

9.013 Auxiliary Operations

(1) Auxiliary services are integral activities of a university that furnish to its faculty, staff and students goods and/or services that are necessary or desirable but not readily available elsewhere in terms of costs, quality, quantity, timeliness, convenience, or other similar considerations. These activities shall support the educational endeavor of the institution and enhance its functioning; therefore, they shall not detract or distract from this basic endeavor in any way, financially or otherwise.

(2) Each auxiliary service is an individual entity and shall be accounted for as such. A service may be operated by the institution or by a private contractor under the institution's supervision. Under either arrangement, all pertinent institutional revenues and costs shall be assigned to each auxiliary and the consequent financial results of operations determined.

(3) There shall be a uniform system of financial reporting within the State University System for auxiliary services. Each institution may determine whether its auxiliary services will be self-supporting on an individual or collective basis, except for athletics, which shall be a self-supporting entity. The use of unreserved cash from a non-athletic auxiliary may be considered for athletics by the university board of trustees and approved by the Board of Governors and may be in the form of a one-time transfer or a loan for athletics. The Board of Governors will consider this on a case-by-case basis, taking into consideration the unique facts and circumstances surrounding each situation and the additional cost to students through auxiliary fees or charges which increase the cost of attending the university. The university administration should provide, at a minimum, the following information to the university board of trustees for its consideration, and subsequently to the Board of Governors, so that a transparent and informed decision can be made:

- (a) the specific non-athletic auxiliary the funds are coming from, the amount of the proposed transfer, and the amount of reserves available;
- (b) justification that the use of unreserved cash from the non-athletic auxiliary will benefit the broader student body or campus community;
- (c) if the use of unreserved cash from the non-athletic auxiliary will only benefit a subset of students, then a combination of fundraising and a loan, paid back with interest, may be considered. The university shall provide documentation that a minimum of 25 percent of the cost of the project will come from fundraising and the university shall provide the terms and conditions of the loan;
- (~~d~~e) if the supporting non-athletic auxiliary has outstanding debt, verification that the funds to be used are unreserved cash balances and that sufficient current revenues exist to cover all expenditures, including, but not limited to, debt service payments and required reserves;

(~~e~~) assurance by the university, with concurrence of the Division of Bond Finance, that such transfer does not violate any auxiliary bond covenants, whether issued by the state, the university, or a direct support organization; and

(~~f~~) in the event the non-athletic auxiliary revenues to be transferred include student fees or payments, the date and amount of the most recent rate or fee increase for each non-athletic auxiliary from which funds are being transferred or loaned, including the total annual revenue amount resulting from such increase, and documentation that a disclosure has been made to students that non-athletic auxiliary revenues which include student fees or payments will be transferred to athletics.

(~~g~~) The university shall report to the Board annually, at a time determined by the Chancellor, the status of any loan repayment.

(4) Revenues for auxiliary services shall not be provided from general revenue supported budget entities except in payment of goods and/or services. Provided, however, auxiliary services may be housed in buildings that are financed from other sources.

(5) Proposed expenditures from the various auxiliary funds shall be reflected in annual budgets filed with the Board of Governors.

Authority: Section 7(d), Art. IX, Fla. Const., History—Formerly BOG Rule 6C-3.14 and 6C-9.13, 3-4-74, 12-17-74, 8-29-77, 9-8-77, 8-11-85, 1-8-86, 4-10-86, 11-20-08, Amended 6-22-2023,