



November 8, 2021 Governance Committee

Board of Trustees

President's Boardroom - Millican Hall, Third Floor | Virtual Option

Nov 8, 2021 10:30 AM - 11:30 AM EST

Table of Contents

I. Agenda.....	2
II. Minutes of the September 22, 2021 meeting.....	3
III. Action	
A. GOVC-1 FY21 Presidential Assessment and Compensation Review	7
B. GOVC-2 President's FY22 Goals	11
C. GOVC-3 Adoption of University Regulation UCF-4.015 Fraud Prevention and Detection.....	14
D. GOVC-4 Approval of UCF Research Foundation Fourth Amended and Restated Bylaws.....	20
E. GOVC-5 Approval of Limbitless Solutions Fourth Amended and Restated Bylaws.....	32
IV. New Business	
V. Adjournment	



Board of Trustees

Meeting Agenda

**Board of Trustees Meeting
Governance Committee
November 8, 2021, 10:30-11:30 a.m.
President's Boardroom - Millican Hall, Third Floor**

Livestream: <https://ucf.zoom.us/j/93953960909?pwd=K0E1bIV3Y2UwRFIkbk01U2VkNXNyUT09>

Webinar ID: 939 5396 0909

Conference call number: +1-929-205-6099; Meeting ID: 939 5396 0909

AGENDA

- | | |
|--|--|
| 1. Call to Order and Welcome | Michael Okaty, <i>Chair, Governance Committee</i> |
| 2. Roll Call | Tanya Perry, <i>Legal Services Coordinator</i> |
| 3. Minutes of the September 22, 2021 meeting | Chair Okaty |
| 4. Action | Chair Okaty |
| GOVC – 1 | FY21 Presidential Assessment and Compensation Review
Alex Martins, <i>Chair, UCF Board of Trustees</i>
Trustee Beverly Seay, <i>Immediate Past Chair, UCF Board of Trustees</i>
Maureen Binder, <i>Associate Vice President and Chief Human Resources Officer</i> |
| GOVC – 2 | President's FY22 Goals
Chair Martins
Alexander Cartwright, <i>President</i> |
| GOVC – 3 | Adoption of University Regulation UCF-4.015
Fraud Prevention and Detection
Youndy Cook, <i>Interim Vice President and General Counsel</i> |
| GOVC – 4 | Approval of UCF Research Foundation Fourth Amended and Restated Bylaws
Youndy Cook |
| GOVC – 5 | Approval of Limbitless Solutions Fourth Amended and Restated Bylaws
Youndy Cook |
| 5. New Business | Chair Okaty |
| 6. Adjournment | Chair Okaty |



UNIVERSITY OF CENTRAL FLORIDA

Board of Trustees
Governance Committee Meeting
September 22, 2021
Live Oak Center/Virtual

MINUTES

CALL TO ORDER

Trustee Michael Okaty, chair of the Governance Committee, called the meeting to order at 2:30 p.m. Committee members Meg Hall, John Miklos, and Beverly Seay were present. Committee members Danny Gaekwad and Bill Christy attended virtually. Other Trustees in attendance were Joseph Harrington, Caryl McAlpin, Harold Mills, Tiffany Altizer and Chair Alex Martins (*ex-officio*).

MINUTES

Trustee Gaekwad made a motion to approve the minutes from the June 16, 2021, Governance Committee meeting. Trustee Seay seconded the motion. The committee unanimously approved the minutes of the June 16, 2021, Governance Committee as submitted.

Chair Okaty indicated that the minutes from the final Compensation and Labor Committee also require approval. Trustee Hall made a motion to approve the minutes from the June 16, 2021, Compensation and Labor Committee meeting. Trustee Seay seconded the motion. The minutes were approved unanimously.

NEW BUSINESS

Board Policies Update (GOVC-1)

Youndy Cook, Interim General Counsel and Vice President, presented proposed updates to several Board policies. Cook informed the committee that all board policies are being reviewed, starting with the non-financial policies being presented today. The Administration and Finance Division is reviewing the Board's financial policies and will present any recommended changes to those policies to the Committee at the November 16th meeting. Three of the existing non-financial policies have no proposed changes, because they were recently updated: Resolution on Presidential Authority, the Board Conflict of Interest Statement and Disclosure Form, and the Delegation of Authority to Senior Management Official policy. Three policies were presented with proposed amendments: Naming of Buildings and Facilities, Presidential Performance and Compensation Review, and Policy on Use of the Stadium. Two policies were recommended for repeal: Request for Release of Direct Support Organization Records and Presidential Selection Process and Leadership Statement. Trustee Gaekwad made a motion to approve the proposed revisions to the Resolution on Presidential Authority, the Board Conflict of Interest Statement and Disclosure Form, and the Delegation of Authority to Senior Management Official policy and to dissolve the Request for Release of Direct Support Organization Records and Presidential Selection

Process and Leadership Statement. Trustee Hall seconded the motion. The motion was approved unanimously.

Amendments to Chapter 5 University Regulations (GOVC-2)

Cook presented the proposed amendments to nine Chapter 5 university regulations. This group of regulations addresses students' rights and responsibilities and are reviewed annually and updated as needed. Three of the regulations, UCF-5.009, UCF-5.013, and UCF-5.015, were initially amended on an emergency basis on July 1 to include changes necessary to comply with new language in Section 1006.60, Florida Statutes. Some of the proposed regulation amendments memorialize those emergency changes to conform to the new statute; other amendments update procedures and provisions for better clarity and function. Trustee Christy made a motion to approve the proposed regulation amendments and Trustee Seay seconded. The motion was approved unanimously.

Adoption of University Regulation UCF-5.0065 Involuntary Withdrawal Procedures; Mandated Assessment (GOVC-3)

Cook presented proposed university regulation UCF-5.0065 for adoption. This new regulation addresses involuntary withdrawal and mandated assessment processes for students in crisis. This regulation is proposed for adoption as a new regulation, but the text is taken from current regulation UCF-5.006. The only proposed change to the pre-existing text is to specifically allow the appellate officer additional time as needed to review a student's appeal of an involuntary withdrawal decision. Trustee Hall made a motion to approve the proposed regulation and Trustee Seay seconded. The motion was approved unanimously.

Amendments to University Regulation UCF-3.001 Non-Discrimination; Affirmative Action Programs (GOVC-4)

Cook also presented the proposed amendments to regulation UCF-3.001. The sole proposed amendment is to add Section 503 of the Rehabilitation Act of 1973 to the list of laws that prohibit specific forms of behavior. The Office of Institutional Equity requested this addition. Trustee Gaekwad made a motion to approve the proposed regulation amendments and Trustee Christy seconded. The motion was approved unanimously.

Election of Board Members to Central Florida Clinical Practice Organization (GOVC-5)

Cook presented the election of Dr. Jane Gibson, Chair, Department of Clinical Sciences to the Board of Directors of the Central Florida Clinical Practice Organization. CFCPO bylaws authorize election of 3 College of Medicine employed clinical faculty members to the CFCPO Board of Directors, one of whom must be a clinical department chair. There are two department chairs – the department chair who had been serving is not seeking re-election, therefore Dr. Gibson as the other clinical department chair is elected de facto to a three year term. Although CFCPO is not a DSO, it follows similar review processes to ensure complete transparency and oversight to that of the university DSOs. Trustee Christy made a motion to approve the election of Dr. Jane Gibson to the CFCPO Board of Directors and Trustee Seay seconded. The motion was approved unanimously.

Appointment of Board Members to Limbitless Solutions (GOVC-6)

Cook presented the appointments of three individuals to the Limbitless Solutions Board of Directors. The three appointees are Dr. Manoj Chopra, Josh Schmiesing, and Roger Pynn. They will each begin a two-

year term effective immediately. Trustee Seay inquired as to how individuals are selected to serve on the boards of direct support organizations. Dr. Cartwright indicated that he approves the appointments after they are vetted. A deeper level review process could be enacted but has not yet been implemented. Trustee Gaekwad made a motion to approve the appointments to the Limbitless Solutions board and Trustee Miklos seconded. The motion was approved unanimously.

Appointment of Board Member to UCF Athletics Association (GOVC-7)

Cook presented the appointment of Bill Self to the UCF Athletics Association Board of Directors. UCFAA Bylaws state that one director of the UCFAA board of directors shall be a UCF employee recommended by the President of UCF. President Cartwright has appointed Bill Self to fill that role. Chair Martins expanded on the qualifications of Self. Trustee Seay made a motion to approve the appointment of Self to the UCFAA board and Trustee Christy seconded. The motion was approved unanimously.

Nomination of Darin Edwards for Honorary Doctoral Degree of Public Service (GOVC-8)

Mike Kilbride, Chief of Staff, presented the nomination of Darin Edwards to receive an honorary doctoral degree of Public Service in recognition of his extraordinary service to humanity through his leadership of the non-clinical team that developed the Moderna COVID-19 vaccines. He was nominated by his professor, James Hickman PhD, and it was unanimously approved by the UCF Faculty Senate's Commencement, Convocations and Recognitions Committee. President Cartwright also fully endorses this recognition. Dr. Edwards will be on campus to deliver the commencement address for the UCF Class of 2020 makeup ceremony in November. Trustee Christy made a motion to approve the nomination and Trustee Seay seconded. The motion was approved unanimously.

Approval of the University of Central Florida Bonus Plan (GOVC-9)

Cook and Maureen Binder, Associate Vice President and Chief Human Resources Officer, presented the proposed UCF Bonus Plan. This plan was developed to meet the criteria of Section 1012.978, Florida Statutes and new Board of Governors Regulation 9.015, which allow university boards of trustees to create bonus plans to provide incentive bonuses based on work performance as well as bonuses to address recruitment and retention needs. Included in the plan are evaluation criteria by which any bonus would be awarded. Further, the plan would require the President to report to the Board annually at the first Board meeting during the fall semester the amount of bonuses provided during the year. The President's report must include a certification that all bonuses distributed during the prior cycle comply with the criteria of this plan and that the bonuses were within the university's budget. This plan must then be submitted to the Board of Governors for their approval. Trustee Miklos made a motion to approve the proposed plan and Trustee Hall seconded. The motion was approved unanimously.

FY22 Governance Committee Annual Plan (INFO-1)

Okaty shared the fiscal year 2022 work plan for the Governance Committee. It outlines anticipated actions, discussions, and informational items planned to come before the Committee this fiscal year. Trustee Harrington commented that approval of honorary degrees should be moved to the Academic Excellence and Student Success. Chair Okaty indicated that this would be considered along with the impacts to the committee charter.

Assignment of Ex-Officio Board Member to UCF Research Foundation (INFO-2)

Cook shared that Gerald Hector, Senior Vice President for Administration and Finance, was appointed to the UCF Research Foundation Board of Directors *ex officio*. The UCFRF Bylaws provide that the UCF Chief Financial Officer shall be a board member.

ADJOURNMENT

The meeting adjourned at 3:17 p.m.

Reviewed by:

Michael Okaty
Chair, Governance Committee

Date

Respectfully submitted:

Michael Kilbride
Associate Corporate Secretary

Date



Board of Trustees Governance Committee | November 8, 2021

GOVC-1 FY21 Presidential Assessment and Compensation Review

☐ Information

☐ Discussion

☒ Action

Meeting Date for Upcoming Action: November 18, 2021

Purpose and Issues to be Considered:

Consider the Presidential Assessment and Compensation Review Executive Summary and outlined compensation recommendations (Attachment A).

Background Information:

Board of Governors Regulation 1.001 requires the Board to conduct an annual evaluation of the president. The Governance Committee is responsible for the annual evaluation of the president's performance in addition to reviewing the President's compensation and reviewing and approving the President's short- and long- term goals.

In June 2021, the Board approved a plan for evaluating the president's performance. The plan included an incentive plan to be utilized in determining the president's award of an annual incentive as provided by the president's employment agreement which provides for an annual incentive award of not more than 50 percent of the president's base salary (or up to \$300,000).

Following approval of the plan, the Chief Human Resources Officer conducted individual interviews with all trustees to discuss their assessment of the president based on the approved presidential assessment criteria. The assessment includes two parts: assessment of the president's leadership competencies and assessment of the president's progress and accomplishments related to the incentive plan goals.

Additionally, the Chair of the Board of Trustees requested input from the Chair of the Board of Governors (BOG), for input into the evaluation.

Based on all feedback received, the Chief Human Resources Officer compiled a Presidential Assessment and Compensation Review Executive Summary (Attachment A) in consultation with the Chair of the Board of Trustees. The report also includes compensation recommendations made by the Immediate Past Chair of the Board of Trustees.

Recommended Action:

Approve the Presidential Assessment and Compensation Review Executive Summary and outlined compensation recommendations in Attachment A.

Alternatives to Decision:

Decline approval of the Presidential Assessment and Compensation Review Executive Summary and compensation recommendations as presented.
Propose alternative compensation recommendations.

**Fiscal Impact and Source of Funding:**

If approved, non-state resources would be used to fund the incentive compensation payment.

Authority for Board of Trustees Action:

BOG Regulation 1.001

Board Policy - Presidential Performance and Compensation Review

Contract Reviewed/Approved by General Counsel ☐ N/A ☒

Committee Chair or Chair of the Board has approved adding this item to the agenda ☒

Submitted by:

Maureen Binder, Associate Vice President and Chief Human Resources Officer

Supporting Documentation:

Attachment A: Presidential Assessment and Compensation Review Executive Summary

Facilitators/Presenters:

Alex Martins, Chair, UCF Board of Trustees

Beverly Seay, Immediate Past Chair, UCF Board of Trustees

Maureen Binder, Associate Vice President and Chief Human Resources Officer

**2020-21
Presidential Assessment and Compensation Review
Executive Summary**

The Board of Trustees' Presidential Performance and Compensation Review Policy requires an annual assessment of the president's performance. The Board of Trustees' Governance Committee is responsible for conducting this annual assessment. Each trustee was interviewed by Maureen Binder, Chief Human Resources Officer, using an assessment questionnaire that was distributed to each trustee in advance. The twelve leadership competencies assessed were: personal characteristics; strong academic leader/faculty focus; student focus; proven record of diversity and inclusion; partnerships and external relations; administrative leadership, judgement, and decision making; fund raising and diversification of resources; athletic knowledge, knowledge of metropolitan universities; relationship with governance; financial acumen; and overall performance. The assessment levels were defined as: Exceeds Expectations, Meets Expectations, and Does Not Meet Expectations. Additionally, the trustees rated the president on his five Fiscal 2021 Goals that were approved by the Board of Trustees on June 17, 2021. The rating criteria were: Superior, Very Good, Satisfactory, Less than Satisfactory and Unsatisfactory.

The trustees' assessment of the president's leadership competencies and overall performance evaluation rating was "Exceeds Expectations." President Cartwright was rated highest in the categories of strong academic leader, personal characteristics, athletics knowledge, and knowledge of a metropolitan university. In addition, the president's performance was commended by the Board of Governors' Chair, Syd Kitson.

The trustees believe the president has done an exceptional job in providing leadership to the university over the last year, especially considering the COVID-19 pandemic. Trustees noted the president's care and concern for UCF students, faculty, and staff. Several trustees commented in multiple categories that Dr. Cartwright was resilient and handled challenges very well. One particularly notable comment was that Dr. Cartwright would be farther along in some areas if it weren't for COVID, however his performance has been impressive. His integrity and transparency were praised as was his strong respect for the faculty and his own strong academic background. It was noted that because of his own background as a first-generation college student, the president could relate better to students. The trustees were almost unanimous in praising Dr. Cartwright's vision for focusing on making UCF the world's leading metropolitan research university. The trustees also praised the president's knowledge of athletics, mentioning his hiring of a new athletic director and football coach, along with UCF moving to the Big 12. It was noted that the Big 12 would help elevate UCF's national reputation and assist in building additional partnerships.

Several trustees commented that they were impressed with how President Cartwright has needed to make some very difficult decisions and tough calls. However, it was also noted in a few areas that he was still setting the foundation and had not had enough time to "move the needle." These areas of developing leadership included the areas of diversity, equity, and inclusion; partnerships and external relations; and fundraising and diversification of resources. Several trustees mentioned the McKenzie Scott gift, noting that President Cartwright would be responsible to grow it. It was mentioned that many external relationship opportunities had been handicapped by COVID but that this area was now moving in a better direction.

Several trustees commented that UCF was lucky to have President Cartwright and went on to say that he is setting a foundation to move UCF to a national stage in academics as a world class institution.

In summary, responding to this annual assessment review of leadership competencies, the committee recommends that President Cartwright's annual assessment be rated as "Exceeds Expectations."

In addition, the overall assessment of President Cartwright's performance toward his five Fiscal Year 2021 goals was rated as "Very Good." It was noted that the president still has leadership positions on his team to fill, however, the quality of the hires he has made so far has been excellent. One trustee commented that UCF was a large, complex place and the president "had a lot to get his hands around," including ensuring that the financial health of the institution was strong while providing financial accountability and transparency.

One trustee comment summed the overall assessment well, noting that it is a thrill to have Dr. Cartwright in the leadership helm at UCF with the foundation he is setting. President Cartwright is effectively positioning UCF to achieve world class performance in the education it provides to its student community.

In addition to the assessment of the President's Leadership Competencies and performance toward his fiscal goals, an annual evaluation of the president's base and incentive compensation was conducted in accordance with the Board of Trustees' Presidential Performance and Compensation Review Policy. The current board chair and the immediately preceding board chair considered an analysis of presidential compensation data for national, high-research universities comparable to UCF as well as total presidential compensation data for the Florida State University System (SUS) presidents. Based on this review, it is not recommended to adjust the president's base salary at this time.

Considering President Cartwright's annual assessment leadership competency rating of "Exceeds Expectations" and his Fiscal Year Goal achievement rating of "Very Good," the previous board chair has recommended a performance incentive award of \$197,500 based on the incentive structure approved by the Board of Trustees. The recommendation for the incentive award is made with consideration to the maximum award amount provided by the president's employment agreement, which is capped at half of the president's base salary.

Prepared by: Maureen Binder, Associate Vice President and Chief Human Resources Officer, in consultation with Alex Martins, Chair, UCF Board of Trustees

Submitted by: Alex Martins, Chair, UCF Board of Trustees



Board of Trustees
Governance Committee | November 8, 2021

GOVC-2 President's FY22 Goals

☐ Information

☐ Discussion

☒ Action

Meeting Date for Upcoming Action: November 18, 2021

Purpose and Issues to be Considered:

Consider the president's FY22 goals, which have been updated to more clearly reflect priorities for the current year, including investing in academic excellence and research, building culture, and leveraging the transformational gift from MacKenzie Scott to secure additional philanthropic commitments that will grow UCF's endowment.

At the request of several trustees during the assessment process, new short- and long-term goals will be presented following the completion of the University's strategic planning process.

Background Information:

The Governance Committee is responsible for the annual evaluation of the president's performance and compensation including review and approval of short- and long-term goals.

In June 2021, the Board approved a plan for evaluating the president's performance. In concert with the Presidential Evaluation and Compensation review, the plan provides that the president will work with the Chair of the Board of Trustees to develop and submit to the Governance Committee proposed goals for the upcoming year and supporting target metrics to measure results to be awarded under the incentive plan.

Recommended Action:

Approve the President's FY22 goals.

Alternatives to Decision:

Decline approval of the goals or propose amendments to goals.

Fiscal Impact and Source of Funding:

N/A

Authority for Board of Trustees Action:

BOG Regulation 1.001

UCF Board Policy - Presidential Performance and Compensation Review

Contract Reviewed/Approved by General Counsel ☐ N/A ☒

Committee Chair or Chair of the Board has approved adding this item to the agenda ☒



Board of Trustees

Agenda Memo

Submitted by:

Alexander Cartwright, President, University of Central Florida

Supporting Documentation:

Attachment A: President's FY22 Goals

Facilitators/Presenters:

Alex Martins, Chair, UCF Board of Trustees
President Cartwright

Presidential Goals 2021-2022

UCF aspires to be one of the nation's leading innovative public metropolitan research universities, with a focus on student success and contributing to the betterment of society. A different kind of university driven by its entrepreneurialism and optimism, UCF will not be defined by its contemporaries, and rather seeks to forge a new path with the potential to be a leading public metropolitan research university that will help to define the future of higher education.

Since joining the University, President Cartwright has focused on building the critical infrastructure that will support UCF's pursuit of excellence. UCF will have a national, and in key areas, international reputation as a new kind of metropolitan public research university that is tightly coupled with its community in Orlando and Central Florida and beyond. This will include a focus on enabling the skilled workforce as well as creating new knowledge, creative works and products that will help our businesses to drive economic prosperity. In turn, collectively we will all work toward making UCF a top 50 public national research university.

UCF's pursuit of excellence is only made possible because of the creativity and hard work of our faculty, staff, and students. With a focus on building the University of the Future, UCF is committed to building a community that fully commits to inclusive excellence, with a culture of trust, engagement, and accountability.

Goals for 2021-2022

- 1. Invest in academic excellence to drive research outcomes and greater student success outcomes with a specific focus on establishing necessary initiatives to drive our 4-year graduation rates.**
- 2. Complete searches for all remaining senior leadership positions while also focusing on implementing initiatives that improve administrative infrastructure and systems that drive operational excellence, efficiency, and effectiveness.**
- 3. Invest in programs and initiatives that build a culture of trust, engagement, and accountability across the institution while further enhancing our commitment to inclusive excellence.**
- 4. Leverage the transformational gift from MacKenzie Scott to secure additional philanthropic commitments that will grow UCF's endowment in support of student and faculty excellence.**
- 5. Elevate and promote UCF's excellence to increase the University's regional, state-wide, and national reputation through new efforts in advancement, government and community relations, and communications and marketing.**



Board of Trustees
Governance Committee | November 8, 2021

GOVC-3: Adoption of University Regulation UCF-4.015 Fraud Prevention and Detection

☐ Information

☐ Discussion

☒ Action

Meeting Date for Upcoming Action: November 18, 2021

Purpose and Issues to be Considered:

Proposed new University Regulation UCF-4.015 sets forth, in accordance with the requirements of Florida Board of Governors Regulation 3.003, UCF's commitment to creating an organizational culture where risk management structures are established to prevent and detect fraud within the University. Further, the regulation sets forth criteria related to appropriate institutional controls and risk management framework to provide reasonable assurance that fraudulent activities within the University's areas of responsibility are prevented, detected, reported, and investigated. Florida Board of Governors Regulation 3.003 requires each university to adopt a regulation addressing these matters.

This regulation was posted online October 18, 2021, for public comment. No comments were received as of the date of submission of these materials.

Background Information:

Florida Board of Governors Regulation 1.001 provides that "Each Board of Trustees is authorized to promulgate university regulations in accordance with the Regulation Development Procedure adopted by the Board of Governors."

Recommended Action:

Approve adoption of UCF Regulation UCF-4.015.

Alternatives to Decision:

Do not adopt University Regulation UCF-4.015 as proposed. Approve alternative amendments to University Regulation UCF-4.015.

Fiscal Impact and Source of Funding:

N/A

Authority for Board of Trustees Action:

Board of Governors Regulation 1.001

Contract Reviewed/Approved by General Counsel ☐ N/A ☒

Committee Chair or Chair of the Board has approved adding this item to the agenda ☒



Board of Trustees

Agenda Memo

Submitted by:

Youndy Cook, Interim Vice President and General Counsel

Supporting Documentation:

Attachment A: Proposed Regulation UCF-4.015

Facilitators/Presenters:

Youndy Cook

UCF-4.015 Fraud Prevention and Detection

(1) Applicability. This Regulation is applicable to all members of the University of Central Florida (University or UCF) community, including all UCF Board of Trustees' (Board) members, University employees, students, volunteers, and all contractors and guests attending, doing business with, or affiliating with the University or any of its employees, organizations, components, campuses, facilities, or events.

(2) Definitions.

- (a) **Fraud:** An intentional misrepresentation or concealment of a material fact for the purpose of obtaining a benefit that would not otherwise be received, or inducement of another to act upon the intentional misrepresentation or concealment to his or her detriment.
- (b) **Fraud Prevention:** Hindering, precluding, stopping, or intercepting the performance of fraud.
- (c) **Fraud Detection:** Finding, discovering, or bringing out facts related to the occurrence of fraud.
- (d) **Employee:** A person who performs services for, and under the control and direction of, UCF.

(3) Fraud Prevention and Detection Criteria. The Board of Trustees is committed to creating an organizational culture that proactively identifies potential fraud scenarios, discourages the commitment of fraud, and provides encouragement to report potential fraud. This Regulation establishes University criteria related to appropriate institutional controls and risk management framework to provide reasonable assurance that fraudulent activities within the University's areas of responsibility are prevented, detected, reported, and investigated. Accordingly, the University hereby identifies the following fraud prevention and detection criteria:

- (a) **Zero tolerance.** The University has zero tolerance for fraudulent activities and will promote consistent organizational behavior and institute preventive measures and controls designed to deter, prevent and/or detect fraudulent activities.
- (b) **Acts constituting fraud.** Examples of fraud may include, but are not limited to:
 - 1. Forgery or alteration of any document or account belonging to UCF;
 - 2. The willful and/or intentional destruction, alteration or concealment of any records to be used in the conduct of an audit, bid/vendor selection, contract execution, or pursuit of debt financing;
 - 3. Misappropriation of funds, securities, supplies, equipment, or other assets of UCF;
 - 4. Theft of a check or other diversion of payment intended for an internal or external party;
 - 5. Participation in any activity that is intended to initiate an identity theft scheme; and
 - 6. Any similar or related inappropriate conduct or irregularity and/or dishonest or fraudulent act while performing University functions.
- (c) **Anti-Fraud Framework and Strategies.**
 - 1. **Framework.** Under the direction of the president and with assistance from other members of management and University Audit, the university will develop and maintain an anti-fraud framework, which shall include, but not be limited to:
 - a. Committing to combating fraud by creating an organizational culture and structure conducive to fraud risk management through awareness, training and a "tone at the top";

- b. Planning regular fraud risk assessments using scenario analysis and similar methods to identify potential fraud scenarios and assessing the likelihood and impact of these risk scenarios to determine the University's overall fraud risk profile;
 - c. Designing and implementing a strategy with specific preventative and detective control activities to mitigate assessed fraud risks associated with potential scenarios and fostering collaboration at all levels of the University to help ensure effective implementation of the identified strategies and control activities; and,
 - d. Evaluating the success of the adopted framework based on actual fraud losses and changes in known fraud scenarios using a risk-based/cost-benefit approach and adapting current activities to improve future fraud risk management.
- 2. Management Commitment. All levels of management are responsible for establishing and following process controls as applicable for their division or unit in accordance with this regulation. Management is responsible for ensuring their controls are functioning effectively and designed to prevent and/or detect fraud. Any instance of fraud, misappropriation, or irregularity that is detected or suspected must be reported immediately to the University's Chief Audit Executive. Management shall not initiate their own fraud investigations or hire external parties to initiate a fraud investigation.
- 3. Division of Audit. University Audit has the primary responsibility for the investigation of all suspected fraudulent acts as defined by this regulation, along with developing and maintaining the university's anti-fraud framework to prevent, detect and report fraud. As necessary, University Audit will work with the Board and management to obtain external parties with subject matter expertise and/or professional independence to perform or assist with fraud investigations.
- 4. Risk Assessment. University Audit, with the assistance and active participation of other divisions, will periodically perform a fraud risk assessment and advise the Board and management of potential actions and activities that could reduce the risk of fraud.
- (d) Delineation of Responsibilities. The delineation of responsibilities for the prevention, detection, reporting, investigation, and remediation of fraud shall operate in accordance with the roles and responsibilities outlined in this regulation.
- (e) Reporting.
 - 1. Requirement to Report. University employees, consultants, vendors, persons doing business with UCF, or DSO employees, who have suspicion of a fraud or misappropriation, shall immediately notify University Audit. Complaints may be made anonymously.
 - 2. Requirement to Act in Good Faith. Anyone reporting an irregularity that is detected or suspected must be acting in good faith and have reasonable grounds for believing the information provided. Allegations made maliciously or with knowledge of their falsity may be subject to appropriate institutional disciplinary action.
 - 3. Complainant Notification Procedure. Reports of fraud should be made to either of the following:
 - a. University Audit. University Audit may be emailed at audit@ucf.edu and/or contacted at (407) 823-2889 <https://universityaudit.ucf.edu>.

Persons seeking whistle-blower protection should file reports of fraud directly to University Audit.

- b. UCF IntegrityLine. The University's IntegrityLine allows anonymous reporting and may be used to submit reports of potential fraud:

<http://www.ucfintegrityline.com/>.

(f) Rights and Protections of the Reporting Individual.

1. Confidentiality. The University will treat all information received confidentially to the extent permitted under applicable law.
2. Whistleblower Protection. University Audit shall initially assess each reported complaint when there is a known complainant to determine if the allegations fall under the Whistle-blower Act (Sections 112.3187 – 112.31895, Florida Statutes). If the reported allegations fall under the Whistle-blower Act, that employee who reported the wrongful acts, or suspected acts in good faith, is protected against retaliation for making such report and the identity of the whistle-blower is confidential and exempt from disclosure. Additional whistle-blower information is outlined in UCF 2-010 Whistle-blower Determination and Investigation Policy. <https://policies.ucf.edu/documents/2-010.pdf>
3. Retaliation. UCF prohibits any form of retaliation against individuals who make a good faith report of potential misconduct including fraud or suspected fraud or for their participation in an investigation into misconduct. An employee or other person who lawfully, appropriately, and in good faith reports suspected fraud or other improper activity shall not be discharged, demoted, suspended, threatened, harassed, or suffer adverse personnel action of any kind because of such individual's lawful actions in providing information or assistance to an investigation into fraudulent or other inappropriate activity. Additional information is outlined in UCF 2-700 Reporting Misconduct and Protection from Retaliation Policy. <https://policies.ucf.edu/documents/2-700.pdf>

(g) Alert Process.

1. General. The results/status of ongoing investigations will not be disclosed or discussed with anyone, unless required by law, regulation, or University policy. When a final report is issued, University Audit will abide by the notification guidance outlined in Board of Governors' Regulation 4.001.
2. Substantiated Fraudulent Activities. If the investigation substantiates that any fraudulent activities have occurred, University Audit will issue reports to appropriate designated University personnel and external parties as required to provide details and support for this conclusion.
3. Notification to Board of Governors. The Chief Audit Executive shall timely notify the Board of Governors Office of Inspector General and Director of Compliance (OIGC) of any significant and credible allegation(s) of fraud, waste, or mismanagement against a University Board of Trustees' member or the president; and shall provide copies of all final investigative reports to the Board of Governors, if the allegations are determined to be significant and credible.

(h) Actions.

1. General. Employees determined to have participated in fraudulent acts will be subject to disciplinary action (i.e., demotion, suspension, termination, etc.) in accordance with University policies and regulations and any applicable collective bargaining agreements.

2. Criminal, Civil, or Administrative. Criminal, civil and/or other administrative actions may also be taken against any person or entity who is found to have participated in unlawful acts or who knowingly withheld information that would have revealed fraudulent or other improper activities.
3. Non-employee. Failure to comply by a consultant, vendor, contractor, outside agency, or person doing business with UCF or in any other relationship with UCF could result in cancellation of the business or other relationship between the entity and UCF.

(4) Periodic Review. This regulation shall be reviewed every five years for currency and consistency with applicable Board of Governors and University regulations. The Board of Trustees shall be notified, at least annually, of the efficacy of the University's antifraud framework and any necessary revisions to improve the framework.

Authority: Article IX, Section 7, Florida Constitution, Board of Governors Regulations 1.001, 3.003, and 4.001. History–New _____-21.



Board of Trustees
Governance Committee | November 8, 2021

GOVC-4: Approval of UCF Research Foundation Fourth Amended and Restated Bylaws

☐ Information

☐ Discussion

☒ Action

Meeting Date for Upcoming Action: November 18, 2021

Purpose and Issues to be Considered:

The UCF Research Foundation is updating its Bylaws and seeks approval of these amendments. There are various proposed changes to the Bylaws, including with regard to Board membership, term of office, board chair, and officers. There are also changes for general housekeeping purposes. The redlined changes to the bylaws are presented in Attachment A. The line-item details of the proposed changes are outlined in Attachment B.

Background Information:

The UCF Research Foundation Bylaws were approved by the UCF Research Foundation Board of Directors on August 22, 2018. It was recently discovered that these bylaws were not brought forth to the UCF Board of Trustees for approval.

Recommended Action:

Approve the amended UCF Research Foundation Bylaws, as presented.

Alternatives to Decision:

Decline proposed amendments
Request additional or alternate amendments.

Fiscal Impact and Source of Funding:

N/A

Authority for Board of Trustees Action:

UCF Regulation UCF-4.034 Direct Support Organizations, Florida Statutes s. 1004.28

Contract Reviewed/Approved by General Counsel ☐ N/A ☒

Committee Chair or Chair of the Board has approved adding this item to the agenda ☒

Submitted by:

Elizabeth Klonoff, VP for Research and President of the Research Foundation
Robert Wilson, Associate Counsel

Supporting Documentation:

Attachment A: UCF Research Foundation Fourth Amended and Restated bylaws (redline)



Board of Trustees

Agenda Memo

Attachment B: Summary of proposed amendments

Facilitators/Presenters:

Youndy Cook, Interim Vice President and General Counsel

**~~THIRD-FOURTH~~ AMENDED AND RESTATED
BYLAWS
OF THE
UNIVERSITY OF CENTRAL FLORIDA RESEARCH FOUNDATION, INC.
f/k/a The Research Foundation of The University of Central Florida, Inc.
(A Not-For-Profit Corporation)**

**ARTICLE I
Board of Directors**

Section 1. Membership, Term of Office, and Chair. The Board of Directors shall consist of not less than six (6) and not more than nine (9) voting members. The first and second members shall be the University of Central Florida (UCF or University) President and UCF Provost, or their respective designees. The third member shall be the UCF Vice President for Research ~~and Commercialization~~. The fourth member shall be appointed by the UCF Vice President for Medical Affairs. The fifth member shall be appointed by the University President. The sixth member shall be appointed by the Chair of the University Board of Trustees. The seventh member shall be the UCF Chief Financial Officer. Additional members of the Board shall only be appointed by the University President and approved by the University Board of Trustees.

The University President and UCF Provost, and their respective designees, shall serve as Directors for such time as the President and Provost, individually, continue to serve as the President and Provost of the University. The Director appointed by the Chair of the University Board of Trustees shall serve for such time as the Chair of the University Board of Trustees continues to serve as the Chair. The UCF Vice President for Research ~~and Commercialization~~ shall serve as a Director for such time as he or she continues to serve as the Vice President for Research ~~and Commercialization~~ of the University. The Director appointed by the UCF Vice President for Medical Affairs shall serve for such time as the Vice President for Medical Affairs continues to serve as a Vice President of the University. The remaining Directors shall serve a three-year term and shall be eligible for re-appointment by majority vote of the University President, University Provost, and UCF Vice President for Research ~~and Commercialization~~, or their designees where applicable, and approval by the University Board of Trustees.

The respective appointments or designations to the Board shall serve at the pleasure of the University President, University Provost, Chair of the University Board of Trustees, or UCF Vice President for Medical Affairs and until a successor is appointed. The University President, University Provost, Chair of the University Board of Trustees, and UCF Vice President for Medical Affairs shall have full discretionary power to replace their individual appointments or designations to the Board. Notice of any such replacement shall be provided to the University President and the President of the Corporation.

The UCF Vice President for Research ~~and Commercialization~~ shall serve as President of the Corporation and Chair of the Board.

Section 2. Powers and Duties of the Board of Directors. The property, affairs, activities, and concerns of the Corporation shall be vested in the Board. All management functions shall be exercised by the Board, subject to delegation by the Board to the Officers and the Executive Committee. The University President shall:

- a) Have authority and responsibility to monitor and control the use of University resources and

the University name in accordance with applicable Florida laws and University rules and policies, as amended from time-to-time.

- b) Have authority to monitor and control the use of the Corporation's resources.
- c) Retain control of the Corporation's name and monitor compliance of the Corporation with state and federal laws and rules of the University Board of Trustees.
- d) Possess line-item authority over the budget of the Corporation. This authority includes the establishment of additional line items and reduction or elimination of existing budgetary items.
- e) Approve salary supplements and other compensation or benefits paid to the University faculty and staff from Corporation's assets.

Section 3. Meetings. A regular annual meeting of the Board shall be held between August 1 and September 30 at a date and time set by the Board. Other regular meetings may be held at dates and times set by the Board. Notice of the meetings, signed by the Secretary, and shall be given by personal delivery, U.S. Mail or electronic mail to the last recorded address of each Director at least ten (10) days before the time appointed for the meeting. Special meetings of the Board may be called by the President or Secretary of this Corporation, two (2) or more Directors, or the University President. Notice of any special meeting of the Board shall be given at least ten (10) days prior thereto by personal delivery, U.S. Mail, or electronic mail to each Director at his or her address as shown by the records of the Corporation and to the Chair of the University Board of Trustees. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Business to be transacted at the meeting need not be specified in the notice or waiver, unless specifically required by law or by these Bylaws. Proxies, general or special, shall not be accepted for any purpose in the meetings of the Board. The use of telephone or video conferencing for meeting attendance, quorum and voting is permissible so long as the meeting is held in accordance with the Florida Government-in-the-Sunshine Law.

Section 4. Quorum. A majority of the Board shall constitute a quorum for the transaction of business at any meeting of the Board. If a quorum is not present, a majority of those present may adjourn the meeting from time-to-time without further notice.

Section 5. Manner of Acting. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board, unless the act of a greater number is required by law or by these Bylaws.

Section 6. Vacancies. Whenever any vacancy occurs on the Board, by death, resignation, or otherwise, it shall be filled without undue delay. In the case of the University President, Provost, and Vice President for Research, the person who is acting as the University President, Provost, or Vice President for Research will fill the vacancy.

Section 7. Order of Business. The order of business shall be as follows at all meetings of the Board and Executive Committee:

- a) Calling of the roll
- ~~b) Proof of notice of meeting or waiver of notice~~
- ~~e)b) Reading of the minutes~~
- ~~d) Receiving communication~~

- ~~e)c)~~ Election of officers and directors, if necessary
- ~~f)d)~~ Reports of officers
- ~~g)e)~~ Report of committees
- ~~h)f)~~ Unfinished business
- ~~i)g)~~ New business

Any question as to the priority of business shall be decided by the Chair without debate. This order of business may be altered or suspended at any meeting by a majority vote of the Directors present.

ARTICLE II Officers

Section 1. Number. The Officers of this Corporation shall be a President, ~~aa~~ Vice President of Operations, a Vice President of Technology Transfer, a Secretary, and a Treasurer. Additional Officers may be appointed by the Board.

Section 2. Method of Election and Removal. The Board shall elect all officers at its regular annual meeting, or other regular or special meeting, and such Officers shall serve for a term of ~~one-two~~ (+2) years. A majority of a quorum present shall be necessary to constitute an election. The election of the President of the Corporation shall be upon the recommendation and prior approval of the University President. The Board may remove any Officer at any special meeting by a vote of majority of a quorum present, provided that notice of the pending removal is set forth in the notice of the special meeting, or provided that all Directors waive notice of such special meeting.

Section 3. Duties of Officers. The duties and powers of the Officers of the Corporation shall be as follows:

- a) President. The President shall be a member ex officio, with the right to vote, of all committees. At the regular annual meeting of the Board and at such other times as he or she deems proper, he or she shall communicate to the Board such matters and make such suggestions as may, in his or her opinion, tend to promote the prosperity and usefulness of the Corporation. The President shall act as the Chief Executive Officer of the Corporation and shall do and perform such other duties as may be assigned to him by the Board. The President is authorized to execute all certificates, contracts, deeds, notes and other documents or legal instruments authorized or issued by the Board in the name of the Corporation, with the Secretary attesting. The President of the Corporation shall also report to the University President, or his or her designee, who shall be a vice president or other senior officer reporting directly to the President. As required for the efficient operation of the Corporation, the President may authorize others to serve as signatories for specific categories of agreements, e.g., research contracts and research grants.

- b) Vice President of Operations. The Vice President of Operations shall be authorized to act on matters delegated to him or her by the President of the Corporation and shall take such actions as necessary to allow for the efficient operation of the Corporation.

- ~~b)c)~~ Vice President of Technology Transfer. The Vice President of Technology Transfer shall be authorized to act on matters delegated to him or her by the President of the Corporation and shall take such actions as necessary to allow for the efficient operation of technology transfer activities of the

Corporation.

e)d) Secretary. The Secretary shall keep full and accurate minutes of all the meetings of the Board and Executive Committee in a book provided for that purpose and shall transmit all notices required by these Bylaws. The Secretary shall perform all duties incident to the management of the office of Secretary of the Board. The Secretary may sign documents with the President in the name of this Corporation. The Secretary shall have charge of all official records of the Corporation, which shall be at all reasonable times open to the inspection of any Director. The Secretary shall exercise such authority to collect revenues and make routine expenditures, which authority shall be delegated by the Board, the Executive Committee, or the President of the Corporation. The Vice President of Operations may serve as Secretary upon Board approval.

e)e) Treasurer. The Treasurer shall receive and keep the funds of the Corporation and pay out the same only in accordance with the guidelines established by the Board. The Treasurer shall perform all duties incident to the management of the office of Treasurer of the Board. The Treasurer shall deposit all monies, checks, and other credits to the account of the Corporation in such bank or banks or other depositories as the Board may designate. The Treasurer shall have full oversight over the financial transactions of the corporation, and shall participate as a member of the Finance Committee. He or she shall render to the Board an account and statement of all transactions at the annual meeting of the Board and at such other times as the Board may determine. The Treasurer shall regularly maintain a full and accurate account of all monies received and paid out on accounts administered by the Corporation. The Treasurer shall at all reasonable times exhibit his or her books and accounts to the Finance Committee and/or any Director.

~~In no case shall an individual Officer hold more than one position.~~

Section 4. Bond. The Officers of the Corporation shall, if required by the Board, give to the Corporation such security for the faithful discharge of their duties as the Board may direct.

Section 5. Checks. All vouchers for checks or drafts over Twenty-five thousand dollars (\$25,000) on the funds of the Corporation shall be approved in writing by one (1) Officer and (1) one Director. All vouchers for checks or drafts equal to or under Twenty-five thousand dollars (\$25,000) shall be approved in writing by the Treasurer or his or her designee.

Section 6. Audit. At the close of each fiscal year, the Finance Committee, ~~or~~ President, or Vice President of Operations of the Corporation shall arrange for the auditing of the books, records, and accounts of the Corporation. The annual audit shall be performed in accordance with Generally Accepted Auditing Standards and Government Auditing Standards issued by the Comptroller General of the United States. A management letter of response will be included, if appropriate.

Neither the auditors selected nor any member or employee of any auditing firm selected shall be a Director or any officer of the Corporation, unless this requirement is specifically waived by action of the Board.

A copy of the report of the auditor shall be made available to each member of the Corporation's Board of Directors as soon as practicable and such report shall be presented at the next meeting of the Board of Directors held after the report is completed.

The annual financial audit and any management letter shall be forwarded to the University Board of Trustees.

Section 7. Vacancies. All vacancies in any Officer position shall be filled by the Board without undue delay at its regular annual meeting or at any other regular or special meeting, or in any office, it may be filled by appointment made by the University President in conformity with these Bylaws. The newly appointed member or officer shall act during the remainder of the unexpired term of his or her predecessor.

Section 8. Compensation. The Officers shall receive no special salary or compensation for being Officers of the Corporation, other than their usual salaries as employees of the University. The benefits of all employees of the Corporation shall be set by the President of the Corporation with the approval of the Executive Committee or the Board. The President of the University shall determine the compensation of Corporation employees from Corporation assets and such authority may not be delegated. The Directors and Officers of this Corporation, except those otherwise employed by the Corporation, shall not receive any compensation from this Corporation for their services as director or officer; provided, however, that they may be reimbursed from funds of the Corporation for any travel expenses or other expenditures incurred by them in the proper performance of their duties.

ARTICLE III Committees

Section 1. Executive Committee. The Board may elect at its regular annual meeting, or other regular or special meeting, an Executive Committee consisting of four (4) Directors, one (1) of which shall be the University President, or his or her designee, and one (1) which shall be the appointee of the Chair of the University Board of Trustees. The Executive Committee shall have such powers as may be delegated to it by the Board. A majority of the Executive Committee shall be sufficient to exercise all of its powers. Proxies, general or special, shall not be accepted in the meetings of the Executive Committee. Between meetings of the Board, the Executive Committee shall have the authority of the full Board, provided that the Executive Committee shall not have the authority to do the following unless specifically empowered by the Board to do so:

- a) Take any action inconsistent with a prior act of the Board;
- b) Alter Articles of Corporation or these Bylaws;
- c) Fill vacancies; or
- d) Authorize the purchase, sale or lease of land or buildings or grant a mortgage on real estate to secure a debt.

In the absence of an elected Executive Committee, the entire Board shall constitute such Executive Committee.

Section 2. Finance Committee. The Finance Committee shall be a committee consisting of a minimum of two (2) Directors and one (1) Officer, and shall assist the Board of Directors in fulfilling its responsibility with respect to the Corporation's finances, investments, annual budget, audit, and long term financial planning.

The first Director shall be the UCF Chief Financial Officer, the second Director shall be appointed by the UCF Vice President for Research ~~& Commercialization~~, and the Officer shall be the Treasurer of the Corporation, who shall serve as the Secretary of the Finance Committee.

Section 3. Standing Committees. The Board, on its own motion or upon the recommendation of the President of the Corporation, may appoint such committees comprising Directors and Officers as it may deem necessary and advisable to assist in the conduct of the Corporation's affairs.

Section 4. Special Committees. The Board may, at any time, appoint other committees comprising Directors and Officers on any subject for which there are no standing committees. The President of the University shall have the authority to establish an unlimited number of Special Committees to accomplish any objectives affecting various interests and the welfare of the Corporation and the University of Central Florida.

Section 5. Committee Quorum. A majority of any committee shall constitute a quorum for the transaction of business, unless any committee shall by majority of its entire membership decide otherwise.

Section 6. Committee Vacancies. The various committees shall have the power to fill vacancies in their membership with the exception of the executive Committee. Vacancies on the Executive Committee shall be filled by the Board.

ARTICLE IV

Seal

The Corporation shall have the power to adopt, use, and alter a common corporate seal, in accordance with the Articles of the Corporation and Florida Statute 617.0302.

ARTICLE V

Amendments

These Bylaws may be amended by majority vote of the entire Board at any duly organized meeting, subject to the approval of the University of Central Florida Board of Trustees, and in accordance with the Article of the Corporation.

ARTICLE VI

Fiscal Year

The fiscal year of the Corporation shall commence on July 1 of each year and end on June 30.

ARTICLE VII

Employment

Section 1. Any person employed by the Corporation shall not be considered to be an employee of the State of Florida or the University solely by virtue of such employment with the Corporation.

Section 2. The Corporation shall provide equal employment opportunities for all persons regardless of race, color, religion, sex, age, or national origin.

295 **ARTICLE VIII**
296 **Indemnification**

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298 Section 1. Indemnification. Pursuant to Sections 607.0850 and 617.028, Florida Statutes,
299 any person who was or is a party, or is threatened to be made a party, to any threatened, pending,
300 or completed action, suit, or proceeding whether civil, criminal, administrative, or investigative
301 (other than an action by, or in the right of, the Corporation, by reason of the fact that he or she is
302 or was a Director or Officer of the Corporation) shall be indemnified against expenses (including
303 attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably
304 incurred by him or her in connection with such action, suit, or proceeding, including any appeal
305 thereof, but only if he or she acted in good faith and in a manner he or she reasonably believed to
306 be in, or not opposed to, the best interest of the Corporation, and, with respect to any criminal
307 action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The
308 Corporation shall have the authority to purchase insurance for this purpose.
309

310 Section 2. Authorization of Indemnification. Any indemnification hereunder shall be made by
311 the Corporation only upon a determination that indemnification of the Director or Officer is proper
312 in a specific case because he or she has met the standard of conduct set forth in Section 1 of this
313 Article VIII. Such determination shall be made by the Board by a majority vote of a quorum
314 consisting of Directors who were not parties to such action, suit or proceeding or, if such quorum is
315 not obtainable, by a majority vote of a committee duly designated by the Board (in which Directors
316 who are parties may participate) consisting solely of two (2) or more Directors not at the time parties
317 to the action, suit or proceeding or by a committee comprised of individuals who were not parties to
318 such action, suit or proceeding where such committee is selected by a majority vote of the full Board
319 (in which Directors who are parties may participate).
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322 **ARTICLE IX**
323 **Ethics and Financial Disclosure**

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325 Section 1. Ethical Duties Generally. It is the duty of each Director and Officer to fully comply
326 with the Government-in-the-Sunshine Law set forth in Section 286, et seq., Florida Statutes, the
327 Public Records Law set forth in Section 119, et seq., Florida Statutes, and to the extent it applies, the
328 Code of Ethics for Public Officers and Employees set forth in Chapter 112, Part III, Florida Statutes.
329

330 Section 2. Procedure for Filing and Handling Complaint. Any allegation of violation of any
331 provision of this Article IX shall be referred to the President of the Corporation or such other person as
332 the University President shall designate. The President of the Corporation, or such other person as may
333 be designated by the University President, shall be responsible for undertaking an initial investigation of
334 the factual and legal basis for the complaint. The President of the Corporation, or such other person
335 designated by the University President, shall make a recommendation to the Chair as to whether sufficient
336 probable cause exists to bring the complaint before the Board for its consideration, and if deemed
337 appropriate as to an appropriate penalty.
338

339 Section 3. Conflict of Interest. All actual or potential conflicts of interest involving Directors of
340 the Corporation shall be disclosed and addressed in accordance with the Corporation's Conflict of Interest
341 Policy.
342

343 Section 4. Penalties. Any Director, Officer, or employee who knowingly violates any provision of

344 this Article IX may be punished by: (a) written reprimand, and/or (b) in the case of a Director or Officer,
345 recommendation that the Board terminate the Director's or Officer's affiliation with the Corporation. Any
346 employee who knowingly violates any provision of this Article IX may be subject to discipline, up to and
347 including termination of employment.

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352 Section 1. Contracts for the routine activities of this Corporation shall be signed in the name of the
353 Corporation or in the Corporation's fictitious name, University of Central Florida Applied Research
354 Institute, by the President or such other(s) as the President may authorize in accordance with Article
355 II(3)(a).

356

357 Section 2. Public access to the Corporation's records shall be governed by Section 1004.28, Florida
358 Statutes.

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361 The undersigned, as Secretary of the Corporation, hereby certifies that the foregoing ~~Third~~ Fourth
362 Amended and Restated Bylaws of University of Central Florida Research Foundation, Inc. were approved
363 by no less than a two-thirds (2/3) vote of the entire Board at the meeting held on August 22, 2018.

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Signature

Date

Kim Smith, Secretary

Legal Approval:

Summary of Proposed Changes to UCF Research Foundation Bylaws

Three Focus Areas for the Proposed Changes (*as noted below*):

(A) University Board of Trustees approval of Board Members

(B) General Housekeeping

(C) Officers

(B) Line 1

Updated numbering

(B) Line 14, 25, 26, 30

Article I. Section 1. Membership, Term of Office, and Chair

Update the title for the third member assigned to the Board to reflect University organizational changes

(A) Line 19, 31

Article I. Section 1. Membership, Term of Office, and Chair

Add statement to address the requirement of UCF Board of Trustees approval of appointed Board members

(B) Line 41, 42

Article I. Section 1. Membership, Term of Office, and Chair

Updated the title for the third member assigned to the Board and clarified the role of the UCF VP for Research as President of the corporation in addition to Chair of the Board

(B) Line 54

Article I. Section 2. Powers and Duties of the Board of Directors

Added in “University” to clarify section

(B) Line 95-103

Article I. Section 7. Order of Business

Updated order of business

(C) Line 112-113

Article II. Section 1. Number

Updated to reflect organizational changes under VP of Research

(B) Line 117

Article II. Section 2. Method of Election and Removal

Updated Officers terms from one year to two years

(C) Line 141, 145-148

Article II. Section 3. Duties of Officers

Updated Vice President of the Corporation from one to two; VP of Operations and VP of Technology Transfer to align with organizations changes under VP of Research

(C) Line 158-159

Article II. Section 3. Duties of Officers

Included language allowing Vice President of Operations to serve as Secretary upon Board approval

(C) Line 174

Article II. Section 3. Duties of Officers

Removal of section prohibiting an individual Officer to hold more than one position

(C) Line 184-185

Article II. Section 6. Audit

Updated language to allow VP of Operations, in addition to already stated Finance Committee or President to arrange for annual audit at the end of each fiscal year

(B) Line 244

Article III. Section 2. Finance Committee

Update the title for the third member assigned to the Board

(B) Line 361

Article X. Section 2. Finance Committee

Update amendment number



Board of Trustees
Governance Committee | November 8, 2021

GOVC-5: Approval of Limbitless Solutions Fourth Amended and Restated Bylaws

☐ Information

☐ Discussion

☒ Action

Meeting Date for Upcoming Action: **November 18, 2021**

Purpose and Issues to be Considered:

Limbitless Solutions, Inc. is updating its Bylaws and seeks approval of these amendments. The only changes are in Article II Section 2 related to board members. Specifically, the changes reflect that: one board member will be the President or his designee; board members serve two-year terms and may be reappointed for one additional term; and except for the UCF Board of Trustees Chair and the President of the university (or their designees), all appointments are subject to UCF Board of Trustees approval.

Background Information:

These bylaws were approved by the Limbitless Solutions Board of Directors on July 16, 2018. It was recently discovered that these bylaws were not brought forth to the Board of Trustees for approval at that time.

Recommended Action:

Approve the amended Limbitless Solutions Bylaws, as presented.

Alternatives to Decision:

Decline proposed amendments

Request additional or alternate amendments.

Fiscal Impact and Source of Funding:

N/A

Authority for Board of Trustees Action:

UCF Regulation UCF-4.034 Direct Support Organizations, Florida Statutes s. 1004.28

Contract Reviewed/Approved by General Counsel ☐ N/A ☒

Committee Chair or Chair of the Board has approved adding this item to the agenda ☒

Submitted by:

Robert Wilson, Associate General Counsel

Supporting Documentation:

Attachment A: Limbitless Solutions Fourth Amended and Restated bylaws (redline)

Facilitators/Presenters:

Youndy Cook, Interim Vice President and General Counsel

**~~THIRD-FOURTH~~ AMENDED AND RESTATED BYLAWS OF
LIMBITLESS SOLUTIONS, INC.**

**ARTICLE I
ANNUAL MEETING**

1. The annual meeting of the members of this Corporation shall be held on the first Monday of July of each year, or as soon thereafter as possible. The time and location of the annual meeting shall be designated by the Chairman of the Board of Directors.
2. The annual reports of the officers for the year shall be read and considered.
3. Following the reports of the officers, such other business as may come before the body may be transacted.
4. At this meeting, a majority of the voting members shall constitute a quorum and a majority of those voting members present may transact any business coming before the body.

**ARTICLE II
BOARD OF DIRECTORS**

1. The Board of Directors shall constitute the members of the Corporation.
2. The following persons shall be members of the Board of Directors of the Corporation:
 - a. The President of the University of Central Florida or his designee.
 - ~~a.~~ Members of the administration, faculty or student body of the University of Central Florida, as the President of the University may appoint ~~and for such terms as the President of the University shall designate.~~
 - b.
 - ~~b.c.~~ The Chairman of the University of Central Florida Board of Trustees or designee.
 - d. Such members of the public as appointed by the President of the University. ~~for such terms as the President of the University shall designate.~~
 - e. All board members shall serve two year terms and may be reappointed for one additional term.
 - ~~e.f.~~ All appointments, other than the Chair of the UCF Board of Trustees and President of the University, are subject to approval of the UCF Board of Trustees
3. The duties of the Board of Directors shall be as follows:
 - a. To discharge faithfully all the duties imposed upon it by the Articles of Incorporation, Bylaws, and state and federal law.
 - b. To meet upon the call of the Chairman of the Board, the President of this Corporation, or any three members of the Board.

- c. To select a bank or banks or other depositories for the deposit of the funds and securities of the Corporation; and to cause the Corporation to conduct its financial affairs in conformity with the policies and procedures adopted by the Board.
 - d. To cause an audit of the books and records, in accordance with university policy 2-208, *Direct Support Organization External Auditor Selection*, of this Corporation to be made at least once each fiscal year together with a management letter, including the response from management, conducted by a firm of independent Certified Public Accountants selected by the Chairman of the Board, whose engagement letter shall provide that it render an opinion on the financial statements in accordance with generally accepted accounting principles and to have the results of the audit reported to the Board of Directors.
4. A majority of the directors shall constitute a quorum at any meeting of the Board of Directors or Committees thereof and all questions shall be determined by a majority vote of the directors present.
5. The Chairman of the Board shall preside at meetings of the Board of Directors. In the absence of the Chairman from any meeting, the President of the Corporation shall preside.
6. Meetings may be conducted by telephone, video conference or similar communications equipment, provided all persons participating in such meetings are able to communicate with each other.
7. Proxies, general or special, shall not be accepted for any purpose in the meeting of the Board of Directors or committees thereof.
8. The members of the Board of Director shall serve until replaced by the President of the University or Chairman of the Board of Trustees as applicable.

ARTICLE III

CHAIRMAN OF THE BOARD AND OFFICERS OF THE CORPORATION

1. The Chairman of the Board of Directors shall be appointed by the President of the University of Central Florida and shall have the following authority:
- a. The Chairman shall preside at all meetings of the Board of Directors.
 - b. The Chairman shall retain the authority to monitor and control the use of the Corporation's resources. The Chairman shall retain control of the Corporation's name and shall monitor compliance of the Corporation with state and federal laws and the rules of the State Board of Education and University Board of Trustees.

- c. The Chairman or Chairman's designee shall review and approve quarterly expenditure plans for the Corporation. If the Chairman appoints a designee to review and approve the quarterly expenditure plans, such designee shall be a Vice President or other senior officer of the University who reports directly to the President of the University. The quarterly expenditure plan shall separately delineate planned actions which may result in a commitment of University resources or the resources of the Corporation.
 - d. The Chairman of the Board shall possess line-item authority over the budget of the Corporation. This authority includes the establishment of additional line items and reduction or elimination of existing budgetary items.
 - e. The Chairman or designee shall prepare the agenda for all meetings of the Board of Directors.
 - f. The Chairman shall appoint the officers of the Corporation. The President, Secretary, and Treasurer shall be appointed annually from the voting members of this Corporation. These officers are to serve terms of one year each commencing immediately following their appointment.
 - g. In the event of absence, inability, or refusal to act of any of the officers of this Corporation, the Chairman shall appoint a successor or successors to perform the duties of their respective offices.
 - h. The Chairman, upon the recommendation of the Audit Committee, in accordance with university policy 2-208, *Direct Support Organization External Auditor Selection*, shall engage a firm of independent Certified Public Accountants for the performance of a financial audit, and the rendering of the associated management letter, for each fiscal year of this Corporation.
2. The duties of the President of this Corporation shall be as follows:
- a. To manage the day to day activities of the Corporation.
3. The duties of the Vice President shall be as follows:
- a. To perform the duties of the President during the absence or incapacity of the President.
4. The duties of the Secretary shall be as follows:
- a. To keep accurate minutes of the proceedings of the annual meeting of the Corporation and all meetings of the Board of Directors and preserve same in a book of such nature as to serve as a permanent record.
 - b. To keep on record a copy of the Articles of Incorporation and Bylaws of the Corporation and all amendments thereto.

- c. To keep the seal of the Corporation and affix same to such official documents, records and papers as may be required.
 - d. To keep an accurate list of all members of this corporation.
 - e. To present a written report of the conduct of his or her office at the next annual meeting following his or her appointment to office.
- 5. The duties of the Treasurer shall be as follows:
 - a. To assure that adequate provision is made for the care and custody of all the assets of this Corporation.
 - b. To assure that adequate provision is made to keep in force a blanket surety bond to assure that each officer and employee who is authorized to collect, hold, or disburse funds of the Corporation shall faithfully discharge their duties, the adequacy of which shall be determined by the Executive Committee.
 - c. To present a written report of the conduct of his or her office at the next annual meeting following his or her appointment to office.

ARTICLE IV **COMMITTEES OF THE BOARD OF DIRECTORS**

1. STANDING COMMITTEES

There shall be Standing Committees of the Board of Directors. Standing Committees shall be permanent and their membership shall consist of voting directors and such other members of the University community as appointed by the Chairman. Standing Committee members shall serve until the Chairman of the Board appoints a replacement. The Standing Committees are designated as follows:

a. EXECUTIVE COMMITTEE

1. The Executive Committee shall consist of three members as follows:

- a. The Chairman of the Corporation.
- b. The President of the Corporation.
- c. A designee of the Chair of the Board of the University of Central Florida who is a member of the Board of Directors of this Corporation.

2. The Executive Committee shall meet at the call of the Chairman or President of the Corporation. The presence of three members shall constitute a quorum of this Committee and the affirmative vote of

three members shall be necessary for the adoption of any motion or resolution. When urgency precludes a formal meeting, matters may be handled by telephone conference, subsequently confirmed in writing. No subsequent revision or alteration by the Board of Directors of action taken by the Executive Committee shall affect the rights of third parties.

3. The Executive Committee shall have and may exercise all powers and authority of the Board of Directors when the Board is not in session, subject only to such restrictions or limitations as the Board of Directors may from time to time specify; provided however, the Executive Committee shall have no authority to alter, amend, or repeal the Articles of Incorporation or the Bylaws of the Corporation or to appoint directors. All actions of the Executive Committee shall be reported in writing to the Board of Directors at the next meeting of the Board, or when deemed sufficiently important by any member of the Executive Committee or the Executive Vice President, such actions shall be reported within ten days after such action. All actions of the Executive Committee shall be included in the minutes of the Board of Directors meetings.

b. FINANCE COMMITTEE

The Finance Committee shall consist of a minimum of three members appointed by the Chairman from the Board of Directors. The duties of the Finance Committee shall be as follows:

1. The Finance Committee shall concern itself with fiscal policy, budget and spending. It shall review the annual budget and from time to time assure itself that the budget and current funds of the Corporation are administered in accordance with the policies of the Board of Directors.
2. The Finance Committee shall develop and review financial policies and procedures and make detailed reports to the Board of Directors.
3. The Finance Committee shall receive and consider the Corporation's budget for each fiscal year. It shall then present the budget with appropriate recommendations to the Corporation's Board of Directors. Upon approval by the board, the budget shall be submitted to the President of the University of Central Florida for approval. Upon approval, the President shall recommend the budget to the University Board of Trustees for review and approval.
4. The Finance Committee shall meet with Corporation staff from time to time and compare actual spending with the budget and make recommendations to the Board.

5. The Treasurer of the Corporation or the Treasurer's designee shall serve as the Secretary of the Finance Committee and shall keep minutes of the actions of the Committee. The Secretary of the Finance Committee need not be a member of the Finance Committee.

c. AUDIT COMMITTEE

1. The Audit Committee shall consist of a minimum of three members appointed by the Chair of the Board of Directors.
2. The Audit Committee shall recommend to the Chairman of the Board of Directors, no later than March 31 of every year, in accordance with university policy 2-208, *Direct Support Organization External Auditor Selection*, the engagement of a firm of independent Certified Public Accountants for the performance of a financial audit, and the rendering of the associated Management Letter, for the Corporation's fiscal year which ends on the following June 30th.
3. The Audit Committee shall receive, on behalf of the Board of Directors, the Audit Report, the associated Management Letter and responses by this Corporation's management to the Management Letter. The Audit Committee shall meet, as it deems appropriate, with representatives of the auditing firm and the Corporation's management to discuss any issues which arise as a result of the Audit Report, the Management Letter or the responses to the Management Letter from the Corporation's management.
4. The Audit Committee shall transmit the Audit Report, the Management Letter and the responses of this Corporation's management to the Management Letter to the Executive Committee and the Chairman of the Board of Directors within thirty days of receipt of the completed documents. The transmittal of the completed documents shall be accompanied by comments of the Audit Committee regarding the audit results and recommendation for action by the Board of Directors.
5. The annual audit and management letter shall be forwarded to the University Board of Trustees for review.
6. The Audit Committee shall also undertake other relevant projects which the Board of Directors, the Chairman or the President of the Corporation shall deem appropriate to assign to it.

2. SPECIAL COMMITTEES

The Chairman of the Board of Directors of the Corporation shall have the authority to establish an unlimited number of Special Committees to accomplish any objectives

affecting various interests and the welfare of the Corporation and the University of Central Florida.

ARTICLE VI MISCELLANEOUS PROVISIONS

1. Contracts for the routine activities of this Corporation shall be signed in the name of the Corporation by the Chairman or President or designee.
2. The Directors and Officers of this Corporation, except those otherwise employed by the Corporation, shall not receive any compensation from this Corporation for their services as director or officer; provided, however, that they may be reimbursed from funds of the Corporation for any travel expenses or other expenditures incurred by them in the proper performance of their duties.
3. Whenever a vacancy occurs on the Board of Directors of the Corporation or in any office, it may be filled by appointment made by the person who appointed the original director. The newly appointed member or officer shall act during the remainder of the unexpired term of his or her predecessor.
4. The seal of this Corporation shall be in the form of a circle and shall bear, among other things, the name of the Corporation and the date of its incorporation.
5. Personnel employed by this Corporation shall not be considered to be employees of the State of Florida by virtue of employment by this Corporation.
6. This Corporation shall indemnify and hold harmless all directors, officers, and employees of the Corporation for any liability heretofore or hereafter incurred as a result of their actions in the performance of their duties on behalf of this Corporation. The Corporation shall have the authority to purchase insurance for this purpose.

ARTICLE VII AMENDMENTS

These Bylaws may be altered, amended, or rescinded only by an affirmative vote of the majority of all of the voting members. In case it becomes necessary to call a special meeting for this purpose, written notice shall be given to each voting member of the Corporation at least fifteen (15) calendar days before the date set for the meeting, and such notice shall indicate the provision sought to be amended and the nature of the amendment proposed to be adopted. All proposed amendments are subject to University Board of Trustees review and approval.

ARTICLE VIII FISCAL YEAR

The fiscal year of the Corporation shall begin on July 1 and end on June 30 of the following year.

**ARTICLE IX
NONDISCRIMINATION**

The Corporation is committed to non-discrimination with respect to race, creed, color, religion, age, disability, sex, marital status, national origin, or veteran status.

**ARTICLE X
CONFLICT OF INTEREST**

All actual or potential conflicts of interest involving directors of the Corporation shall be disclosed and addressed in accordance with the Corporation's Conflict of Interest Policy.

**ARTICLE XI
PUBLIC RECORDS**

Public access to the Corporation's records shall be governed by Section 1004.28, Florida Statutes.

I HEREBY CERTIFY that the foregoing ~~Fourth~~^{Third} Amended and Restated Bylaws were approved by majority vote of the Board of Directors on ~~January 30~~_____, 2018.

Secretary

Date