BOARD OF TRUSTEES

Governance, Audit, & Compliance Committee Meeting Agenda

November 10, 2026
2:30 PM – 3:45 PM EST

Florida Polytechnic University
VIRTUAL VIA MICROSOFT TEAMS

Dial in: 1-863-225-2351 | Conference ID: 145 698 324#

COMMITTEE MEMBERS

Dr. Sidney Theis, Chair	Jeff Beelaert, Vice Chair	Patrick Hagen
Jesse Panuccio	Rob Kincart	Ilya Shapiro

MEETING AGENDA

I.	Call to Order	Dr. Sidney Theis, Chair
II.	Roll Call	Kristen Wharton, Corporate Secretary
III.	Public Comment	Committee Chair Theis
IV.	Approval of the September 18, 2026, Minutes *Action Required*	Committee Chair Theis
V.	2026-2027 Governance, Audit, and Compliance Committee Work Plan Review	Committee Chair Theis
VI.	Audit and Compliance	David Blanton, CAE and CCO

A. Audit and Compliance Update

B. Contractual Services Review

C. Foundation Financial Audit FYE26

D. University Operational Audit

VII. Governance

A.	Review and Recommend Approval of the document, "President's Annual Review, July 2025-June 2026, Composite of the Trustees' Evaluations" as the document reflecting the president's annual evaluation for FYE2026 *Action Required*	Jason Gonzalez, Attorney
B.	Discuss and Recommend Approval of President's Annual Compensation Adjustment and Bonus *Action Required*	Committee Chair Theis
C.	Discuss and Recommend Approvals: Presidential Employment Agreement Expiration and Renewal Options *Actions Required*	Jason Gonzalez and Committee Chair Theis
D.	Ratification of Article 12 of the 2024–2027 Collective Bargaining Agreement (CBA) *Actions Required*	Katie Daniel University Counsel

VIII. Closing Remarks and Adjournment

BOARD OF TRUSTEES

Governance, Audit, and Compliance Committee
DRAFT Meeting Minutes

September 18, 2026
2:30 P – 4:00 P

Virtual via Microsoft Teams

I. Call to Order

Committee Chair Sid Theis called the Governance, Audit, & Compliance Committee meeting to order at 2:30 p.m.

II. Roll Call

Kristen Wharton called the roll: Committee Chair Sid Theis, Committee Vice Chair Jeff Beelaert, Trustee Ilya Shapiro, Trustee Rob Kincart, Trustee Patrick Hagen, and Vice Chair Jesse Panuccio were present (Quorum)

Committee members not present: N/A

Other Trustees present: Board Chair Beth Kigel, Trustee Derek Henderson

Staff Present: President Devin Stephenson, David Blanton, Provost Brad Thiessen, Bryan Brooks, Dr. Tanner McKnight, Dr. Cole Allen, Kelli Stargel, Katie Daniel, and Kristen Wharton

III. Public Comment

There were no requests received for public comment.

IV. Approval of the May 22, 2026, Minutes

Trustee Jesse Panuccio made a motion to approve the Governance, Audit, and Compliance Committee meeting minutes for May 22, 2026. Trustee Patrick Hagen seconded the motion; a vote was taken, and the motion passed unanimously.

V. 2026-2028 Governance, Audit, and Compliance Committee Charter Review and Approval

Committee Chair Sidney Theis presented the revised draft of the Committee Charter for fiscal year 2026–2027. The proposed revisions separated purpose and responsibilities into distinct sections and incorporated clarifications within Section 3 regarding composition and meeting procedures.

Vice Chair Jesse Panuccio motioned to approve the revised 2026–2028 Committee Charter as presented. Trustee Patrick Hagen seconded the motion; a vote was taken, and the motion passed unanimously.

VI. 2026-2027 Governance, Audit, and Compliance Committee Annual Work Plan Review and Approval

Trustees reviewed the Committee Work Plan for fiscal year 2027. There was no discussion on this item.

Trustee Jeff Beelaert motioned to approve the FY2027 Committee Work Plan as presented. Trustee Jesse Panuccio seconded the motion; a vote was taken, and the motion passed unanimously.

VII. Audit and Compliance

A. Audit and Compliance Charters

David Blanton, CAE and COO, presented three detailed department charters requiring triennial review under revised Global Internal Audit Standards and Board of Governors regulations: the Audit and Compliance Committee Detailed Charter, the University Audit Charter, and the University Compliance Charter. Following review of the proposed amendments, **Trustee Jesse Panuccio motioned to recommend approval of the three detailed charters to the Board of Trustees. Trustee Ilya Shapiro seconded the motion; a vote was taken, and the motion passed unanimously.**

B. Audit and Compliance Update

Blanton delivered an update on external and internal audit activities. Regarding external reviews, the State Auditor General concluded fieldwork for its operational audit, with preliminary findings shared orally ahead of a forthcoming formal written response window; interim fieldwork on the fiscal year 2026 financial audit has also commenced.

C. UAC Annual Report FY26

Blanton then presented the University Audit and Compliance Annual Report for the fiscal year ended June 30, 2026. The report highlighted the completion of four audit reports, three compliance reports, and the resolution of eleven allegations and complaints. Mr. Blanton confirmed his organizational independence with no impairments or standard non-conformances, noting that the mandatory five-year external quality assurance review is slated for 2027.

D. UAC Risk Assessment and Audit Plan FY27

Blanton outlined the Fiscal Year 2027 Audit Plan, which was developed from an institutional risk assessment tracking approximately 140 risk areas. Planned engagements include the annual Performance-Based Funding Data Integrity Audit, a follow-up review on contractual services, a purchase card (P-Card) fraud risk audit, and preparations for external quality review.

Trustee Patrick Hagen motioned to recommend approval of the FY 2027 University Audit Risk Assessment and Audit Plan to the Board of Trustees. Trustee Jeff Beelaert seconded the motion; a vote was taken, and the motion passed unanimously.

E. UAC Compliance and Ethics Program Plan FY27

Blanton reviewed the proposed Fiscal Year 2027 Compliance and Ethics Program Plan, structured in accordance with the seven elements of the Federal Sentencing Guidelines.

DRAFT

Program priorities include ongoing monitoring of textbook affordability, conflicts of interest and financial disclosures, and advisory compliance consulting for the athletics department.

Trustee Jesse Panuccio motioned to recommend approval of the University Compliance and Ethics Plan for FYE27 to the Board of Trustees. Trustee Patrick Hagen seconded the motion; a vote was taken, and the motion passed unanimously.

F. Performance-Based Funding (PBF) Data Integrity Audit Scope and Objectives

Blanton presented the scope and objectives for the annual Performance-Based Funding Data Integrity Audit, due to the Board of Governors in early March 2027. The engagement evaluates internal controls, system access safeguards, and the accuracy of underlying data tied to the state's ten performance metrics.

Trustee Patrick Hagen motioned to recommend to the Board of Trustees approval of the Performance Based Funding Audit Scope and Objectives, to be performed by University Audit. Trustee Jeff Beelaert seconded the motion; a vote was taken, and the motion passed unanimously.

VIII. President's Accomplishments FYE26

President Devin Stephenson presented his self-evaluation detailing institutional accomplishments for Fiscal Year 2026 aligned with the 2025–2030 Strategic Plan. The University achieved a record 35% enrollment increase over two years, an all-time high Performance-Based Funding score of 87 resulting in $11 million in additional funding, and top rankings within the State University System for graduate starting salaries. Academic expansion grew the credential inventory from 24 to 54 offerings while maintaining a 98% faculty retention rate. Operational modernization efforts included the migration of core systems to Banner SaaS, the establishment of the Public Service AI Lab funded by NIST, and substantial operational cost efficiencies. Facility developments advanced with the contracting of $75 million in housing and parking projects and progress on the Student Achievement Center targeted for Fall 2028. During trustee discussion regarding the management of rapid growth, President Stephenson and Vice President Bryan Brooks explained interim class scheduling adjustments across an expanded daily timeframe and ongoing efforts to address housing demands.

IX. Governance

A. Employment Practices Report

President Stephenson delivered the annual report on university employment practices for the period covering July 1, 2025, through June 30, 2026. Institutional headcount grew by 35 net positions to a total of 341 employees, with faculty growth outpacing staff additions. All 300 eligible employee performance evaluations were completed on schedule, establishing compensation adjustments and performance bonuses in accordance with collective bargaining agreements and institutional review processes.

B. Report on Cybersecurity & Gramm-Leach-Bliley Act (GLBA)

Director of Information Security and Chief Information Security Officer Jack Trainor delivered the annual compliance report on the Federal Trade Commission's Safeguards Rule under the Gramm-Leach-Bliley Act. Trainor confirmed that the University satisfies all nine required safeguard elements, ensuring continued institutional eligibility for Title IV federal financial aid.

DRAFT

He extended an invitation for trustees to receive a separate technical briefing regarding confidential risk assessment findings.

C. Evaluation Instrument for President's Annual Review FYE26

University Counsel Katie Daniel presented the proposed Fiscal Year 2026 evaluation instrument, which organizes presidential assessment criteria around the strategic plan's core priorities. Board Chair Beth Kigel emphasized the importance of aligning trustee evaluations with state Performance-Based Funding metrics alongside the strategic plan. Daniel confirmed that supporting materials, including PBF metrics and the president's administrative self-evaluation, would be distributed with the evaluation form.

Trustee Jeff Beelaert motioned to recommend to the Board of Trustees approval of the evaluation instrument titled "President's Annual Review" to be used in the Trustees' evaluation of the president's performance for fiscal year 2026. Vice Chair Jesse Panuccio seconded the motion; a vote was taken, and the motion passed unanimously.

D. Presentation of Presidential Compensation Study

Maeve Madison, Managing Director at White and Gale Consulting, presented a benchmark study examining presidential base compensation using public disclosures and Form 990 data from peer institutions. The analysis identified the median market base compensation across comparator institutions at approximately $624,000 to $625,000. Madison also reviewed additional Florida peer institutions, noting the approximate employee headcount and institutional size displayed alongside documented base salary data. She stated that the median average salary for this peer comparison group trended higher than the comparator institutions, averaging approximately $850,000. Board Chair Kigel noted that while market percentiles provide helpful reference points, full contract deliberations in November will account for Florida Poly's unique mission as an exclusively STEM institution and individual executive leadership factors.

IX. Closing Remarks and Adjournment

With no further business to discuss the meeting adjourned at 3:54 p.m.

Respectfully submitted:
Kristen Wharton
Corporate Secretary

DRAFT

Governance, Audit, and Compliance Committee
WORK PLAN 2026-2027

SEPTEMBER

- Review Governance, Audit, and Compliance Committee Charter *(review every two years – due September 2026)*

Governance:

- Make recommendation on the trustee evaluation instrument to be used for President's annual review *(for prior FY)*
- Review President's Accomplishments *(for prior FY)*
- Review President's Powers and Duties *(if needed)*
- Employment Practices Report
- Report on Cybersecurity & Gramm-Leach-Bliley Act (GLBA)

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 Data Integrity Audit Scope Approval
- Audit and Compliance Charter Reviews *(every three years – due 2026)*

NOVEMBER

Governance:

- Make recommendations to the Board on President's evaluation outcome and compensation changes
- Make recommendation on a new trustee evaluation instrument to be used for President's annual review *(for FYE2027)*
- Opener of Discussion on Renewal of President's Contract
- Review Board self-assessment process and assessment document

Audit and Compliance:

- Textbook Affordability Monitoring Report *(Fall semester)*
- Foundation Financial Audit *(Prior FY)*

FEBRUARY

Governance:

- Review Board Bylaws *(review every 3 years – due 2027)*
- Discuss nominations for Board Chair and Vice Chair *(every 2 years - due February 2028)*
- Initiate Board self-assessment *(– due annually in May)*
- Employment Practices Report
- Make recommendation to Board on renewal of president's employment contract and any necessary changes to the agreement *(due 2027)*

Audit and Compliance:

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

JUNE

Governance:

- Make recommendation to Board on President's proposed goals for FY+1
- Discuss Board training needs
- Make recommendations on nominations for Board Chair and Vice Chair *(every two years – due May 2028)*

Audit and Compliance:

- Textbook Affordability Monitoring Report *(Spring semester)*
- Bright Futures Audit *(review and approve every two years – due June 2028)*

AGENDA ITEM: VI.A.

Florida Polytechnic University

Governance, Audit, and Compliance Committee

Board of Trustees

November 10, 2026

Subject: Audit & Compliance Update

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.

Supporting Documentation: N/A

Prepared by: David A. Blanton, CAE/CCO

AGENDA ITEM: VI.B.

Florida Polytechnic University
Governance, Audit and Compliance Committee
Board of Trustees
November 10, 2026

Subject: Contractual Services Review

Proposed Committee Action

Information only – no action required.

Background Information

University Audit and Compliance (UAC) conducted a review of contractual services and related payments for the last fiscal year. This review was performed primarily in response to recent concerns reported to UAC over such contractual arrangements and because of the risk assessment prepared by UAC for the 2026-27 fiscal year, in which contractual services were identified as a high-risk area with significant expenses. This was a follow-up review from UAC Report 2025-07.

Procedures performed by UAC in conducting this review included the selection of 20 contractual service payments from 8 various departments within the University to determine whether controls were appropriate to ensure that these payments were adequately supported, properly approved prior to payment, and that the benefit to the university was clear from the records maintained in support of the payment. As applicable, related contracts for the selected payments were examined to ensure that appropriate deliverables were specified in the provider contracts to demonstrate the public purpose served by the vendor/consultant.

Supporting Documentation: UAC Report FPU 2027-04, Contractual Service Payments Review

Prepared by: David A. Blanton, CAE/CCO



Report No: FPU 2027-04

October 2026

University Audit & Compliance
Contractual Service Payments
Follow-up Review

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

FLORIDA POLYTECHNIC UNIVERSITY

Report No. FPU 2027-04

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University Audit & Compliance
Contractual Service Payments
Follow-up Review

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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.

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I. Background and Review Approach

University Audit and Compliance (UAC) conducted a follow-up review of contractual services focusing on recent transactions occurring in the last fiscal year. As of May 31, 2026, contractual service expenses for the fiscal year totaled $20.3 million. UAC previously released Report FPU 2025-07, in March of 2025, that included multiple control deficiencies related to payments associated with contractual services. This follow-up review was included in the approved UAC audit plan for FYE26, and the scope was expanded to include a review of controls over procurements of such services. Both reviews were performed primarily in response to recent concerns reported to UAC over contractual arrangements and because of the risk assessment prepared by UAC identified this area as high-risk with significant expenses. Additionally, the recent release of Auditor General operational reports on other State Universities[1] and the related concerns by the Joint Legislative Auditing Committee[2] (JLAC) over contractual services for public institutions of higher education suggest that this is an area of great concern to the State of Florida.

Procedures performed by UAC in conducting this follow-up review included the selection of a sample of contractual service arrangements that were initiated and executed within the last fiscal year. This timeframe scope selects those contracts that are at greatest risk, given the high amount of turnover within the university and new staffing over various areas related to contractual service contracts. (See **Exhibit 1** for a summary of employee turnover occurring for positions associated with contractual service arrangements). The sample also included a questioned procurement that was reported to UAC by a party outside of the University.

University Procurement has historically been staffed by one Director and two Procurement Agent/Buyer positions. One Procurement Agent/Buyer position transferred out of Procurement in May of 2026 and remains vacant and the other Agent/Buyer employee resigned in early June 2026. However, the Procurement Department now has an Assistant Director of Procurement, effective as of May 2026. It is important that the Office of General Counsel work closely with Procurement to properly protect the university, ensure compliance and regulatory adherence, and facilitate proper contract management. As previously noted, the University has experienced a high level of support staff turnover (excluding faculty). **Exhibit 1** details employee turnover applicable to areas within the scope of this review.

The following objectives were included in the scope of this review:

- To determine whether appropriate procurement practices were followed in engaging the provider of services.

[1] University of Florida (AG Report 2025-07) and New College of Florida (AG Report 2025-02) both had recent audit findings over contractual service payments.
[2] JLAC meeting held on February 3, 2025.

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- To determine whether appropriate deliverables were specified in the provider contracts to demonstrate the public purpose served by the vendor/consultant.
- To determine whether evidence of receipt of the services was appropriately obtained prior to payment by the University.
- To determine whether an appropriate approval, acknowledging delivery of services consistent with contract terms, is obtained prior to payment by the University.
- To determine whether contractual services were only invoiced or provided after a written contract was properly executed and services were rendered.

This was a limited-scope review and therefore the review and related report were not conducted pursuant to *Global Internal Audit Standards*.

II. Entrance/Exit Conference

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

Exit Conference: At the conclusion of the review, UAC communicated with university staff to discuss the results of the review. A summary of the findings/observations and appropriate corrective action was discussed, and Management's response is included in this report after each finding.

III. Review Results – Summary Overview

The following findings and recommendations detail specific opportunities to improve University processes and controls to provide for greater accountability, transparency, and to better support the use of institutional resources:

Finding 1: The University should enhance controls to provide for appropriate documentation to evidence procurement decisions and compliance with applicable laws, rules, and policies and procedures for procuring contractual services.

Finding 2: Controls over written contracts for contractual services should be enhanced to include appropriate deliverables to ensure the performance of contract terms and conditions.

Finding 3: Controls should be enhanced to properly maintain documentation evidencing acceptable receipt of contracted services (deliverables) prior to invoice payment.

Finding 4: Controls should be enhanced to ensure that an appropriate level of approval, by supervisory staff knowledgeable of the contracted services, is obtained prior to invoice payment.

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IV. Detailed Findings

Contractual service payments totaled $20.3 million as of May 31, 2026. UAC selected a sample of 8 contractual service contracts totaling approximately $2 million and reviewed 20 related payments from these contracts totaling $399 thousand to determine whether university controls and processes over such transactions operated effectively to ensure compliance with procurement requirements; ensure the delivery of contracted services prior to payment; and to properly demonstrate an appropriate and prudent use of public funds. As noted in detailed **Finding 1** through **Finding 4** below, internal controls and processes over the procurement and processing of contractual services could be enhanced. Similar findings were reported in UAC's Report 2025-07, released March 2025.

The following findings and recommendations detail specific opportunities to improve University processes and controls to provide for greater accountability, transparency, and better support the use of institutional resources:

Finding 1: Procurement of Contractual Services

Board of Governors (BOG) Regulation[3] outlines requirements associated with the procurement of contractual services that are not exempt from competitive solicitation and provides that each university Board of Trustees shall establish a competitive solicitation threshold not greater than $150,000 for the purchase of commodities or contractual services. BOG Regulation forbids a university from dividing the solicitation of contractual services to avoid competitive procurement requirements. BOG Regulation also provides certain exemptions to the competitive procurement requirements, such as emergency purchases, single/sole source purchases, and purchases made from State contracts.

University Audit's review of recent contractual service contracts disclosed the following three procurements that warrant improvement in University controls and processes:

Procurement 1: The University engaged a contractor to assist with the recruitment and selection of a development partner who would be responsible for financing and building a student housing P3 (public-private-partnership) project on campus. The scope of services identified two phases of work. At the inception of the project, the University expected that only Phase 1 would be funded with public funds and that Phase 2 would be funded privately and therefore the University believed the procurement would not exceed the required threshold for bidding. However, private funding was not secured and therefore project costs exceeded the bid threshold. As of July 2026, the University has expended $175,000 related to this project. Consequently, such services should have been subject to competitive selection.

[3] BOG Regulation 18.001, Procurement Regulation

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Procurement 2: BOG Regulations permit the University to enter into contracts let by any State of Florida agency or department (piggyback) for the procurement of contractual services, when it is determined to be cost-effective and in the best interest of the University. In December 2025, the University engaged a contractor to provide public relations counsel, advertising, marketing and multimedia services for an amount not to exceed $1.3 million and relied on a piggyback contract from the State of Florida let in December 2024.

University records did not support that cost comparisons were made between the State bid and the piggyback bid entered into by the University or if the terms and conditions of the two contracts matched – nor had University staff obtained the original bid let by the State. Such a comparison is essential to rely on a piggyback method of procurement and demonstrate the procurement is cost effective. Additionally, none of the billings from the contractor included details, such as staff hourly rates and number of hours worked. Therefore, it was not possible to verify that the amounts billed and paid were in accordance with the terms and conditions of the initial bid from the State that the University piggybacked off.

Procurement 3: The University engaged a contractor to assist with grants planning and writing, Federal legislative advocacy, and grants management. Late in 2024, the consultant completed a comprehensive needs assessment for the University related to grants administration for $8,000. The University subsequently issued purchase orders to this same consultant in January 2025 ($144 thousand) and January 2026 ($144 thousand).

As of May 2026, the University has paid this consultant a total of $248 thousand for 26 consecutive months for services related to grants administration processes and legislative advocacy. The University has experienced an increase in grant awards and has several vacancies in the grants department and therefore did not expect extended services from this provider. Nevertheless, provided that the costs of such services exceed the bid threshold, such services should have been subject to competitive selection.

Explanations for all three procurement decisions were only made available to University Audit after the procurement was selected for review and questioned. Documentation of the acts taken for procurements is an important means of curbing any improprieties and establishing confidence in the process by which contractual services are procured. Accordingly, UAC recommends that controls should be enhanced to more appropriately document procurement decisions and compliance with applicable laws, rules, and policies and procedures for procuring contractual services.

Recommendation: The University should maintain detailed justification to support contractual service procurement decisions and enhance controls to ensure that such decisions are following applicable laws, rules, and regulations.

Management's Response: The University will bolster its formal, written documentation surrounding the thought processes and verbal discussions relating to its procurement of goods and

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services to the extent that the need for such additional documentation can be reasonably foreseen and expected.

Finding 2: Contractual Terms

UAC reviewed the terms of 8 contracts related to the 20 contractual service payments selected during this review and noted that 4 contracts did not include appropriate contract terms requiring the contractor/provider to provide evidence of delivery of an appropriate level of service that clearly benefited the University. For instance, such deliverables could include detailed hours worked, activity reports, or a final report or work product related to service delivery expectations. In several instances, contracts outlined a scope of work with specific details; however, contract terms did not require the service provider to adequately detail invoices for actual services provided.

It is important that the University Counsel work closely with Procurement to properly protect the university, ensure compliance and regulatory adherence, and facilitate proper contract management. Maintaining evidence of tangible deliverables in contractual services payments enhances transparency over contractual service payments and serves to demonstrate the appropriateness of public funds benefiting the university.

A similar finding was reported in UAC Report 2025-07.

Recommendation: The University should enhance controls to better outline contractual terms that include tangible deliverables. For instance, such requirements could be evidenced through detailed deliverables or an activity report outlining the work performed in accordance with the contract.

Management's Response: The University recognizes that opportunities exist to improve consistency in defining expectations and documenting performance evidence and will work collaboratively with our new Director of Procurement and University Counsel to strengthen contract templates and documentation practices where appropriate.

Finding 3: Obtaining Supporting Documentation/Detailed Invoicing

For the 20 selected contractual service payments reviewed, 17 instances totaling $316,462 were noted that did not include an appropriate level of detail invoiced from the service provider to support the benefit to the University or alignment with contract terms and deliverables. For example, the following was noted:

- One payment for an invoice in the amount of $22,000 was made to provide professional advisory and consulting services for public safety. Although a contract was executed that required invoicing in arrears and detailing hours worked and services performed, a single invoice for the total contract amount was submitted and paid in full by the University with no details supporting work performed or hours worked. The contract provided for

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consulting services to be provided from January through June 2026; however, it was paid in full on February 6, 2026.

- Four invoiced payments totaling $100,000 made to the contractor engaged in assisting with the recruitment and selection of a P3 development partner for student housing were invoiced with no indication of actual services performed or whether they had met deliverables specified in the contract or scope of work agreement. Invoices submitted by the contractor were limited to the following description: "(Month) Invoice for Consulting Services".
- Six invoiced payments totaling $49,000 for outsourced legal representation were paid monthly with no details supporting work performed (activity report) or hours worked. Invoices submitted by the contractor were limited to the following description: "Monthly Fee".
- Five invoiced payments totaling $60,000 ($12 thousand per month) from a consultant engaged for grant-related services did not adequately detail work performed. Invoices from the contractor repeated the broad range of contractual responsibilities each month rather than outlining those activities and efforts that were actually performed.
- One invoice totaling $69,463 from a consultant engaged to provide public relations counsel, advertising, marketing and multimedia services did not adequately detail work performed. Rather, the invoice was paid based on the following description: "Phase One Development and Roadmap – Final 50%".

A similar finding was reported in UAC Report 2025-07.

Maintaining appropriate documentation supporting services provided enhances the University's ability to demonstrate that such payments were correctly invoiced and in agreement with contractual terms and that public funds were used prudently in support of University operations.

Recommendation: The University should enhance controls over contractual service payments to ensure that adequate documentation supporting the invoiced charge is obtained prior to payment and included as support for the expense in Workday.

Management's Response: The University is considering the enhancement of business processes in Workday to automate controls in response to this finding and recommendation.

Finding 4: Contractual Service Payment Approvals

For the 20 selected contractual service payments reviewed, 19 instances totaling $329,709 did not include an appropriate level of supervisory approval. Effective controls over contractual service payments should include a level of approval prior to payment by an employee knowledgeable of the services contractually obligated, invoiced, and received. In most instances, approval for the contractual service payment, and related receipt of services, was only approved in Workday by an administrative assistant through the receipting business process in Workday.

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Proper approval of billed contractual services provides greater accountability over the delivery of contracted services to ensure they are consistent with contract manager expectations and properly billed.

A similar finding was reported in UAC Report 2025-07.

Recommendation: The University should enhance controls over contractual service payments to ensure that appropriate supervisory approval is obtained for all contractual service expenses prior to payment. This control enhancement could be implemented by reconfiguring the business process in Workday and training of contract managers.

Management's Response: The University is considering the enhancement of business processes in Workday to automate controls in response to this finding and recommendation.

V. Other Observations/Information

UAC would like to extend gratitude to University staff that cooperated with this review and provided responses to my inquiries and requests for information. Results of this review were discussed with university management who were receptive to taking appropriate action to strengthen controls.

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Exhibit 1: Support Staff Turnover

The table below provides an overview of employee turnover, by position, occurring for positions associated with contractual service arrangements within the scope of this review:

Position	Position Vacancy	Position Filled	Notes
University Counsel/OGC	10/6/25	A	A
Director of Procurement	4/2/26	5/1/26	B
Assistant Director, Procurement	N/A	5/18/26	C
Procurement Agent/Buyer 1	5/11/26	D	D
Procurement Agent/Buyer 2	6/2/26	D	D
Chief of Staff	N/A	1/1/26	E

Note A	The entire Office of General Counsel's Office (OGC) was eliminated on October 6, 2025 (3 FTE attorneys and one support staff). An outsourced model was used from October 6, 2025, that was serviced by an individual attorney used on a limited basis until March 2026. On March 23, 2026, the University hired an individual to serve the President as University Counsel. In the interim (between 10/6/25 and 3/23/26) the employee currently serving as Chief of Staff also served in a limited role as "Legal & University Advisor" to the University.
Note B	Director of Procurement had previously been with the University for almost 5 years and resigned on 4/2/26. This position was filled internally by an employee who previously served as Executive Assistant to the CFO.
Note C	New position created 5/18/26. Position filled by a former student worker who was charged with automating processes and improving University workflows in Administration & Finance (including procurement operations) from May of 2025.
Note D	Position is not currently advertised or filled.
Note E	New position created on January 1, 2026, and filled by an employee who previously served under the title of Legal & University Advisor.

AGENDA ITEM: VI.C.

Florida Polytechnic University

Governance, Audit & Compliance Committee

Board of Trustees

November 10, 2026

Subject: Foundation Financial Audit (FYE June 30, 2025)

Proposed Committee Action

Information only. No action required.

Background Information

David Blanton will provide the Committee with an overview of the Foundation's financial audit for the fiscal year ended June 30, 2025, conducted by Clifton Larson Allen (CLA), LLP, an independent CPA firm.

Pursuant to University Regulation (FPU 10.002), the Foundation is required to submit the annual financial audit to the University Board of Trustees for review and oversight.

Supporting Documentation: Foundation Audit Report prepared by CLA for FYE25

Prepared by: David A. Blanton, CAE/CCO

CPAs | CONSULTANTS | WEALTH ADVISORS | *NEIGHBORS*

FLORIDA POLYTECHNIC UNIVERSITY FOUNDATION, INC.

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2026 AND 2025

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FLORIDA POLYTECHNIC UNIVERSITY FOUNDATION, INC.
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Florida Polytechnic University Foundation, Inc.
Lakeland, Florida

Report on the Audit of the Financial Statements

We have audited the financial statements of Florida Polytechnic University Foundation, Inc. (the Foundation), a discretely presented component unit of Florida Polytechnic University, which comprise the statements of net position as of June 30, 2026 and 2025, and the related statements of revenues, expenses, and changes in net position, and cashflows for the years ended, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Foundation, as of June 30, 2026 and 2025, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Board of Directors
Florida Polytechnic University Foundation, Inc.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2026, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Orlando, Florida
September 29, 2026

This management's discussion and analysis provides an objective and readily understandable analysis of the financial activities of Florida Polytechnic University Foundation, Inc. (the Foundation), a component unit of Florida Polytechnic University (the University), for the fiscal year ended June 30, 2026. It compares the Foundation's financial position and results of operations with the prior fiscal year and should be read in conjunction with the basic financial statements and accompanying notes.

Overview of the Financial Statements

The Foundation's financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as established by the Governmental Accounting Standards Board. Under this basis, revenues are recognized when earned and expenses are recognized when incurred, regardless of when the related cash is received or paid. The notes to the financial statements provide additional information about significant accounting policies and amounts reported in the statements.

The Foundation's basic financial statements consist of the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows. Together, these statements report the Foundation's financial position, results of operations, and cash receipts and payments using the economic resources measurement focus and accrual basis of accounting. The accompanying notes provide additional information necessary to understand the amounts reported in the basic financial statements.

Statement of Net Position – This statement presents the Foundation's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at fiscal year-end. Net position is reported as net investment in capital assets, restricted, or unrestricted and provides an indication of the resources available to support the Foundation's purposes.

Statement of Revenues, Expenses, and Changes in Net Position – This statement reports revenues and expenses for the fiscal year and explains the resulting change in net position. Operating and nonoperating activities are presented separately, and revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid.

Statement of Cash Flows – This statement reports cash receipts and payments by operating, noncapital financing, capital and related financing, and investing activities. It reconciles operating income or loss to net cash provided by or used in operating activities and explains the change in cash and cash equivalents during the year.

Financial Summary

Condensed Statements of Net Position

The following condensed statements of net position summarize the Foundation's assets, liabilities, and net position as of June 30, 2026 and 2025:

	2026	2025	2026-2025 Increase (Decrease)
ASSETS			
Cash and Cash Equivalents	$ 1,126,562	$ 1,791,820	$ (665,258)
Investments	10,578,509	7,617,023	2,961,486
Contributions Receivable, Net	3,526,135	4,087,556	(561,421)
Other Assets	52,843	63,412	(10,569)
Total Assets	$ 15,284,049	$ 13,559,811	$ 1,724,238
LIABILITIES AND NET POSITION			
LIABILITIES			
Accounts Payable and Due to University	$ 141,133	$ 35,543	$ 105,590
Total Liabilities	141,133	35,543	105,590
NET POSITION			
Net Investment in Capital Assets	52,843	63,412	(10,569)
Restricted:			
Expendable	8,443,843	7,063,888	1,379,955
Nonexpendable Endowments	5,073,404	4,619,577	453,827
Unrestricted	1,572,826	1,777,391	(204,565)
Total Net Position	15,142,916	13,524,268	1,618,648
Total Liabilities and Net Position	$ 15,284,049	$ 13,559,811	$ 1,724,238

Condensed Statements of Revenues, Expenses, and Changes in Net Position

The following condensed statements summarize the Foundation's revenues, expenses, and changes in net position for the fiscal years ended June 30, 2026 and 2025.

	2026	2025	2026-2025 Increase (Decrease)
REVENUES			
Contributions, Net	$ 1,571,045	$ 1,327,990	$ 243,055
Investment Earnings	1,273,434	835,059	438,375
University Support	284,093	393,573	(109,480)
Total Revenues	3,128,572	2,556,622	571,950
EXPENSES			
Services and Supplies	709,230	818,112	(108,882)
Scholarships, Fellowships, and Waivers	364,089	440,204	(76,115)
Other Operating Expenses	426,036	190,246	235,790
Depreciation	10,569	10,569	-
Total Expenses	1,509,924	1,459,131	50,793
CHANGE IN NET POSITION	1,618,648	1,097,491	521,157
Net Position - Beginning of Year	13,524,268	12,426,777	1,097,491
NET POSITION - END OF YEAR	$ 15,142,916	$ 13,524,268	$ 1,618,648

The Foundation's net position increased by $1,618,648, or 12.0%, during fiscal year 2026, from $13,524,268 at June 30, 2025 to $15,142,916 at June 30, 2026. The increase resulted principally from contribution revenue and investment income exceeding the Foundation's operating expenses and support provided to the University.

Detailed Analyses

Analysis of Financial Position

At June 30, 2026, the Foundation reported total assets of $15,284,049, an increase of $1,724,238, or 12.7%, from $13,559,811 at June 30, 2025. The increase was concentrated in investments and reflected positive investment performance and net additions to invested resources during the year. Cash and cash equivalents declined as operating and program-related cash requirements were funded while additional resources were maintained in the investment portfolio. Contributions receivable and other asset balances also affected the year-over-year change, as described in the notes to the financial statements.

Total liabilities were $141,133 at June 30, 2026, compared with $35,543 at June 30, 2025, an increase of $105,590. The increase was primarily attributable to $125,000 due to the University at June 30, 2026 for other academic support; no amount was due to the University at June 30, 2025. Because the increase in assets exceeded the increase in liabilities, net position rose by $1,618,648, or 12.0%, from $13,524,268 at June 30, 2025 to $15,142,916 at June 30, 2026.

At June 30, 2026, approximately 89% of total net position was restricted, compared with approximately 86% at June 30, 2025. Nonexpendable endowment resources represented approximately 38% and 34% of total net position at June 30, 2026 and 2025, respectively. Other restricted resources were available for donor-specified purposes, including scholarships, capital projects, academic advancement, and student activities. Net investment in capital assets represented less than 1% of total net position, and unrestricted net position represented approximately 10% and 13% at June 30, 2026 and 2025, respectively. The prevalence of restricted net position limits the amount available for the Foundation's general operations.

Revenue Analysis

Contributions totaled $1,571,045 in fiscal year 2026, an increase of $243,055, or 18.3%, from $1,327,990 in fiscal year 2025. Contributions include unrestricted gifts and donor-restricted support for scholarships, academic programs, capital purposes, and endowments. Contribution activity remained concentrated: two donors accounted for approximately 42% of contribution revenue in 2026, compared with approximately 58% in 2025. Contributions from members of the Foundation's board of directors and the University's board of trustees were $370,605 in 2026 and $88,254 in 2025.

Investment income increased by $438,375 from fiscal year 2025, primarily because of improved market performance and the larger amount of resources invested during fiscal year 2026. The Foundation's combined endowment investment and cash balances increased from $5,251,430 at June 30, 2025 to $6,421,450 at June 30, 2026. University support, which represents salaries, benefits, occupancy, and other costs paid by the University on behalf of the Foundation, decreased by $109,480 from fiscal year 2025. The corresponding expense is reported in services and supplies. The decrease reflects reduced University-paid time and related support devoted to Foundation activities during fiscal year 2026.

Expense Analysis

Services and supplies expense decreased by $108,882 from fiscal year 2025. The decrease resulted primarily from the Foundation discontinuing the use of a third-party consultant for philanthropic management and growth and from the reduction in University-paid support described above. Scholarship, fellowship, and waiver expense decreased by $76,115 after increasing by $76,127 in fiscal year 2025. Although scholarship support remained a core activity, awards in fiscal year 2026 were adjusted to align spending with available investment performance and approved funding levels. The Foundation provided $364,089 of scholarships and other academic support to the University in fiscal year 2026, compared with $549,433 in fiscal year 2025.

Analysis of the Change in Net Position

Other operating expenses increased by $235,790 from fiscal year 2025, primarily because of increased support for academic programs. Taken together, higher contributions and investment income more than offset operating expenses and the increase in liabilities, producing the $1,618,648 increase in net position for fiscal year 2026.

Significant Capital Asset and Long-Term Financing Activity

The Foundation's capital assets consist of furniture and equipment used in its operations. Capital asset activity occurred during fiscal year 2026 and is summarized in Note 6 to the financial statements; there was no depreciable asset activity during fiscal year 2025. Net investment in capital assets represented less than 1% of total net position at June 30, 2026. The Foundation had no significant long-term financing activity during fiscal year 2026 and did not report outstanding bonds, notes, or other long-term borrowings attributable to capital assets at year-end.

Currently Known Facts, Decisions, or Conditions

As of the date the financial statements were available to be issued, management was not aware of any facts, decisions, or conditions that were expected to have a significant effect on the Foundation's financial position or results of operations in the fiscal year ending June 30, 2027 beyond matters already reflected in or disclosed with the basic financial statements. The Foundation's future results will continue to be influenced by contribution activity, investment performance, donor restrictions, and the timing of support provided to the University; however, routine activities and general market uncertainty are not presented here as currently known facts unless a specific and significant financial effect is expected.

FLORIDA POLYTECHNIC UNIVERSITY FOUNDATION, INC.
STATEMENTS OF NET POSITION
JUNE 30, 2026 AND 2025

ASSETS	2026	2025
CURRENT ASSETS		
Cash and Cash Equivalents	$ 1,126,562	$ 1,791,820
Unrestricted Investments	149,942	184,268
Pledge Receivable, Net	723,000	718,384
Total Current Assets	1,999,504	2,694,472
NONCURRENT ASSETS		
Pledge Receivable, Net	2,803,135	3,369,172
Restricted Noncurrent Assets:		
Investments - Endowment	6,107,355	5,003,631
Investments - Restricted for Other Long-Term Purpose	4,321,212	2,429,124
Depreciable Assets, net	52,843	63,412
Total Noncurrent Assets	13,284,545	10,865,339
Total Assets	$ 15,284,049	$ 13,559,811
LIABILITIES AND NET POSITION		
LIABILITIES		
Current Liabilities:		
Accounts Payable	$ 16,491	$ 35,543
Due to University	124,642	-
Total Current Liabilities	141,133	35,543
NET POSITION		
Net Investment in Capital Assets	52,843	63,412
Restricted:		
Expendable	8,443,843	7,063,888
Nonexpendable	5,073,404	4,619,577
Unrestricted	1,572,826	1,777,391
Total Net Position	15,142,916	13,524,268
Total Liabilities and Net Position	$ 15,284,049	$ 13,559,811

See accompanying Notes to Financial Statements.

FLORIDA POLYTECHNIC UNIVERSITY FOUNDATION, INC.
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2026 AND 2025

	2026	2025
OPERATING REVENUES		
Contributions, Net of Allowance and Discounts	$ 1,114,275	$ 927,190
University Support	284,093	393,573
Total Revenues	1,398,368	1,320,763
OPERATING EXPENSES		
Services and Supplies	709,230	818,112
Scholarships, Fellowships, and Waivers	364,089	440,204
Other Operating Expenses	426,036	190,246
Depreciation	10,569	10,569
Total Expenses	1,509,924	1,459,131
OPERATING LOSS	(111,556)	(138,368)
OTHER NONOPERATING REVENUES		
Realized Gains on Investments, Interest, and Dividends	443,214	346,298
Unrealized Gain on Investments	830,220	488,761
Endowment Contributions	456,770	400,800
Total Nonoperating Revenues	1,730,204	1,235,859
INCREASE IN FUND NET POSITION	1,618,648	1,097,491
Fund Net Position - Beginning of Year	13,524,268	12,426,777
FUND NET POSITION - END OF YEAR	$ 15,142,916	$ 13,524,268

See accompanying Notes to Financial Statements.

FLORIDA POLYTECHNIC UNIVERSITY FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2026 AND 2025

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Contributions & Other Income	$ 1,675,696	$ 1,611,444
Cash Payments for Services and Supplies	(444,189)	(424,539)
Cash Payments for Scholarships, Fellowships, and Waivers	(364,089)	(440,204)
Cash Payments for Other Operating Expenses	(301,394)	(255,243)
Net Cash Provided by Operating Activities	566,024	491,458
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(4,630,298)	(1,191,971)
Proceeds from Sale of Investments	2,499,033	768,457
Investment Income	443,213	304,960
Net Cash Used by Investing Activities	(1,688,052)	(118,554)
NONCAPITAL FINANCING ACTIVITIES		
Endowment contributions Received for Other than Capital Purchases	456,770	400,800
Net Cash Provided by Noncapital Financing Activities	456,770	400,800
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(665,258)	773,704
Cash and Cash Equivalents - Beginning of Year	1,791,820	1,018,116
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,126,562	$ 1,791,820
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Loss	$ (111,556)	$ (138,368)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	10,569	10,569
Changes in Operating Assets and Liabilities:		
Pledge Receivables	561,421	684,254
Accounts Payable	(19,052)	(36,392)
Due to University	124,642	(28,605)
Total Adjustments	677,580	629,826
Net Cash Provided by Operating Activities	$ 566,024	$ 491,458

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Florida Polytechnic University Foundation, Inc. (the Foundation) was incorporated on October 30, 2012. Foundation was formed as a direct-support organization in accordance with Section 1004.28, Florida statutes, and operates exclusively for the benefit of Florida Polytechnic University (the University). The Foundation is considered a component unit of the University. The governing body of the Foundation is the board of directors (the Board). The Board is comprised of not less than 3 and not more than 45 elected directors, revised by the nominations committee, elected by the Board, and confirmed by the University board of trustees. The Foundation's purpose is to receive, hold, invest and administer property and to make expenses to or for the benefit of the University by encouraging alumni and friends to provide private funds and other resources for the University's benefit, to manage those assets, to provide volunteer leadership in support of the University's objectives and to perform all business matter to accomplish these purposes, and to exercise rights in intellectual property for the benefit of the University.

Reporting Entity

According to the Foundations bylaws and Section 1004.28, Florida statutes, the University board of trustees shall approve all appointments to the Foundation Board, resulting in University control of the Board. Therefore, the Foundation's financial statements are prepared in accordance with generally accepted accounting principles applicable to governmental nonprofit organizations as prescribed by the Governmental Accounting Standards Board (GASB).

In evaluating the Foundation as a reporting entity, there were no component units identified for which the Foundation is considered financially accountable.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting coupled with an economic resources measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The Foundation applies accounting and financial reporting standards applicable to governmental entities. Accordingly, the Foundation applies statements issued by the Governmental Accounting Standards Board.

The Foundation is engaged only in business-type activities and is required to present the financial statements required for enterprise funds which are part of proprietary funds.

Proprietary funds account for their activities similar to those found in the private sector, where cost recovery and the determination of net income are useful or necessary for sound fiscal management. The focus of proprietary fund measurement is upon the determination of operating income, changes in net position, financial net position and cash flows. Currently, the Foundation reports its proprietary fund activities in a single enterprise fund.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in Accounting Principle

Effective July 1, 2025, the Foundation adopted GASB Statement No. 103, Financial Reporting Model Improvements which revised certain financial reporting and presentation requirements, including the classification of revenues and expenses within the Statement of Revenues, Expenses, and Changes in Net Position. The implementation of this statement did not affect the Foundation's beginning net position and did not require a restatement of net position. The principal effect of implementing GASB Statement No. 103 was the reclassification of certain revenues and expenses to conform to the operating, nonoperating, and subsidy classifications required by the Statement. This reclassification affected presentation only and did not impact total revenues, total expenses, change in net position, or net position. As a result of implementing GASB Statement No. 103, Endowment contributions previously reported as a separate line item is now reported within other nonoperating revenue. Comparative fiscal year 2025 information has been reclassified to conform to the current-year presentation.

Cash, Cash Equivalents, and Restricted Cash

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Cash balances held for restricted purposes are shown as restricted cash on the statements of net position and are excluded from cash and cash equivalents.

Contributions Receivable

The Foundation accounts for its pledges in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. Unrestricted and restricted contributions receivable are recorded in the statement of net position. If management expects the cash from the contribution receivable to be received more than one year in the future, the promises to give revenue and receivable are discounted for the time value of money (i.e., net present value). Endowment pledges are not recognized in the statement of net position. These contributions are not revalued in subsequent years and the Foundation has not elected the fair value option. Discount amortization is recognized as contribution revenue in subsequent years.

Management reviews, and if applicable, estimates an allowance for uncollectible promises based on historical write-offs. Contributions are reported at net realizable value in the initial year and a discount is recorded, if applicable.

Investments

Investments consist primarily of assets invested in marketable equity and debt securities, open ended mutual funds, and money market accounts. Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statement of financial position. Investments in open ended mutual funds are valued using the net asset value (NAV) per share (or its equivalent) as a practical expedient. The realized and unrealized gain or loss on investments is reflected in the statement of revenue, expenses, and chance in fund balance.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (Continued)

Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that change in the fair values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of net position.

Investment Income

Gains or losses on the sale of the investments are based on the weighted-average cost method. Realized gains are recognized based on the trade date for investments sold during the year. For investments held as of year-end any changes in fair value during the year are recorded as unrealized gains for the year. Interest and dividend income is recognized as revenue in the period earned.

Deposits

Deposits primarily consist of amounts paid in advance to vendors for assets the Foundation has not yet received which will provide future benefit to support the Foundations.

Net Position

Classification of net position is defined as follows:

- **Net Investment in Capital Assets** – Represents funds that consist of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to and expended on the acquisition, construction, or improvement of those assets net of any related unspent debt proceeds.
- **Restricted Net Position** – This category represents the net position of the Foundation which is restricted by constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through enabling legislation.

  Expendable – This portion of restricted net position comprises expendable funds with restrictions to use for the benefit of various programs at the University, including the expendable portion of endowment funds. These programs include endowed chairs, scholarship funding, and capital projects for the University.

  Nonexpendable – This portion of restricted net position consists of nonexpendable funds with restrictions to use for the benefit of various programs at the University. The corpus of the permanent endowments are retained while the net earnings or losses on endowment funds are included in expendable funds available for expense.
- **Unrestricted Net Position** – Represents funds that are available without restriction for carrying out the Foundation's objectives.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position Flow Assumption – Sometimes the Foundation will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted and unrestricted, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Foundation's policy to consider restricted funds to have been depleted before unrestricted funds are applied.

Depreciable Assets

Depreciable assets include furniture and equipment which is stated at cost as of the date of acquisition. The Foundation has a capitalization threshold of $5,000 for equipment and furniture. Depreciation for equipment and furniture is provided on the straight-line method over an estimated useful life of 3 to 10 years.

Revenue Recognition

The Foundation recognizes gifts of cash, investment securities, or pledges receivable as revenue when all eligibility requirements have been met with the exception of pledges to the endowment which are recognized when funds are received. Donations of securities and other nonmonetary items are recorded as revenue based on their acquisition value at the date of the gift. Donated services are not recognized by the Foundation. Conditional promises to give are not recognized until the condition has been met.

Operating and Nonoperating Activities

Operating revenues and expenses represent ongoing activities of the Foundation, as well as ongoing activities that are in support of the University's programs. Operating activities relate to the Foundation's principal function, which is to solicit, receive, hold, invest, and administer charitable contributions for the benefit of the University. Operating revenues also include University related support. Nonoperating revenues include investment returns.

Income Tax Status

The Foundation is a nonprofit organization that is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). Unrelated business income, as defined by Section 509(a)(1) of the IRC is subject to federal income tax. The Foundation currently has no unrelated business taxable income. Accordingly, no provision for income taxes has been recorded.

The Foundation has reviewed and evaluated the relevant technical merits of its tax position in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes and determined that there are no uncertain tax positions that would have a material impact on the financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences, Other Postemployment Benefits, and Pension Liability

Employees earn the right to be compensated during absences for annual leave (vacation) and sick leave pursuant to Section 6C-5.920, Florida Administrative Code. Leave earned is accrued to the credit of the employee and records are kept on each employee's unpaid (unused) leave balance. Employees also accrue retirement benefits for pension and other postemployment benefits over the time of employment at the University. Since all the employees who work for the Foundation are considered employees of the University, this compensated absences liability, along with liabilities for pensions and other postemployment benefits, is reported by the University and therefore is not reflected on the Foundation's financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash and Cash Equivalents

At June 30, 2026, the recorded amount of cash and cash equivalents of the Foundation's deposits was $1,126,562. Operating bank account balances as of June 30, 2026, were $291,259. Cash equivalents as of June 30, 2026, include $835,303 of money market funds held in brokerage accounts with an average duration of less than one year and a credit rating of AAA.

At June 30, 2025, the recorded amount of cash, cash equivalents, and restricted cash of the Foundation's deposits was $1,791,820. Operating bank account balances as of June 30, 2025, were $1,703,036. Cash equivalents as of June 30, 2025, include $88,784 of money market funds held in brokerage accounts with an average duration of less than one year and a credit rating of AAA.

Custodial Credit Risk – Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Foundation will not be able to recover deposits. Cash deposits consist of noninterest-bearing demand deposits, money market accounts and cash deposits.

At June 30, 2026 and 2025, $605,001 and $1,449,909, respectively, in cash deposits are not insured by federal deposit insurance and are not collateralized.

NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Investments

The goal of the Foundation's investments is set forth in the investment policy manual as approved by the Foundation's board of directors. Such goal is designed to maximize growth, minimize risk, and provide lasting income in support of the University. The investment policy manual also provides information on asset classes, target allocations and ranges of acceptable investment categories. However, the policy does not address specific types of risks such as credit risk and interest rate risk that the Foundation may be exposed to as outlined below.

Investments are allocated across the following investment strategies at June 30:

	2026	2025
Equity Mutual Funds	$ 7,105,807	$ 5,078,573
Bonds Mutual Funds	3,245,451	2,314,051
Open Ended Mutual Funds	227,251	224,399
Total Investments	$ 10,578,509	$ 7,617,023

Custodial Credit Risk – Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the Foundation will not be able to recover the value of its investments or collateral securities that are in held by an outside party. It is the Foundation's policy to require that all securities be held by the Foundation's agent in the Foundation's name. The Foundation's investments as of June 30, 2026 and 2025, are uninsured and registered with securities held by the Foundation's agent in the Foundation's name.

Credit Risk

Credit risk is the risk that an insurer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. State law does not limit investment options of the Foundation. The Foundation had no policy on credit risk. Presented below is the actual rating as of June 30, 2026 and 2025, for each type of investment.

Investment Type	Rating	2026	2025
Mutual Funds:			
Bonds Mutual Funds	BBB	$ 3,245,451	$ 2,314,051
Total Investments		$ 3,245,451	$ 2,314,051

NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Credit Risk (Continued)

The following investments are held through alternative investments in funds and are not directly subject to credit risk:

	2026	2025
Alternative Investments*		
Open Ended Mutual Funds	$ 227,251	$ 224,399
Total Alternative Investments	$ 227,251	$ 224,399

*Alternative Investments consist of funds that may include underlying securities including equities, fixed income, real estate, and other types of investments. The schedule above only reflects the credit risk related to debt-type securities that are directly held by the Foundation.

Interest Rate Risk

Interest rate risk is the possibility that interest rates will rise and reduce the fair value of an investment. The Foundation had no policy on interest rate risk.

As of June 30, 2026, the Foundation had the following investments and related maturities:

		Investment Maturities		
Investment Type	Fair Value	Less than 1 year	1 - 5 Years	> 5 Years
Mutual Funds:				
Bonds Funds	$ 3,245,451	$ -	$ 3,245,451	$ -
Total Investments	$ 3,245,451	$ -	$ 3,245,451	$ -

Interest Rate Risk (Continued)

As of June 30, 2025, the Foundation had the following investments and related maturities:

		Investment Maturities		
Investment Type	Fair Value	Less than 1 year	1 - 5 Years	> 5 Years
Mutual Funds:				
Bonds Funds	$ 2,314,051	$ -	$ 2,314,051	$ -
Total Investments	$ 2,314,051	$ -	$ 2,314,051	$ -

The following investments are held through alternative investments in funds and are not directly subject to interest rate risk:

	2026	2025
Alternative Investments*		
Open Ended Mutual Funds	$ 227,251	$ 224,399
Total Alternative Investments	$ 227,251	$ 224,399

* Alternative investments consist of funds that may include underlying securities including equities, fixed income, real estate, and other types of investments. The schedule above only reflects the interest rate risk related to debt-type securities that are directly held by the Foundation.

NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Fair Value Measurements

GASB Statement No. 72, *Fair Value Measurement and Application*, establishes a framework for measuring fair value through a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The level of an asset or liability within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The fair value hierarchy prioritizes the inputs into three broad levels:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that government can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for an asset or liability either directly or indirectly.

Level 3 – Unobservable inputs for an asset or liability.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following tables present the assets measured at fair value on a recurring basis on the statements of net position for the year ended June 30, 2026, by the GASB Statement No. 72 hierarchy (as described above).

Investment Type	Assets Measured at Fair Value	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
Mutual Funds:				
Equity Funds	$ 7,105,807	$ 7,105,807	$ -	$ -
Bonds Funds	3,245,451	3,245,451	-	-
Total Investments	$ 10,351,258	$ 10,351,258	$ -	$ -

The following tables present the assets measured at fair value on a recurring basis on the statements of net position for the year ended June 30, 2025.

Investment Type	Assets Measured at Fair Value	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
Mutual Funds:				
Equity Funds	$ 5,078,573	$ 5,078,573	$ -	$ -
Bonds Funds	2,314,051	2,314,051	-	-
Total Investments	$ 7,392,624	$ 7,392,624	$ -	$ -

NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Investments Measured at NAV

Certain investments are measured at fair value using the net asset value (NAV) per share (or its equivalent) as a practical expedient under GASB Statement No. 72. These investments are not classified within the fair value hierarchy.

The Foundation held the following investments measured at NAV during the year ended June 30:

	2026 Fair Value	2025 Fair Value	Redemption Frequency	Redemption Notice Period
CCLFX – Core Bond Fund	$ 173,166	$ 170,314	Daily	None
TIPWX (Inflation-Protected Securities Fund)	54,085	54,085	Daily	None
Investments	$ 227,251	$ 224,399		

The June 30, 2026 investments held at NAV reflect:

CCLFX (Core Bond Fund): Seeks to provide total return through investment in a diversified portfolio of investment-grade fixed-income securities. CCLFX represents 0.71% of the total investment assets. These funds are interval funds, and the fair value cannot be observed through observable inputs through an exchange for the overall fund.

TIPWX (Inflation-Protected Securities Fund): Seeks to provide inflation protection and income by investing primarily in U.S. Treasury Inflation-Protected Securities (TIPS). TIPWX represents 2.24% of total investment assets. These funds are interval funds, and the fair value cannot be observed through observable inputs through an exchange for the overall fund.

Both funds are open-end mutual funds that allow daily redemptions at NAV without restrictions. There are no unfunded commitments, lock-up periods, or significant redemption limitations.

NOTE 3 PLEDGE RECEIVABLE

Pledges receivable future collections, the discount, and the related allowance for potentially uncollectible amounts are summarized as follows at June 30, 2026 and 2025:

	2026	2025
Pledges Receivable	$ 4,022,000	$ 4,642,824
Less: Allowance for Doubtful Amounts	(14,560)	(13,926)
Less: Discount on Future Payments	(481,305)	(541,342)
Total Pledges Receivables, Net	$ 3,526,135	$ 4,087,556
Current Pledges Receivable, Net	$ 723,000	$ 718,384
Noncurrent Pledges Receivable, Net	2,803,135	3,369,172
Total Pledges Receivable, Net	$ 3,526,135	$ 4,087,556

NOTE 3 PLEDGE RECEIVABLE (CONTINUED)

Noncurrent pledges receivable are net of discounts on future payments using a risk-free interest rate at the time the pledge was initially recognized. Discount rates used for pledges currently outstanding range from 3.01% to 4.33%.

NOTE 4 ENDOWMENT

The Foundation authorizes expenditures for the uses and purposes for which endowment funds were established. The state of Florida has adopted FS 617.2104, which provides policy for administration related to investment of endowment funds and the ability to spend net appreciation.

The Foundation's endowment balance is comprised of funds established for scholarships, academic programs and Unrestricted purposes. As of June 30, 2026, the endowment investments and cash account balances were combined $6,421,456.

As of June 30, 2025, the endowment investment and cash account balances were combined $5,251,430.

The Foundation authorizes expenses for the uses and purposes for which endowment funds were established. The Foundation's general total spending rate for eligible endowments was calculated in accordance with the Foundation's investment policy and used a total spending rate of 4.0% for fiscal years 2026 and 2025. The total spending rate for each fund is determined by the finance committee on an annual basis and is approved by the Foundation Board.

The Foundation is allowed to spend a portion of the total return on endowment funds for current year needs. Any remainder of the total return is to be reinvested to keep pace with and exceed inflations.

The following displays the total ending endowment balances for nonexpendable endowments or donor-restricted endowments:

	2026	2025
Nonexpendable Endowment Corpus	$ 5,073,404	$ 4,619,577
Plus: Appreciation/Earnings on Endowments (Restricted)	1,348,052	631,853
Total of Donor Endowments	$ 6,421,456	$ 5,251,430

NOTE 5 RELATED PARTY TRANSACTIONS

The Foundation is the primary fundraiser for the University; in return, the University provides administrative and fundraising support to the Foundation for salaries and related benefits which are reported as University Support, on the statement of revenues, expenses, and changes in net position.

During the years ended June 30, 2026 and 2025, the Foundation provided scholarships, and other academic support in the amounts of $364,089 and $549,433, respectively, to the University. Amounts owed to the University as of June 30, 2026 and 2025 related to these items were $124,642 and $0, respectively, which are reported as due to University, on the statements of net position.

During the years ended June 30, 2026 and 2025, contribution revenue from the Foundation board of directors and University board of trustees totaled $370,605 and $88,254, respectively. Outstanding pledges receivables from board members at June 30, 2026 and 2025, were approximately $90,000 and $70,000, respectively.

NOTE 6 DEPRECIABLE ASSETS

Depreciable assets activity for the fiscal year ended June 30, 2026 is shown in the following table:

	June 30, 2025	Increases	Decreases	June 30, 2026
Equipment and Furniture	$ 73,981	$ -	$ -	$ 73,981
Less: Accumulated Depreciation	(10,569)	(10,569)	-	(21,138)
Total Depreciable Assets, Net	$ 63,412	$ (10,569)	$ -	$ 52,843

There were no additions or disposals of depreciable assets during the year ended June 30, 2026. Activity consisted solely of accumulated depreciation recognized during the year.

NOTE 7 CONCENTRATIONS

During the years ended June 30, 2026, approximately 42% of the total contribution revenue recorded was from two donors. During the years ended June 30, 2025 approximately 58% of the total contribution revenue recorded was from two donors.

At June 30, 2026 and 2025, Pledge Receivable, Net includes outstanding pledges from one unique donor that represented approximately 83% and 98% of total Pledge Receivable, Net.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Florida Polytechnic University Foundation, Inc.
Lakeland, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Florida Polytechnic University Foundation, Inc. (Foundation), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements, and have issued our report thereon dated September 29, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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Board of Directors
Florida Polytechnic University Foundation, Inc.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Orlando, Florida
September 29, 2026



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Board of Directors and Management
Florida Polytechnic University Foundation, Inc.
Lakeland, Florida

In planning and performing our audit of the financial statements of Florida Polytechnic University Foundation, Inc. (Foundation) as of and for the year ended June 30, 2026, in accordance with auditing standards generally accepted in the United States of America, we considered the entity's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

However, during our audit, we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and other matters that are opportunities to strengthen your internal control and improve the efficiency of your operations. Our comments and suggestions regarding those matters are summarized below. We previously provided a written communication dated September 29, 2026, on the entity's internal control. This letter does not affect our report on the financial statements dated September 29, 2026, nor our internal control communication dated September 29, 2026.

A separate communication dated September 29, 2026, contains our written communication of significant deficiencies and material weaknesses in the entity's internal control. This letter does not affect our report on the financial statements dated September 29, 2026, nor our internal control communication dated September 29, 2026.

1. During our testing of philanthropic revenue transactions, we identified exceptions related to the documentation supporting donor contributions and donor-imposed restrictions.

   The first exception involved longstanding employee payroll deduction contributions. While management was able to provide corroborating evidence supporting the existence and continuation of the contributions, the Foundation was unable to provide the original employee election forms. Management indicated that these elections were established many years ago and that the original paper or electronic documentation was not retained. Adequate supporting documentation is necessary to demonstrate donor intent and substantiate the nature and purpose of contributions received.

   The second exception involved a gift that had been classified as a permanently endowed fund; however, supporting documentation evidencing donor intent for the gift to be permanently restricted could not be located. While management determined that the contribution should be invested and maintained as an endowed fund, donor restrictions must be supported by documentation from the donor. In the absence of donor-imposed restrictions, amounts designated by management or the governing board represent board-designated (quasi-endowment) funds rather than donor-restricted net assets.

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We recommend that management continue to strengthen policies and procedures surrounding the retention of donor documentation and supporting records for all contributions, including payroll deductions, endowed gifts, and other restricted gifts. Documentation should clearly evidence donor intent, any restrictions on the use of funds, and the nature of the contribution. In addition, management should verify that all amounts reported as donor-restricted, including permanently endowed funds, are supported by adequate donor documentation. Where restrictions are established solely through management or board action, such amounts should be classified and reported as board-designated or quasi-endowment funds rather than donor-restricted funds.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various entity personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

* * *

This communication is intended solely for the information and use of management, the board of directors, and others within the entity, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Orlando, Florida
September 29, 2026

AGENDA ITEM: VI.D.

Florida Polytechnic University

Governance, Audit and Compliance Committee

Board of Trustees

November 10, 2026

Subject: Auditor General Operational Audit

Proposed Committee Action

No action – information only.

Background Information

In accordance with Section 11.45, Florida Statutes, an operational audit was performed on the University's various programs, activities, and functions. The operational audit focused on various processes and administrative activities and included a follow-up of the previous operational audit of the University. David Blanton, Chief Audit Executive/Chief Compliance Officer (CAE/CCO) will present the results of the operational audit to the Committee for their consideration.

As noted in the scope section of the report (pages 6-8), the audit covered a wide variety of topics and tested considerable transactions, processes, and operations of the University. The operational audit resulted in four audit findings.

Supporting Documentation: Florida Polytechnic University Operational Audit Report No. 2027-033 (issued by the Florida Auditor General)

Prepared by: David A. Blanton, CAE/CCO

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2027-033
October 2026

FLORIDA POLYTECHNIC UNIVERSITY

Sherrill F. Norman, CPA
Auditor General

Board of Trustees and President

During the 2025 calendar year, Dr. Devin Stephenson served as President of Florida Polytechnic University and the following individuals served as Members of the Board of Trustees:

Beth Kigel, Chair
Jesse Panuccio, Vice Chair
Dr. Dorian Abbot through 6-30-25 [a]
Dr. Christie Bassett from 12-30-25 [b]
Jeffrey Beelaert from 12-30-25 [b]
Patrick Hagen
Jack Harrell III from 12-30-25 [a]
Robert O. Kincart from 12-12-25 [c]
Colby Manrodt from 4-28-25 [d]
Sumanth Neelam from 5-15-25 [e]
Eliot Peace from 5-15-25 [e]
Dr. Edwar Romero-Ramirez from 5-6-25 [f]
Ilya Sharpiro
Lyn Stanfield through 7-15-25 [c]
Dr. Sidney W. Theis
Dr. Bradford Towle through 5-5-25 [f]
Christos Tsetsekas through 4-27-25 [d]

[a] Trustee position vacant 7-1-25, through 12-29-25.
[b] Trustee position vacant through 12-29-25.
[c] Trustee position vacant 7-16-25, through 12-11-25.
[d] Student Body President.
[e] Trustee position vacant through 5-14-25.
[f] Faculty Senate Chair.

The Auditor General conducts audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

The team leader was Shaun Miller, CPA, and the audit was supervised by Mark A. Arroyo, CPA.

Please address inquiries regarding this report to Jaime N. Hoelscher, CPA, Audit Manager, by e-mail at jaimehoelscher@aud.state.fl.us or by telephone at (850) 412-2868.

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FLORIDA POLYTECHNIC UNIVERSITY

SUMMARY

This operational audit of Florida Polytechnic University (University) focused on selected University processes and administrative activities and included a follow-up on findings noted in our report No. 2024-007. Our operational audit disclosed the following:

Finding 1: For the 2025-26 fiscal year, the former University President served as a full professor with a salary totaling $410,192, which was $267,192 more than the average salary for other University full professors. Despite our request, University records were not provided to demonstrate the reasonableness of the full professor salary of the former President.

Finding 2: University records supporting employee moving expense reimbursements did not generally document consideration of factors such as the distance of the move or other cost elements or require repayment if the employee terminated employment shortly after receiving the reimbursement.

Finding 3: University controls over public records requests could be enhanced.

Finding 4: The University did not always promptly cancel the purchasing cards of employees who separated from University employment.

BACKGROUND

The Florida Polytechnic University (University) is part of the State university system of public universities, which is under the general direction and control of the Florida Board of Governors (BOG). The University is directly governed by a Board of Trustees (Trustees) consisting of 13 members. The Governor appoints 6 citizen members and the BOG appoints 5 citizen members. These members are confirmed by the Florida Senate and serve staggered 5-year terms. The Faculty Senate Chair and Student Body President also are members.

The BOG establishes the powers and duties of the Trustees. The Trustees are responsible for setting University policies, which provide governance in accordance with State law and BOG Regulations. The University President is selected by the Trustees and confirmed by the BOG. The University President serves as the Executive Officer and the Corporate Secretary of the Trustees and is responsible for administering the policies prescribed by the Trustees for the University.

FINDINGS AND RECOMMENDATIONS

Finding 1: Former President

State law[1] and Board of Governors (BOG) regulations[2] authorize the University Trustees to establish a personnel program for all employees of the University, including the president and faculty positions.

[1] Section 1001.706(6), Florida Statutes.

[2] BOG Regulation 1.001(5), *University Board of Trustees Powers and Duties*.

Under the Trustee-approved employment agreement with the President, if the President resigned and elected to join the University teaching faculty, he would be eligible for a one-year sabbatical leave immediately following the conclusion of his presidency and prior to assuming a faculty role as a full professor. During the sabbatical year, he would receive 90 percent of his presidential base salary and, upon completing the sabbatical, he would be employed as a full professor at 90 percent of the sabbatical-year base salary.

According to the Faculty Collective Bargaining Agreement, sabbatical leave must provide professional value to the University and offer opportunities for research, faculty development, or other experiences. The Agreement also states that faculty members, such as full professors, are generally assigned teaching, research, and service responsibilities.

The University President began employment on July 7, 2014, terminated his presidency on July 6, 2024, and began sabbatical leave on July 7, 2024. Table 1 summarizes the President's transition to the full professor position, including services and annual salary, for the period July 6, 2024, through July 6, 2026.[3]

Table 1
President's Transition to Full Professor
July 6, 2024, through July 6, 2026

Status	Time Period	Services	Annual Salary	Sabbatical Leave and Full Professor Salary Calculations
President	As of July 6, 2024	Oversaw University Operations	$506,410	-
Sabbatical Leave	July 7, 2024 – July 6, 2025	Conducted Research and Prepared to Teach Courses	$455,769	90% of President Salary
Full Professor	July 7, 2025 – July 6, 2026	Conducted Research and Aided in Pursuing Patents and Grant Writing	$410,192	90% of Sabbatical Leave Salary

Source: University records.

Despite the contract provisions authorizing the services and annual salaries, the former President did not teach any classes while classified as a full professor and received an annual salary that exceeded the $143,000 average salary for other University full professors by $267,192. Although we requested, University records were not provided to demonstrate the reasonableness of the full professor salary of the former President. Without documentation supporting the basis for the salary, the public purpose served by that level of compensation is not readily apparent.

Recommendation: The University Trustees should take official action to document and demonstrate the reasonableness of the former President's salary while classified as a full professor. In addition, the Trustees should ensure that future compensation for former presidents is based on the services assigned to the position and the University-defined benefits expected and received.

[3] The former President's employment with the University terminated July 6, 2026.

Finding 2: Moving Expenses

In accordance with good business practice, University procedures should include effective controls to ensure moving expense reimbursements serve a public purpose and are reasonable and appropriate. The University *Procurement Manual* (*Manual*) authorizes moving expense[4] reimbursements for new employees when the expenses are approved in advance by the hiring department's vice president. However, University personnel indicated that the reimbursements are typically not processed in accordance with the *Manual*. Instead, the amounts reimbursed are generally based on those specified in the employee's contract or offer letter, without considering factors such as the distance of the move or other reasonable cost limits. Moreover, University procedures did not consistently require repayment if the employee terminates employment shortly after receiving the reimbursement.

For the 2024 and 2025 calendar years, University records show that moving expenses totaling $506,000 were paid to 54 employees, with individual reimbursements ranging from $2,000 to $30,000. As part of our audit, we requested documentation supporting reimbursements totaling $137,500 for 9 employees. According to University personnel, the reimbursements were made solely based on the amounts stated in the employee contracts or offer letters, and justification supporting the reasonableness of the amounts paid was not documented. While we noted that 7 employment contracts or offer letters required reimbursement repayment provisions for early employment terminations, neither the contracts nor offer letters for 2 employees included such provisions, despite receiving moving expense reimbursements totaling $15,000 and $10,000.

University interests can be protected by documenting justification for moving expense reimbursements and including employment contract provisions that require employees to repay reimbursements for early employment terminations.

Recommendation: The University should enhance procedures to ensure that University records document justification for moving expense reimbursement amounts considering factors such as the distance of the move and other reasonable cost limits. In addition, to ensure that the University benefits from moving expense reimbursements, University contracts and offer letters should stipulate repayment requirements for employees who terminate employment after a brief period.

Finding 3: Public Records Requests

State law[5] provides that a custodian of a public records and his or her designee must acknowledge requests to inspect or copy records promptly and respond to such requests in good faith. University policies[6] require each public record request to be immediately forwarded to the Office of the General Counsel and the General Counsel is responsible for providing assistance in responding to the request. The University may assess a reasonable service charge for extensive personnel time or use of information technology resources or both that were required to gather and produce the records.

[4] Allowable moving expenses include packing and shipping household goods including mobile homes and automobiles. Charges for unpacking and storage are not allowable.

[5] Section 119.07(1)(c), Florida Statutes.

[6] FPU Policy Number FPU-1.0123P.

University policies require the University to respond to a public records request within a reasonable time frame after receiving the request and authorize the University to assess a service charge if the request requires extensive use of information technology resources or clerical and supervisory assistance. While the University maintains a record to track the status of each public records request and is responsible for providing a written explanation for denying access, making copies, or delayed responses, University policies did not always require effective, documented communication during the public records request and response process. Specifically, the University policies did not require and ensure that documented communication of the expected response date, considering any justifiable delays, is made promptly to those requesting public records or that responses to those requests are made by the expected response date, or by a delayed response date with documented justification and supervisory approval of the delayed response.

During the 2025 calendar year, the University received 99 public records requests. To determine whether the University complied with State law by promptly acknowledging the requests and responding in good faith, we requested University records supporting 25 requests. We found that the University acknowledged receipt of the requests but had not responded to 12 requests, which included requests for budget, employee information, construction procurement, and employment termination records. As of September 2026, the University had not established an expected response date or documented justification and supervisory approval of the delayed responses for the 12 requests, which had been outstanding 11 to 19 months, or an average of 15 months. University personnel indicated that the responses had not been made primarily because of turnover in the General Counsel position.

Effective communication during the public records request and response process, along with prompt and thorough responses to public records requests promotes compliance with State law, government transparency and accountability, and fosters greater public trust.

Recommendation: The University should enhance procedures to ensure that responses to public records requests are made in good faith as required by State law. Such enhancements should include revisions to University policies to require and ensure that the expected response date and any justifiable delays are promptly communicated to the individuals requesting public records and documented in the University records; and that responses to those requests are provided by the expected response date or by a delayed response date with documented justification and supervisory approval of the delayed response.

Finding 4: Purchasing Card Cancellations

The University administers a purchasing card (P-card) program, which gives employees the convenience of purchasing items without using the standard purchase order process. The University *Expense Card User Manual* requires that department heads collect P-cards during the exit interview with employees, destroy the cards, and complete and submit the cardholder termination form to the Purchasing Department. Timely cancellation of P-cards upon cardholder employment termination is important to avoid misuse of the cards.

During the 2025 calendar year, University P-card expenses totaled $1.7 million and 87 P-cards were in use. As part of our audit, we requested University records supporting P-card cancellations for the 23 cardholders that terminated from University employment. However, none of the 23 cardholder

termination forms were located and 7 P-cards were not cancelled until 18 to 130 days or an average of 64 days after the cardholders' employment terminations. According to University personnel, the Human Resources Department may have informally communicated employment terminations to the Purchasing Department, without the termination forms, contributing to the delayed P-card cancellations.

Although our examination of University records did not disclose any inappropriate P-card charges, our procedures cannot replace the University's responsibility to implement adequate controls over P-cards. The untimely cancellation of P-cards increases the risk for P-cards to be misused, unauthorized transactions to occur, and may limit the University's ability to satisfactorily resolve disputed charges.

Recommendation: The University should enhance procedures to ensure P-card privileges are promptly canceled upon a cardholder's termination from University employment. Such procedures should include targeted P-card training for department heads, emphasizing the critical importance of promptly completing and submitting cardholder termination forms to the Purchasing Department.

PRIOR AUDIT FOLLOW-UP

The University had taken corrective action for the finding included in our report No. 2024-007.

OBJECTIVES, SCOPE, AND METHODOLOGY

The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted this operational audit from March 2026 through September 2026 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This operational audit focused on selected University processes and administrative activities.

For those areas, our audit objectives were to:

- Evaluate management's performance in establishing and maintaining internal controls, including controls designed to prevent and detect fraud, waste, and abuse, and in administering assigned responsibilities in accordance with applicable laws, rules, regulations, contracts, grant agreements, and other guidelines.
- Examine internal controls designed and placed in operation to promote and encourage the achievement of management's control objectives in the categories of compliance, economic and efficient operations, reliability of records and reports, and safeguarding of assets, and identify weaknesses in those controls.
- Determine whether management had taken corrective actions for findings included in our report No. 2024-007.

- Identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.

This audit was designed to identify, for those areas included within the scope of the audit, weaknesses in management's internal controls significant to our audit objectives; instances of noncompliance with applicable laws, rules, regulations, contracts, grant agreements, and other guidelines; and instances of inefficient or ineffective operational policies, procedures, or practices. The focus of this audit was to identify problems so that they may be corrected in such a way as to improve government accountability and efficiency and the stewardship of management. Professional judgment has been used in determining significance and audit risk and in selecting the particular transactions, legal compliance matters, records, and controls considered.

As described in more detail below, for those programs, activities, and functions included within the scope of our audit, our audit work included, but was not limited to, communicating to management and those charged with governance the scope, objectives, timing, overall methodology, and reporting of our audit; obtaining an understanding of the program, activity, or function; identifying and evaluating internal controls significant to our audit objectives; exercising professional judgment in considering significance and audit risk in the design and execution of the research, interviews, tests, analyses, and other procedures included in the audit methodology; obtaining reasonable assurance of the overall sufficiency and appropriateness of the evidence gathered in support of our audit findings and conclusions; and reporting on the results of the audit as required by governing laws and auditing standards.

Our audit included the selection and examination of transactions and records, as well as events and conditions, occurring during the 2025 calendar year audit period and selected University actions taken prior and subsequent thereto. Unless otherwise indicated in this report, these records and transactions were not selected with the intent of statistically projecting the results, although we have presented for perspective, where practicable, information concerning relevant population value or size and quantifications relative to the items selected for examination.

An audit by its nature does not include a review of all records and actions of management, staff, and vendors and, as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, waste, abuse, or inefficiency.

In conducting our audit, we:

- Reviewed applicable laws, rules, University policies and procedures, and other guidelines, and interviewed University personnel to obtain an understanding of applicable processes and administrative activities and the related requirements.
- Evaluated University procedures for maintaining and reviewing employee access to IT data and resources. We examined access privileges of the 21 employees to selected critical functions within the finance and human resources applications during the audit period to determine the appropriateness and necessity of the access privileges based on the employees' job duties and user account functions and whether the access prevented the performance of incompatible duties.
- Evaluated University procedures for protecting the sensitive personal information of students, such as social security numbers.
- From the population of 99 public records requests received during the audit period, examined University records supporting 25 selected public records requests to determine whether the

University had established effective controls and prepared related records to demonstrate compliance with Section 119.07(1)(c), Florida Statutes.

- Examine University records for the 271 employees who received bonus and other negotiated salary payments totaling $1.2 million to evaluate compliance with Section 1012.978, Florida Statutes; Board of Governors Regulation 9.015; University Regulation 6.0032P; and other applicable University policies and procedures.
- From the population of 6,936 purchasing card (P-card) transactions totaling $1.7 million during the audit period, examined University records supporting 31 selected P-card transactions totaling $124,169 to determine whether the P-card program was administered in accordance with University policies and procedures and transactions were not of a personal nature.
- Examined P-card records for the 23 cardholders who separated from University employment during the audit period to determine whether the University timely canceled the cardholders' P-cards.
- Examined University records for the audit period to determine whether University procedures ensure that vendor and employee information changes, such as banking and address changes, were properly authorized, documented, and verified before payments were made.
- Evaluated the reasonableness of compensation paid to the former President.
- From the population of two major construction projects with expenses totaling $17.9 million and in progress during the audit period, selected one major project with 4 University payments totaling $3.5 million to determine whether the University's process for selecting design professionals and construction managers was in accordance with State law; the selection process of subcontractors was adequately monitored; the Trustees had adopted a policy establishing minimum insurance coverage requirements for design professionals; the design professionals provided evidence of required insurance; construction funding sources were appropriate, and University procedures had been established to properly approve change orders and effectively monitor contractor pay requests.
- From the population of restricted capital outlay expenses totaling $64.2 million during the audit period, examined records supporting 21 selected expenses totaling $13.1 million to determine whether these funds were expended in compliance with the restrictions imposed on the use of these resources. Also, we determined whether Education and General carryforward funds were budgeted and used in accordance with Board of Governors Regulation 9.007.
- From the population of payments totaling $1.9 million during January 2025 through February 2026 for new software applications, examined documentation supporting 6 selected payments totaling $1 million to determine whether the University evaluated the effectiveness and suitability of the software applications prior to purchase, whether the purchases were made through the competitive vendor selection process, and whether the deliverables met the contract terms and conditions.
- From the population of $924,261 of user fees collected during the audit period, examined documentation supporting collections totaling $360,207 to determine whether the University properly assessed and separately accounted for the amounts as required by Section 1009.24, Florida Statutes.
- From the population of Retention and Recruitment appropriated fund expenses totaling $2.6 million during the audit period, examined records supporting $249,048 selected expenses to evaluate the propriety of the expenses.
- Examined University records and inquired of University personnel to determine whether the University had any expenses or entered into any contracts under the authority granted by a state of emergency, declared or renewed during the audit period.

- Communicated on an interim basis with applicable officials to ensure the timely resolution of issues involving controls and noncompliance.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.
- Prepared and submitted for management response the findings and recommendations that are included in this report and which describe the matters requiring corrective actions. Management's response is included in this report under the heading ***MANAGEMENT'S RESPONSE***.

AUTHORITY

Section 11.45, Florida Statutes, requires that the Auditor General conduct an operational audit of each University on a periodic basis. Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.



Sherrill F. Norman, CPA
Auditor General

MANAGEMENT'S RESPONSE

FLORIDA POLYTECHNIC UNIVERSITY

Finding 1: Former President

The University will fully consider and document adequate and reasonable compensation for all periods covered by employment contracts. Documentation will include, at a minimum, CUPA HR comparable compensation charts and the expected duties and responsibilities of a position. A performance evaluation will be completed annually.

Finding 2: Moving Expenses

The University will implement a policy that defines measurable guidelines for moving expenses. This policy will include a reimbursement clause for early termination of employment.

Finding 3: Public Records Requests

The University has implemented a ticketing system to document and time-stamp all public records requests. Appropriate response times will be applied to the specific request and communicated to the requestor. Large requests that demonstrate a higher impact on human resources will be communicated to the requestor and documented with justification and supervisory approval of a delayed response.

Finding 4: Purchasing Card Cancellations

The University has enhanced its procedures using the ERP (Workday) HR termination process. Additionally, a Jira ticketing system time-stamps the documentation of card collection, destruction, and deactivation in both Bank of America and Workday. The Procurement Manual is being updated to reflect these procedures.

Dr. Devin Stephenson, President

AGENDA ITEM: VIII.A.

Florida Polytechnic University

Board of Trustees

Governance, Audit, and Compliance Committee

November 10, 2026

Subject: Review and Recommend Approval of the document, "President's Annual Review, July 2025-June 2026, Composite of the Trustees' Evaluations" as the document reflecting the president's annual evaluation for FYE2026

Proposed Committee Action

Motion to recommend to the Board of Trustees approval of the document titled, "President's Annual Review July 2025-June 2026, Composite of the Trustees Evaluations" and Supplement as the documents reflecting the president's annual evaluation for fiscal year ending 2026.

Background Information

Pursuant to the President's Annual Contract and Board of Trustees Policy on Annual Review of the President, the Board of Trustees must conduct an annual review of the President's performance. The annual review serves several purposes – to enable the President to strengthen his performance, to inform the Board's decisions on the President's bonus and annual compensation, and to help the Board and the President set mutually agreeable goals. Board Counsel will present a composite report of trustees' evaluations.

Supporting Documentation: N/A

Prepared by: Jason Gonzalez, Board Counsel, and Katie Daniel, University Counsel

AGENDA ITEM: VIII.B.

Florida Polytechnic

University Board of Trustees

Governance, Audit, and Compliance Committee

November 10, 2026

Subject: Discuss and Recommend Approval of President's Annual Compensation Adjustment and Bonus

Proposed Committee Actions

1. Motion to recommend to the Board of Trustees a ____% increase to the president's annual base salary.

2. Motion to recommend to the Board of Trustees a performance bonus of ____% of the president's current annual base salary.

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, after conducting the annual review, 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 to the full Board on the increase to the President's base salary and 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, 2024 to June 30, 2025 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 Performance Compensation Bonus. While serving as president, the President shall be eligible for performance compensation during the 2024-2025 fiscal year, and each continuing year thereafter. The President shall be eligible for performance compensation as follows: a) The award of performance compensation shall be 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. b) The President shall be eligible for performance compensation as a percent of his annual base salary then in effect. 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. c) 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. d) Any performance compensation awarded shall be paid to the President within 90 days of the date on which it is awarded.

Supporting Documentation: N/A

Prepared by: Katie Daniel, University Counsel

AGENDA ITEM: VIII.C.

Florida Polytechnic University

Board of Trustees

Governance, Audit, and Compliance Committee

November 10, 2026

Subject: Discuss and Recommend Approvals: Presidential Employment Agreement Expiration and Renewal Options

Proposed Committee Actions

1. Motion to recommend to the Board of Trustees approval to extend President Devin Stephenson's employment agreement for an additional ____ year(s) ending July 6, 20__, with terms to be negotiated.

2. Motion to recommend that the Board of Trustees delegate authority to the Board Chair and Board Counsel to negotiate the terms of the president's extended employment agreement, with the final agreement subject to approval by the full Board in February.

3. Motion to recommend to the Board of Trustees to approve negotiation of a total annual compensation range between $_____ and $_____.

Background Information

The President's employment agreement ends on July 6, 2027. The Board may reappoint the President and extend or replace the employment agreement. The motion addresses three major questions – whether and for how long to extend the President's employment agreement, who will negotiate the new agreements, and the compensation range available during such negotiation.

Supporting Documentation: President's Employment Agreement

Prepared by: Jason Gonzalez, Board Counsel, and Katie Daniel, University Counsel

FLORIDA POLYTECHNIC UNIVERSITY

PRESIDENT'S EMPLOYMENT AGREEMENT

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 G. Devin Stephenson ("President") hereby enter into this President's Employment Agreement (the "Agreement"). The Board and President may be referred to individually as a "Party" or collectively as the "Parties."

Background

WHEREAS, the University is the State's only all-STEM public institution in Florida; and

WHEREAS, the Board has the authority to select a President of the University pursuant to Regulation 1.001(5)(c) and 1.002 of the Board of Governors of the State University System of Florida ("Board of Governors"); and

WHEREAS, on September 7, 2023, the Board, pursuant to the Board of Governors regulation 1.002, established a Presidential Search Committee; and

WHEREAS, the Presidential Search Committee, whose members included, but was not limited to, a member of the Board of Governors, Board of Trustees, as well as faculty and student members, sent five (5) finalist candidates to the Board for consideration; and

WHEREAS, on April 15, 2024, the Board selected G. Devin Stephenson to become the next President of Florida Poly and authorized the University General Counsel to enter into contract negotiations with G. Devin Stephenson subject to approval by the Board and the Board of Governors; and

WHEREAS, G. Devin Stephenson is willing to serve as President of Florida Poly subject to the Board of Governors confirmation of the Board's appointment of G. Devin Stephenson as President; and

WHEREAS, the Parties acknowledge that the University will perform some of its obligations through the Florida Polytechnic University Foundation "Foundation," a Florida 501(c)(3) Direct Support Organization of Florida Poly; and

WHEREAS, the Parties desire to memorialize the terms and conditions of G. Devin Stephenson's employment as President of the University in this Agreement.

NOW, THEREFORE, in consideration of mutual promises, covenants and conditions contained herein, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Powers and Duties of President While Serving as President

1.1. The President reports to the Board and is 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. 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. Subject to the provisions in subsections 2.3 and 2.4, 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 111 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. Presidential Appointment Term; Evaluation; Renewal

3.1. Presidential Appointment Term. The appointment as President ("Presidential Appointment Term") shall be for a term of three (3) years, commencing on July 7, 2024, and ending on July 6, 2027. This appointment and the Agreement are renewable by mutual written consent of the parties. This appointment and this Agreement are 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. 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 ninety thousand dollars ($490,000) as of July 7, 2024 ("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, 2024 to June 30, 2025 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. 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. Relocation Reimbursement. Payable during the first two annual terms of the President's employment under this Agreement, the President shall be eligible to receive reimbursement of up to Thirty Thousand Dollars ($30,000) for moving, relocation, and travel expenses incurred by the President and his family in connection with travel to and from the Lakeland area, locating and securing appropriate housing, moving, and storage of personal property, and other associated expenses for moving from his current home to the Lakeland area.

5.3. Performance Compensation Bonus. While serving as president, the President shall be eligible for performance compensation during the 2024-2025 fiscal year, and each continuing year thereafter. The President shall be eligible for performance compensation as follows:

a) The award of performance compensation shall be 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.
b) The President shall be eligible for performance compensation as a percent of his annual base salary then in effect. 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.
c) 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.
d) Any performance compensation awarded shall be paid to the President within 90 days of the date on which it is awarded.

6. 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 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. 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 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 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. Housing

8.1. The Board will provide university housing to the President, located at 1958 Heritage Estates Drive, Lakeland, Florida 33803, for the duration of his employment as President. The housing allowance is valued at a rate of $7,000.00 per month and the value will be reviewed and adjusted as necessary annually beginning July 1, 2025. The house provided shall be maintained at the University's expense, covering grounds-keeping, repairs, general maintenance, utilities, internet, and all related expenses.

The President acknowledges that the provision of university housing may create a tax obligation under applicable Internal Revenue Service regulations. The President agrees to accept any tax-related determination made by the University accountants relating to the tax treatment of this benefit. The President further agrees to be fully responsible and liable for the payment of any tax-related obligations that may arise as a result, even after termination of this Agreement.

Prior to the President taking permanent occupancy of the house, both the President and the Board, or the Board's designee, shall evaluate the conditions of the house and identify the costs and benefits of renovations or repairs.

9. Automobile

9.1. During the Presidential Appointment Term and while serving as president, the University or the Foundation will provide a flat monthly automobile allowance in the amount of $1,200. 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. 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 the Foundation funds.

11. Expense Receipts and Documentation

11.1. The President agrees to maintain and furnish to the University Comptroller 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. 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:
a) 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;
b) materially harmful neglect of essential responsibilities of the President's duties;
c) material dishonesty or serious misconduct that adversely affects the University, including but not limited to, the commission of any felony or of a misdemeanor involving moral turpitude; or
d) 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, or relocation expenses incurred prior to the date of termination and documented by him in accordance with University procedures.

12.4. 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. 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, 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. 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. 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. Post Presidency

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 the University faculty members. After the conclusion of the second year post-presidency, his salary and other benefits will be equivalent to those of other faculty members of similar rank.

15. 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 (of this

agreement) 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. 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. 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:

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:

41 GRANDOAK DRIVE
JASPER, AL 35504

18. Modification

18.1. This Agreement constitutes the entire understanding of the parties and supersedes 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. 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. 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. 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. 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. 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. 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. 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. 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. 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. 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. These obligations shall survive the expiration or earlier termination of this Agreement.

THEREFORE, G. Devin Stephenson, President, and Cliff Otto, 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: Cliff Otto
Chairperson

05/09/24
Date

President

By: Dr. G. Devin Stephenson

5-9-24
Date

Approved as to Form and Legality:

David Fugett Digitally signed by David Fugett Date: 2024.05.08 16:28:41 -04'00'

Signature and Date
Office of the General Counsel, Florida Poly

AGENDA ITEM: VIII.D.

Florida Polytechnic University

Board of Trustees

Governance, Audit, and Compliance Committee

November 10, 2026

Subject: Ratification of Amendments to Article 12 of the Collective Bargaining Agreement

Proposed Committee Action

Motion to recommend ratification of the proposed Amendments to Article 12 of the Collective Bargaining Agreement to the Board of Trustees.

Background Information

As part of the collective bargaining process with the Florida Polytechnic University chapter of the United Faculty of Florida (UFF), we reopen Article 12, Salaries, to bargain over faculty salaries annually. On October 29, 2026, parties tentatively agreed to an amendment to Article 12, contingent upon ratification by the Board of Trustees and the faculty union.

Parties tentatively agreed to:

- A salary increase of 3.0% and a one-time bonus of $3,000 for faculty who earned a Successful or Highly Successful on their most recent annual review, as well as those who recently rejoined the unit;
- Removal of BOT approval before the administration can approve and disburse Other Increase (OI) funds, and;
- Deletion of a chart outlining the 2025 one-time bonus structure

Supporting Documentation: Amended Article 12 Tentative Agreement

Prepared by: Katie Daniel, University Counsel

ARTICLE 12

SALARIES

(Amended November 2026)

12.1 **Policy**. The parties of this Agreement recognize the importance of providing appropriate compensation as an essential component in the delivery of quality higher education programs and quality scholarship that is recognized nationally and internationally.

12.2 **Annual Salary Increases**.

(a) All employees who received an evaluation for the 2025 review period will receive the salary increase listed in the table below except for employees who joined or rejoined the bargaining unit after January 1, 2025, but before December 31, 2025, (see 12.2(b)).

Evaluation Rating	Increase
Needs Improvement	0.0 %
Successful	3.0 %
Highly Successful	3.0 %

(b) Employees who joined or rejoined the bargaining unit after January 1, 2025, but before January 31, 2026 will receive a 3.0 % salary increase regardless of whether or not they received a performance evaluation for 2025.

(c) Upon ratification, all salary increases, including salary increases as a result of promotion, will be retroactive to August 10, 2026.

(d) Annual salary increases for 2027-2028 are to be determined and will be reopened for negotiations as described in Article 26.

(e) One-time bonus: employees who earned a rating of Successful or higher on their most recent performance review will receive a $3,000 performance-based bonus in their November 30 paycheck.

12.3 **Other Increases (OI)**. The University may provide annual OIs up to one percent (1.0%) of the total salary rate of the bargaining-unit.

(a) OIs may be granted at any time at any time in the following circumstances:

(1) In response to verified written offers of outside employment.

(2) As recognition for special achievements and/or exceptional merit, including, but not limited to, awards from national or international academic/professional community or funding agencies.

(3) To address compression and inversion.

(4) For equity and market equity considerations.

(b) Further OIs may be negotiated with UFF and ratified by both parties.

(c) The University shall notify the UFF annually of OI. In this notification, the University will specify which applicable circumstance(s) from 12.3(a) (1)-(4) justified the increase.

12.4 **University Awards**.

(a) The University may provide a competitive annual Employee awards program to acknowledge and celebrate the efforts of Employees for their contribution in making the University a world-class leader in science, technology, engineering, and math (STEM) education.

(b) Awards that have a monetary component must be awarded as the result of a competitive process open to all Employees covered by this contract. The process and criteria for the award must be clearly defined and shared with all eligible Employees.

(c) The total pool for competitive awards for bargaining unit members will not exceed $5,000.

12.5 **Promotion Increases**. A bargaining-unit member who receives a promotion utilizing the promotion procedures in this collective bargaining agreement shall receive the base-salary increase shown below, effective August 15 following the academic year in which the successful review takes place.

(a) An Assistant Professor or Associate Professor who is promoted will receive a base salary increase of 10% or an increase to the "Salary Floor" (see section 12.7) appropriate for their new rank, whichever is greater.

(b) An Instructor or Senior Instructor who is promoted will receive a base salary increase of 10% or an increase to a "Salary Floor" (see section 12.7) appropriate for their new rank, whichever is greater.

(c) An Assistant Librarian or Wellness Counselor who is promoted will receive a base salary increase of 10%.

12.6 **Legislatively Mandated Increases**. Any additional legislatively mandated increases shall be implemented following the corresponding law and do not conflict with this agreement.

12.7 **Salary floors**.

(a) The median target salary is the median salary provided by College and University Professional Association (CUPA) for the rank and field for the individual using the following target universities, when they participate in the salary survey, as comparators:

(1) **List 1** *(Preferred Group used whenever possible)*: Alfred University, Kettering University, Rose-Hulman Institute of Technology, South Dakota School of Mines, University of Alaska Southeast, University of Central Florida, University of South Florida, Clarkson University, Colorado School of Mines, Franklin W. Olin College of Engineering, Illinois Institute of Technology, Oregon Institute of Technology, Rochester Institute of Technology.

(2) **List 2** *(Alternative list used when there is insufficient data in List 1):* this will include all List 1 schools plus Bucknell University, California Polytechnic University – San Luis Obispo, California State Polytechnic University – Pomona, California State University – Los Angeles, Embry Riddle Aeronautical University – Prescott campus, Florida Institute of Technology, Gonzaga, Harvey Mudd, Lafayette, Loyola Marymount University Milwaukee School of Engineering, New Mexico Institute of Mining and Technology, Oregon Institute of Technology, Rowan University, San Jose State University, Stevens Institute of Technology, University of Alaska Southeast, University of San Diego, Valparaiso University.

(b) If List 2 does not provide sufficient data, the University will use all institutions that report to CUPA to calculate the median target salary for the rank and field of an individual.

(c) Instructor salary data is not of high quality in CUPA and the median target salary for Instructor will be set at 88% of the corresponding Assistant Professor median target salary for the relevant field and set. Senior Instructor median target salary will be set at 88% of the corresponding Associate Professor median target salary for relevant field and set. Distinguished Instructor median target salary will be set at 88% of the corresponding Professor median target salary for the relevant field and set. Professor of Practice median target salary will be set at 100% of the corresponding Assistant Professor median target salary for relevant field and set.

(d) The median target salary will be updated at least annually.

(e) The salary floors for all bargaining-unit members will be:

(1) 90% of the median target salary for the Instructor Rank,

(2) 85% of the median target salary for the Senior Instructor Rank,

(3) 82% of the median target salary for the Distinguished Instructor Rank,

(4) 90% of the median target salary for the Professor of Practice Rank,

(5) 87% of the median target salary for the Assistant Professor Rank,

(6) 85% of the median target salary for the Associate Professor Rank, and

(7) 82% of the median target salary for the Professor Rank.

For comparable roles and ranks, refer to the target salary for peer institutions as outlined in section 12.7(a) or as defined for a particular rank in 12.7(c).

(f) Upon request, the university will provide UFF with a report that includes the salary floors determined for the previous academic year according to the process laid out in 12.7(a), (b), (c), and (d) for each position within the bargaining unit and filled by an in-unit employee.

12.8 **Starting Salary**. All bargaining-unit positions will be hired at a starting salary commensurate with their experience. It is expected that those salaries will typically be within 15% of employees within that unit at a similar rank and/or experience level. In exceptional cases, bargaining-unit positions may be hired at a salary above that range contingent on extraordinary experience and extramural funding.

12.9 **Grievability**. The only issues to be addressed in a grievance filed pursuant to this Agreement (Article 11) alleging violation of this Article are whether there is unlawful discrimination pursuant to state or federal law, or whether there is an arbitrary and capricious application of the provisions of one or more sections of this Article.

12.10 **Increases Contingent on Receipt of New Recurring/Non-Recurring Funds**. Unless the University chooses to fund the increases, and in the event the University does not receive sufficient new legislative or performance funding to fund the salary increases, they shall become void and re-opened for negotiations by the parties.

For the University	For UFF
Katie Daniel Chief Negotiator	C. Wylie Lenz Chief Negotiator
Date: Oct 29, 2026	Date: Oct 29, 2026