Outcomes**

After the Board's deliberation and action, minutes shall be published to document the review of the President's performance, goals, and any adjustments to the President's compensation.

**Florida Polytechnic University  
Governance, Audit, and Compliance Committee  
Board of Trustees  
November 15, 2022**

**Subject: Renewal of President's Employment Agreement for 2023-24**

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**Proposed Committee Action**

Recommend the following items to the Board of Trustees :

1. Renewal of President Avent's appointment term commenced on July 7, 2014 for an additional year ending July 6, 2024.
2. Approval of draft Amendment #3 to the President's Employment Agreement.

**Background Information**

The President's Employment Agreement is set to expire on July 6, 2023. The Board needs to decide whether to renew the President's employment for an additional year (through July 6, 2024) so that the appropriate information can be provided to the Board of Governors for its approval prior to the expiration of the agreement.

If the employment agreement is renewed, the employment agreement must be amended to extend the appointment term. The current agreement and the proposed amendment can be found in the supporting documentation.

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**Supporting Documentation:**

1. Draft Amendment #3 to President's Employment Agreement
2. President's Employment Agreement (includes Amendments #1 and #2)

**Prepared by:** David Fugett, VP & General Counsel



**AMENDMENT #3 TO THE PRESIDENT’S EMPLOYMENT AGREEMENT**  
**Dated November 16, 2022**

**THIS AMENDMENT #3 to the President’s Employment Agreement** (“Amendment”) is made and entered into on this 16th day of November, 2022, by and between The Florida Polytechnic University Board of Trustees (the “University”), and Randy K. Avent (the “President”).

**WHEREAS**, the University and the President entered into a new President’s Employment Agreement on June 23, 2020 (“Agreement”);

**WHEREAS**, the University and President previously amended the Agreement on June 23, 2021 (“Amendment 1”), and November 17, 2021 (“Amendment 2”);

**WHEREAS**, it is the desire of the parties to further amend and modify certain terms of the Agreement, as set forth in this Amendment 3;

**NOW, THEREFORE**, in consideration of the mutual promises of their parties hereto, the University and the President hereby amend the Agreement as follows:

1. Strike section 3.1 of the Agreement in its entirety and replace with the following:  
*3.1 Presidential Appointment Term. The appointment as President (“Presidential Appointment Term”) commenced on July 7, 2014 and ends on July 6, 2024. This appointment and the Agreement are renewable by mutual written consent of the parties. This appointment and this Agreement is subject to prior termination as provided for in this Agreement, and by the applicable laws of the State of Florida, the regulations and policies of the Board of Trustees, the University, and the Florida Board of Governors.*
2. All other terms and conditions of the Agreement shall remain unchanged and in effect throughout the duration of this Amendment.

**IN WITNESS WHEREOF**, the parties hereto have executed this Amendment.

**The Florida Polytechnic University  
Board of Trustees**

By: \_\_\_\_\_  
Cliff Otto  
Chairperson, Board of Trustees

Date \_\_\_\_\_

**President**

By: \_\_\_\_\_  
Dr. Randy K. Avent

Date \_\_\_\_\_

## PRESIDENT'S EMPLOYMENT AGREEMENT

This President's Employment Agreement (the "Agreement") is entered into by the **Florida Polytechnic University Board of Trustees** ("the Board" or "the Board of Trustees"), a public body corporate of the State of Florida, on behalf of Florida Polytechnic University ("University"), and **Dr. Randy K. Avent** ("President").

### Background

WHEREAS, the Board, acting on behalf of Florida Polytechnic University (the "University"), has the authority to select and employ the President of the University; and

WHEREAS, the Board previously selected Dr. Randy Avent to serve as President of the University, subject to confirmation of the Board of Governors; and

WHEREAS, the Board wishes to continue to employ Dr. Randy Avent as the University's President, and Dr. Randy Avent wishes to serve as President and be a University employee, subject to the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of mutual promises and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the parties, the parties agree to this Agreement as follows:

### 1.0 Powers and Duties of President While Serving as President

- 1.1 The President reports to the Board and is the Corporate Secretary of the Board and the Chief Executive Officer of the University, subject to the supervision of the Board, the laws of Florida, and the rules, regulations, and policies of the Board, the University and the Board of Governors. During the Presidential Appointment Term (as defined in section 3.1 below), the President has the powers and duties reserved to the position of president by the Florida Statutes and the University regulations and other actions of the Board (collectively "Duties"), as they presently exist or may hereafter be amended. The President and the Board acknowledge and agree that the Duties hereunder are and shall be consistent with those customary for the position of a university president, including, but not limited to educational leadership, faculty relations, budgeting, long-range planning, fundraising, public relations, student services, recruitment of personnel, appointment, promotion and dismissal of all faculty and staff members, as well as any such additional duties commensurate with such position as may be specified from time-to-time by the Board. The President has the full power and authority to direct the operation and management of the University, subject to the direction, control and instructions of the Board.

## **2.0 Best Efforts While Serving as President**

- 2.1 During the Presidential Appointment Term, the President will diligently devote his full professional time, ability, and attention to the day-to-day operations of the University, including without limitation, all administrative, executive and academic functions.
- 2.2 During the Presidential Appointment Term, the President's expenditure of reasonable amounts of time for personal or outside business, as well as non-University related charitable and professional development activities, shall not be deemed a breach of this Agreement, provided such activities do not interfere with the services required to be rendered to the University under the provisions of this Agreement, Part III of Chapter 112 of the Florida Statutes: Code of Ethics for Public Officers and Employees, and applicable regulations or policies of the Board of Trustees or University.
- 2.3 The President shall not knowingly engage in any activity that may be competitive with or adverse to the best interests of the Board of Trustees or the University.
- 2.4 During the Presidential Appointment Term, the President shall seek approval from the Board prior to agreeing to serve on any boards of directors or engaging in outside employment, business or professional activities subject to the provisions of University regulation or policy. Any and all income or other compensation earned by the President in connection with approved non-University outside activities shall be paid to and retained by him, and such income or other compensation shall have no effect on the amount of salary, compensation, or benefits he is otherwise entitled to receive under this Agreement.
- 2.5 During the Presidential Appointment Term, the President shall perform the duties of president for all existing and future campuses of the University, and for and at such other place or places as the Board deems appropriate for the interests, needs, business, or goals of the University.

## **3.0 Presidential Appointment Term; Evaluation; Renewal**

- 3.1 Presidential Appointment Term. The appointment as President ("Presidential Appointment Term") commenced on July 7, 2014 and ends on July 6, 2021. This appointment and the Agreement are renewable by mutual written consent of the parties. This appointment and this Agreement is subject to prior termination as provided for in this Agreement, and by the applicable laws of the State of Florida, the regulations and policies of the Board of Trustees, the University, and the Florida Board of Governors.



- 3.2 Goals and Objectives While Serving as President. Before June 1 of each year, the President will provide the Chair of the Board of Trustees ("Chair") with a list of proposed goals and objectives for the upcoming fiscal year. The proposed goals and objectives shall be related to, and in furtherance of, the University's strategic plan goals, work plan and accountability report, and the Board of Governors' strategic plan and performance funding model, and other priorities as established by the Board of Trustees or the Board of Governors. The goals and objectives are to be presented to the Board for discussion and approval. The Board and the President may agree to revise the goals and objectives as necessary during the fiscal year.
- 3.3 Annual Evaluation While Serving as President. While the President is employed as president, the President shall initiate the evaluation process for the prior fiscal year ending June 30 of such year by preparing a self-appraisal of his performance for submission to the Chair and evaluation by the Board, its designee, or both, in accordance with directives, policies and procedures established by the Board as the Board may deem appropriate. The President will furnish any additional information requested by the Chair to aid the Board in its annual performance review of the President. Pursuant to Board of Governors Regulations, the Chair will solicit input from the Chair of the Board of Governors during the evaluation process. The Board will complete the annual evaluation and make any compensation award under Section 5.3.

#### **4.0 Salary**

- 4.1 **Base Salary.** As compensation for all services rendered by the President as president pursuant to this Agreement, the University will pay the President according to the pay plan for Executive Service employees, an annual base salary of Four Hundred forty-one thousand seven hundred ninety-seven dollars (\$441,797) as of July 7, 2020 ("Presidential Base Salary), of which a maximum of Two Hundred Thousand Dollars (\$200,000) can be paid for with state funds. This amount shall be paid in accordance with the University's standard payroll practices, with appropriate deductions for taxes and benefits. The President shall be responsible for any income tax liability incurred as a result of this Agreement.
- 4.2 **Increase to Presidential Base Salary During Annual Evaluation.** Effective with the Board's evaluation of the President's performance for the July 1, 2019 to June 30, 2020 fiscal year and continuing each year thereafter while he serves as president, the President's salary shall be reviewed annually for increase by the Board in conjunction with the Board's evaluation of job performance, as set forth in Section 3.3 of this Agreement. The President shall each year also be eligible for any salary increase generally applicable to University employees in his employment classification, but in no event

shall the Base Salary increase be less than Three and One-Half Percent (3.5%) of the prior year's Base Salary.

## **5.0 Other Compensation While Serving as President**

5.1 Insurance, Annual and Sick Leave. While serving as president during the Presidential Appointment Term, the President shall receive leave and other usual and customary benefits equal to those provided to Florida Polytechnic University Executive Service employees, except as provided in this Agreement.

5.2 Intentionally Deleted.

5.3 Effective with the Board's evaluation of the President's performance for the July 1, 2019 – June 30, 2020 fiscal year and continuing each year thereafter while he serves as president, the President shall be eligible for performance compensation as follows:

5.3.1 Performance Compensation. The President shall be eligible for performance compensation as a percent of his annual base salary then in effect. However, if the President receives an overall evaluation of "Achieved" or higher from the Board in his annual evaluation, the amount shall be not less than Twenty Percent (20%); if the President receives an overall evaluation of "Exceeded" or higher from the Board in his annual evaluation, the amount may be increased, not to exceed Thirty Percent (30%) of the annual base salary. The award of performance compensation shall be awarded based on the Board's assessment, in its sole and absolute discretion, of the President's performance as President during the fiscal year under review. In making its determination, the Board shall consider the President's achievement of the annual goals and objectives set pursuant to Section 3.2, the evaluation results pursuant to Section 3.3, and/or other criteria set by the Board prior to the start of the evaluation period and provided to the President in writing. The President shall receive such award if he remains as President through the end of a fiscal year for which performance is determined even though the award is determined later. Any performance compensation awarded shall be paid to the President within 90 days of the date on which it is awarded.

5.3.2 Intentionally Deleted.



## **6.0 Annual Appropriation and Source of Funding**

- 6.1 The performance of the University of any of its obligations under this contract shall be subject to and contingent upon the availability of funds appropriated by the legislature for the current and future periods.
- 6.2 While the President is serving as president during the term of this Agreement and contingent upon the availability of funds, the Board shall not be responsible for, but authorizes this compensation arrangement and shall use its best efforts to cause the Florida Polytechnic University Foundation, Inc. ("Foundation") to contribute to the University the portions of all payments provided for in this Agreement that exceed the limits set forth in Florida Statutes Section 1012.975. The Board further authorizes the use of the University's auxiliary funds to pay for the President's compensation which exceeds the limits set forth in the statute.

## **7.0 Other Benefits**

- 7.1 The President is eligible for all applicable State of Florida and University developed benefits and perquisite programs as authorized by the legislature or other authorized governing bodies. The Board further agrees that while serving as president, the President is entitled, at all times, to the state sponsored life insurance benefits applicable to Executive Service personnel.
- 7.2 Supplemental Retirement Benefit. During each year of the Presidential Appointment Term and while serving as president, the President will receive and reserve on a quarterly basis, in addition to his base salary, fifteen percent (15%) of the President's annual base salary which shall be used to establish a supplemental retirement benefit in a form reasonably acceptable to the President, such as an annuity or other tax deferred product to supplement his retirement. The FPU Foundation will contribute the sum required to fund this retirement benefit or, if permitted, the sum will be paid, in whole or in part, with University auxiliary funds.
- 7.3 Business/Travel Expenses. During the Presidential Appointment Term and while serving as President, the University will cover the cost of the President's reasonable business expenses, including professional dues, meetings, business travel, and entertainment. In addition, when the President's spouse travels with him on University-related business while he is serving as President, the FPU Foundation shall cover the cost of her reasonable travel expenses for travel serving a bona fide business purpose. Funding for spouse travel is only authorized in conjunction with the President's travel outside of the University service area.

## **8.0 Housing**

8.1 The University deems it to be in its best interest that the President, while serving as President, is required to reside as a condition of his employment in the University's Presidential Home, and to the extent reasonable, to use the residence in the performance of his duties hereunder including, but not limited to receptions and meetings benefiting the University. The University is responsible for providing utilities, maintenance, service fees, internet and television service for the Presidential Home.

## **9.0 Automobile**

9.1 During the Presidential Appointment Term and while serving as president, the University or the FPU Foundation will provide a flat monthly automobile allowance in the amount of \$850. The allowance will cover all automobile related expenses including, but not limited to, gas, maintenance, and repairs. The University will reimburse the President when he rents a vehicle for purposes of traveling long distance for University business.

## **10.0 Professional Dues, Meeting and Entertainment**

10.1 During the Presidential Appointment Term and while serving as president, the Board will authorize and provide for the President's reasonable expenses related to his joining and participating in University-related social, professional or service organizations and activities. The Board may fulfill this obligation through the use of available FPU Foundation funds.

## **11.0 Expense Receipts and Documentation**

11.1 The President agrees to maintain and furnish to the Controller an accounting of reimbursable expenses and membership dues and fees provided for in this Agreement in reasonable detail and consistent with University policies, standards, and procedures and applicable State law on no less than a monthly basis, or as requested. Following the President's submission of an accounting, the University shall promptly reimburse the President for such expenses, membership dues and fees in accordance with University policies, standards and procedures and applicable State law.

## **12.0 Termination of the Contract for Cause**

12.1 Notwithstanding anything in this Agreement to the contrary, the parties agree that, upon a vote of two thirds (2/3) of the Board of Trustees, the Board may terminate this Agreement at any time for "just cause" (as hereinafter defined).



- 12.2 "Just cause" shall be deemed to include, but shall not be limited to:
- (i) a deliberate or material violation by the President of the Duties or his refusal or unwillingness to perform the Duties in good faith, during his full business time, or to the best of his abilities if, within thirty (30) days following the President's receipt of the written notice of what the Board considers to be the violation, the President fails to cure the same;
  - (ii) materially harmful neglect of essential responsibilities of the President's duties;
  - (iii) material dishonesty or serious misconduct that adversely affects the University;
  - (iv) the commission of any felony or of a misdemeanor involving moral turpitude; or
  - (v) a material, significant, or repetitive breach of this Agreement.
- 12.3 In the event of termination for "just cause" by the Board, the President's employment with the University shall cease. The Board's obligations under this Agreement in such event shall be limited to: (a) the prorated payment of his salary through the date of termination; (b) the payment of any performance compensation or supplemental retirement benefit that is awarded and/or due, though unpaid as of the date of termination; (c) the payment of accrued and unused leave through the date of termination in accordance with University regulation; and (d) the payment of any unpaid reimbursable business/travel/relocation expenses incurred prior to the date of termination and documented by him in accordance with University procedures. The President shall not be entitled to any further employment, compensation or benefits from the University in any capacity except for benefits required to be continued by law.

### **13.0 Termination Without Cause**

- 13.1 Notwithstanding anything in this Agreement to the contrary, the parties agree that upon a vote of two thirds (2/3) of the Board of Trustees, the Board may terminate the Agreement at any time prior to its term expiration without cause, provided that the President is given thirty (30) days prior written notice of this issue coming before the University's Board of Trustees. Upon receiving notice from the Board, the President may waive any portion or the entire notice period at his discretion and terminate earlier.
- 13.2 The President may terminate the Agreement at any time prior to its term expiration without cause, provided that the President gives ninety (90) days prior written notice to the Board of Trustees. Upon receiving notice from the President, the Chair may waive any portion or the entire notice period at his/her discretion and terminate earlier.



## **14.0 Professorial Appointment**

- 14.1 If the President is terminated without cause or resigns from his position as president and chooses to join the teaching faculty of the University upon conclusion of his presidency, he will be eligible for sabbatical leave of one calendar year commencing immediately after his employment as president ends and prior to joining the University's faculty. Prior to beginning any sabbatical leave, he will have committed to fill a faculty position at the rank of "Full Professor" or other mutually agreeable faculty position. Upon conclusion of the sabbatical, if taken, President's teaching, research, and service responsibilities will be substantially equivalent to similarly situated faculty positions.
- 14.2 During this first year post-presidency, the President's initial 12 month base salary, whether on sabbatical leave or serving as Professor ("initial base salary as a Professor"), will be 90% of his final annual base salary as President, not to include any deferred compensation or performance incentive payment. During his second year post-presidency and for the balance of the Presidential Appointment Term, his 12 month base salary as a Professor will be 90% of his initial base salary as a Professor, and he will be eligible for any salary increments provided to regular, full-time faculty members. Usual faculty and administrative processes will determine such salary increments. While on sabbatical, if any, and while serving as a Professor, he shall receive leave and other usual and customary benefits equal to those provided to University Faculty members.

## **15.0 Termination due to Resignation, Death or Disability**

- 15.1 Notwithstanding anything in this Agreement to the contrary, this Agreement shall terminate upon the President's resignation from employment at the University, death, or "permanent disability" (as hereinafter defined). Such termination shall be deemed to have occurred for "just cause" and the President's employment with the University shall cease, and he shall not be entitled to any further employment, compensation or benefits from the University in any capacity except for compensation as provided in Section 12.3 and for benefits required to be continued by law. For purposes of this Agreement, "permanent disability" shall be defined as the President's inability to perform the applicable job duties for a minimum of six (6) continuous months.
- 15.2 In the event of the President's death during the term of this Agreement, his spouse or, if none, his estate, shall receive all accrued benefits as of the date of his death to the extent permitted by law.

**16.0 Non-binding Mediation**

16.1 The Board and the President agree that if any dispute arises concerning this Agreement, they will first attempt in good faith to resolve the dispute to their mutual satisfaction. If they are unable to do so, the Board and the President agree that they will submit the dispute to non-binding mediation in Lakeland, Florida, in accordance with the Employment Arbitration Rules and Mediation Procedures of the American Arbitration Association then in effect. The Board and the President will use their best efforts, to the extent permitted under Florida law, to keep any disputes and any efforts to resolve disputes confidential, informing only their respective legal counsel and other persons determined in good faith to have a need to know. To the extent permitted under Florida law, they will use their best efforts to ensure that such persons do not further disclose any such information. The Board and the President agree that no mediator or arbitrator may have any material ongoing relationship with the University.

**17.0 Notice**

17.1 Unless and until changed by a party giving written notice to the other, the addresses below shall be the addresses to which all notices required or allowed by this Agreement shall be sent:

**If to the Board:**

Chairperson  
Florida Polytechnic University Board of Trustees  
Florida Polytechnic University  
4700 Research Way  
Lakeland, Florida 33805-8531

With a copy to:

General Counsel  
Florida Polytechnic University

4700 Research Way  
Lakeland, Florida 33805-8531

**If to the President:**

\_\_\_\_\_  
\_\_\_\_\_

## **18.0 Entire Agreement: Modification**

18.1 This Agreement constitutes the entire understanding of the parties and supersedes any and all prior or contemporaneous representations or Agreements, whether written or oral, between the parties. There are no other promises, understandings, obligations, inducements, or considerations between the parties or owed by either party to the other that are not set forth in this Agreement.

18.2 This Agreement cannot be changed or modified unless accomplished in writing and signed by the parties.

## **19.0 Severability**

19.1 The terms of this Agreement are severable, meaning that if any term or provision is declared by a court of competent jurisdiction to be illegal, void, or unenforceable, the remainder of the provisions shall continue to be valid and enforceable to the extent possible.

## **20.0 Governing Law and Forum**

20.1 This Agreement shall be interpreted and construed in accordance with the laws of the State of Florida, excluding choice of law rules.

20.2 Notwithstanding any other terms and conditions of this Agreement, either party may bring an action for the sole and limited purpose of enforcing the terms and conditions of this Agreement in any court of competent jurisdiction. Venue shall be in Polk County, Florida.

## **21.0 Understanding of the Agreement**

21.1 Both parties represent that they have thoroughly read this Agreement, that they understand it to be a binding contract, that they understand each provision, term, and condition of this Agreement as well as its legal effect, and that they have signed the Agreement voluntarily and of their own free will with the intention to comply with its terms. Both parties have participated in the preparation of this Agreement. Therefore, the Agreement shall not be construed against or in favor of either party based upon which party was responsible for the drafting of the Agreement.



## **22.0 Public Disclosure of the Agreement**

22.1 Both Parties agree and acknowledge that this Agreement is subject to the Florida public records laws and may, therefore, be subject to disclosure by and in the manner provided by law.

## **23.0 Waiver**

23.1 No delay or failure to enforce any provision of this Agreement shall constitute a waiver or limitation of rights enforceable under this Agreement.

## **24.0 Assignment**

24.1 This Agreement is not assignable, but shall be binding upon the heirs, administrators, personal representatives, successors, and assigns of both parties.

## **25.0 Execution and Counterparts**

25.1 This Agreement may be executed in counterparts and by the parties on separate counterparts each of which, when so executed, shall constitute but one and the same instrument.

## **26.0 No Trust Fund**

26.1 Nothing contained in this Agreement and no action taken pursuant to the provisions of this Agreement shall create or be construed to create a trust of any kind. To the extent that the President acquires a right to receive payments from the University, such rights shall be no greater than the right of any unsecured, general creditor of the University.

## **27.0 Taxes**

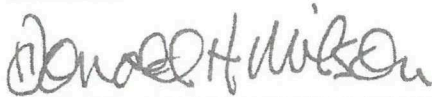
27.1 The President understands that the services to be rendered by him under this Agreement will cause him to recognize taxable income, which is considered under the Internal Revenue Code of 1986, as amended, and applicable regulations thereunder as compensation income subject to the withholding of income tax (any social security or other employment taxes). The President hereby consents to the withholding of such taxes as are required by law. All sums payable to the President under this Agreement will be reduced by all federal, state and other withholdings and similar taxes and payments required by law.

**28.0 Miscellaneous**

- 28.1 The headings in this Agreement are for convenience only and shall not be used in construing or interpreting this Agreement. The terms "Board," "Board of Trustees" and "University," where applicable or appropriate, shall include or refer to any duly authorized board, committee, officer, or employee of said entity. Whenever the context requires, the masculine shall include the feminine and neuter, the singular shall include the plural, and conversely.
- 28.2 General Cooperation Covenant. Without limitation of the obligations specified in the Agreement and applicable University rules, regulations, policies and procedures, the President agrees to cooperate fully in any review or investigation involving University matters in which he may possess pertinent information. This obligations shall survive the expiration or earlier termination of this Agreement.

THEREFORE, Dr. Randy Avent, President, and Donald Wilson, Chair and authorized representative of the Florida Polytechnic University Board of Trustees, have executed this Agreement on the dates appearing below.

**Florida Polytechnic University Board  
of Trustees**

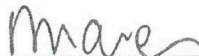


By: Donald Wilson  
Chairperson

Date

June 23, 2020

**President**



Dr. Randy K. Avent

Date

6/23/2020

**AMENDMENT #1 TO THE  
PRESIDENT’S EMPLOYMENT AGREEMENT DATED JUNE 23, 2020**

**THIS AMENDMENT #1 to the President’s Employment Agreement** (“Amendment”) is made and entered into on this 23rd day of June, 2021 by and between The Florida Polytechnic University Board of Trustees (the “University”), and Randy K. Avent (the “President”).

**WHEREAS**, the University and the President entered into a new President’s Employment Agreement on June 23, 2020 (“Agreement”);

**WHEREAS**, it is the desire of the parties to further amend the Agreement.

**NOW, THEREFORE**, in consideration of the mutual promises of their parties hereto, the University and the President hereby amend the Agreement as follows:

1. Strike section 3.1 of the Agreement in its entirety and replace with the following:

*3.1 Presidential Appointment Term. The appointment as President (“Presidential Appointment Term”) commenced on July 7, 2014 and ends on July 6, 2022. This appointment and the Agreement are renewable by mutual written consent of the parties. This appointment and this Agreement is subject to prior termination as provided for in this Agreement, and by the applicable laws of the State of Florida, the regulations and policies of the Board of Trustees, the University, and the Florida Board of Governors.*
2. All other terms and conditions of the Agreement shall remain unchanged and in effect throughout the duration of this Amendment.


**IN WITNESS WHEREOF**, the parties hereto have executed this Amendment.

**The Florida Polytechnic University  
Board of Trustees**

By:   
Cliff Otto  
Chairperson, Board of Trustees

Date June 23, 2021

**President**

By:   
Dr. Randy K. Avent

Date June 23, 2021

**AMENDMENT #2 TO THE PRESIDENT’S EMPLOYMENT AGREEMENT**  
**Dated November 17, 2021**

**THIS AMENDMENT #2 to the President’s Employment Agreement** (“Amendment”) is made and entered into on this 17th day of November 2021 by and between The Florida Polytechnic University Board of Trustees (the “University”), and Randy K. Avent (the “President”).

**WHEREAS**, the University and the President entered into a new President’s Employment Agreement on June 23, 2020 (“Agreement”);

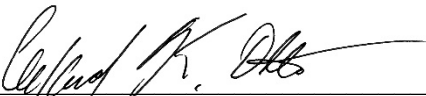
**WHEREAS**, it is the desire of the parties to further amend the Agreement.

**NOW, THEREFORE**, in consideration of the mutual promises of their parties hereto, the University and the President hereby amend the Agreement as follows:

1. Strike section 3.1 of the Agreement in its entirety and replace with the following:  
*3.1 Presidential Appointment Term. The appointment as President (“Presidential Appointment Term”) commenced on July 7, 2014 and ends on July 6, 2023. This appointment and the Agreement are renewable by mutual written consent of the parties. This appointment and this Agreement is subject to prior termination as provided for in this Agreement, and by the applicable laws of the State of Florida, the regulations and policies of the Board of Trustees, the University, and the Florida Board of Governors.*
2. All other terms and conditions of the Agreement shall remain unchanged and in effect throughout the duration of this Amendment.

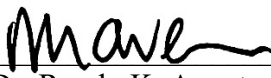
**IN WITNESS WHEREOF**, the parties hereto have executed this Amendment.

**The Florida Polytechnic University**  
**Board of Trustees**

By:   
Clifford K. Otto  
Chairperson, Board of Trustees

Date 11/17/21

**President**

By:   
Dr. Randy K. Avent

Date 11/17/21

**AGENDA ITEM: XII.**

**Florida Polytechnic University  
Governance, Audit, and Compliance Committee  
Board of Trustees  
November 15, 2022**

**Subject: President's Compensation Adjustments**

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**Proposed Committee Action**

Recommend approval of President Randy Avent's compensation adjustments to the Board of Trustees as follows:

1. To award the President \_\_\_\_\_% increase to his base salary [3.5% or above]; and
2. To award the President a performance compensation bonus in the amount of \_\_\_\_\_% of his current annual base salary.

**Background Information**

Pursuant to the President's employment agreement and the Board of Trustees Policy on Annual Review of the President, the Board of Trustees must, after conducting an annual review and assessment of the President's performance, make any adjustments to the President's base salary and determine whether to award a bonus/performance compensation.

The Governance Committee is responsible for making a recommendation as to the President's Compensation to the full Board on:

- a. The increase to the President's base salary; and
- b. The performance compensation (bonus)

**The President's Employment Agreement provides the following:**

**4.0 Salary**

- 4.2 Increase to Presidential Base Salary During Annual Evaluation. Effective with the Board's evaluation of the President's performance for the July 1, 2019 to June 30, 2020 fiscal year and continuing each year thereafter while he serves as president, the President's salary shall be reviewed annually for increase by the Board in conjunction with the Board's evaluation of job performance, as set forth in Section 3.3 of this Agreement. The President shall each year also be eligible for any salary increase generally applicable to University employees in his employment classification, but in no event shall the Base Salary increase be less than Three and One-Half Percent (3.5%) of the prior year's Base Salary.

**5.0 Other Compensation While Serving as President**

- 5.3 Effective with the Board's evaluation of the President's performance for the July 1, 2019 - June 30, 2020 fiscal year and continuing each year thereafter while he serves as president, the President shall be eligible for performance compensation as follows:



5.3.1 Performance Compensation. The President shall be eligible for performance compensation as a percent of his annual base salary then in effect. However, if the President receives an overall evaluation of "Achieved" or higher from the Board in his annual evaluation, the amount shall be not less than Twenty Percent (20%); if the President receives an overall evaluation of "Exceeded" or higher from the Board in his annual evaluation, the amount may be increased, not to exceed Thirty Percent (30%) of the annual base salary. The award of performance compensation shall be awarded based on the Board's assessment, in its sole and absolute discretion, of the President's performance as President during the fiscal year under review. In making its determination, the Board shall consider the President's achievement of the annual goals and objectives set pursuant to Section 3.2, the evaluation results pursuant to Section 3.3, and /or other criteria set by the Board prior to the start of the evaluation period and provided to the President in writing. The President shall receive such award if he remains as President through the end of a fiscal year for which performance is determined even though the award is determined later. Any performance compensation awarded shall be paid to the President within 90 days of the date on which it is awarded.

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**Supporting Documentation:** N/A

**Prepared by:** David Fugett, VP & General Counsel