

**FLORIDA BOARD OF GOVERNORS
NOTICE OF PROPOSED REGULATION AMENDMENT**

DATE: June 25, 2009

REGULATION NUMBER AND TITLE: 9.011 University Direct Support and Health Services Support Organizations

SUMMARY: Board of Governors' Regulation 9.011 authorizes university boards of trustees to certify direct support and health services support organizations to use university property, facilities, and personal services and to establish conditions for use of such property, facilities and personal services and such other requirements as deemed appropriate for budget and audit review and oversight.

FULL TEXT OF THE REGULATION IS INCLUDED WITH THIS NOTICE.

AUTHORITY TO AMEND REGULATION(S): Section 7(d), Art. IX, Fla. Const.; BOG Regulation Development Procedure dated March 23, 2006.

THE BOARD OF GOVERNORS' OFFICIAL INITIATING THE PROPOSED AMENDMENT TO THE REGULATION: Vikki Shirley, General Counsel

COMMENTS REGARDING THE PROPOSED AMENDMENT SHOULD BE SUBMITTED WITHIN 14 DAYS OF THE DATE OF THIS NOTICE TO THE CONTACT PERSON IDENTIFIED BELOW. The comments must identify the regulation on which you are commenting:

General Counsel, Board of Governors, State University System, 325 W. Gaines Street, Suite 1614, Tallahassee, Florida 32399, (850) 245-0466 (phone), (850) 245-9685 (fax), or generalcounsel@flbog.edu.

9.011 University Direct Support Organizations and Health Services Support Organizations

(1) ~~Universities~~ boards of trustees may wishing to establish direct support organizations and health services support organizations, as provided in Section 240.299, F.S., shall request approval by the Board of Governors. Upon approval by the Board, a direct support organization shall be considered to be and certified them and authorized to use university property, facilities and personal services. Such support organizations shall be organized and operated to serve the best interests or missions of the university, including a university's research, education and service missions, and may receive, hold, invest, and administer property and make expenditures to or for the benefit of the university or for the benefit of a research and development park or research and development authority affiliated with a university. Each board of trustees shall establish conditions with which a support organization must comply in order to use university property, facilities, or personal services and such additional conditions, controls, and requirements for support organizations as each board deems appropriate to provide for budget and audit review and oversight.

(2) The Director or Chief Operating Officer of the ~~direct~~ support organization shall report to the University President or designee, ~~who shall be the Vice President of the University or other senior officer reporting directly to the University President.~~

~~(3)~~ (3) Operating budgets of ~~direct~~ support organizations shall be prepared at least annually, and approved by the organization's governing board and ~~recommended by the university president to the~~ university board of trustees or designee ~~Board of Governors for review.~~

~~(4)~~ Expenditure plans of direct support organizations shall be reviewed and approved quarterly by the university president or designee. Significant changes in planned expenditures in the approved budget must be reported to the university board of trustees or designee as soon as practicable but no later than the deadline established by a board of trustees.

~~(5)~~ Direct sSupport organizations shall provide for an annual audit ~~and management letter, conducted pursuant to as prescribed by~~ university regulations or policies. internal memoranda The annual audit report shall be submitted to the university board of trustees or designee, ~~the, which shall be forwarded to the~~ Board of Governors, and the Auditor General for review ~~and oversight.~~ The university board of trustees or designee, the Board of Governors, the Auditor General, and the Office of Program and Policy Analysis and Government Accountability may require and receive any records relative to

the operation of a support organization from the organization or its independent auditors.

(5) Each support organization shall submit its federal Internal Revenue Service application for Recognition of Exemption form (Form 1023) and its federal Internal Revenue Service Return of Organization Exempt from Income Tax form (Form 990) to the university board of trustees or designee at the times required by the applicable regulation or policy of the board of trustees. Copies of such forms shall be provided by each university to the Board of Governors.

(6) University boards of trustees ~~presidents shall~~ may request that a direct support organization be decertified by the Board of Governors if the university board of trustees or designee ~~president~~ determines that the organization is no longer serving the best interest or mission of the university and decertification is appropriate. ~~The request for d~~ In decertifying ~~ation a~~ a support organization, the board of trustees shall require an accounting of ~~include a plan for disposition of the direct support~~ organization's assets and liabilities and take such reasonable action as necessary to secure the return of all university property and facilities as requested by the university.

Authority: Section 7(d), Art. IX, Fla. Const., History – Formerly BOR Rule 6C-3.12 and 6C-9.11, 11-18-70, 12-17-74, 4-14-76, 6-25-80, 8-11-85, 9-28-86, 2-13-89, 4-10-90, 12-9-91, 8-1-94, 4-16-96, _____.