



## **February 22, 2022 Governance Committee**

Board of Trustees

UCF Downtown Campus, DPAC 106/106A

Feb 22, 2022 4:15 PM - 4:45 PM EST

### **Table of Contents**

<b>I. Agenda.....</b>	<b>2</b>
<b>II. Minutes of the November 8, 2021 meeting.....</b>	<b>3</b>
<b>III. Action</b>	
<b>A. GOVC - 1 Amendments to University Regulation UCF-3.038 Notice of Separation     for USPS Employees.....</b>	<b>5</b>
<b>B. GOVC - 2 Amendments to University Regulation UCF-4.015 Fraud Prevention     and Detection.....</b>	<b>9</b>
<b>IV. New Business</b>	
<b>V. Adjournment</b>	



# Board of Trustees

## Meeting Agenda

**Board of Trustees Meeting  
Governance Committee  
February 22, 2022 4:15-4:45 p.m.**  
(or upon adjournment of previous committee meeting)  
**UCF Downtown Campus, DPAC 106/106A**

Livestream: <https://ucf.zoom.us/j/99732242482?pwd=d1pNQ09BVTk5OXozUzJnQnlCT2pBdz09>

Webinar ID: 997 3224 2482

Conference call number: +1-929-205-6099; Meeting ID: 997 3224 2482

### **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 November 8, 2021 meeting | Chair Okaty  |
| 4. Action (30 minutes)                     | Chair Okaty  |
| GOVC – 1                                   | Amendments to University Regulation UCF-3.038<br>Notice of Separation for USPS Employees<br>Youndy Cook, <i>Vice President and General Counsel</i> |
| GOVC – 2                                   | Amendments to University Regulation UCF-4.015<br>Fraud Prevention and Detection<br>Youndy Cook   |
| 5. New Business                            | Chair Okaty  |
| 6. Adjournment                             | Chair Okaty  |



UNIVERSITY OF CENTRAL FLORIDA

Board of Trustees  
Governance Committee Meeting  
November 8, 2021  
President's Boardroom/Virtual

**MINUTES**

**CALL TO ORDER**

Trustee Michael Okaty, chair of the Governance Committee, called the meeting to order at 10:30 a.m. Committee member Meg Hall was present. Committee members John Miklos and Beverly Seay attended virtually. Other Trustees in attendance were Joseph Harrington, Tiffany Altizer (virtually) and Chair Alex Martins (*ex-officio*).

**MINUTES**

Trustee Miklos made a motion to approve the minutes from September 22, 2021, Governance Committee meeting. Trustee Hall seconded the motion. The committee unanimously approved the minutes of the September 22, 2021, Governance Committee as submitted.

**NEW BUSINESS**

FY21 Presidential Assessment and Compensation Review (GOVC-1)

Chair Martins presented a summary of the Presidential assessment and Maureen Binder, Associate Vice President and Chief Human Resources Officer, briefly outlined the process. Trustee Seay, as immediate past chair of the Board of Trustees, presented the compensation review and recommendations. Seay detailed the process by which she analyzed the data and correlated it to obtain a proposed incentive award of \$190,000. Trustee Hall made a motion to approve the presidential assessment and compensation review. Trustee Miklos seconded. The motion was approved unanimously.

President's FY22 Goals (GOVC-2)

Chair Martins indicated that due to the late submission of documents for this item, this would only be a discussion item. This item will be presented at the full board for approval to ensure that all trustees have time to review the materials and submit comments. President Alexander Cartwright presented his goals for FY22 which reflect his priorities for the current year. Trustee Seay stated that more time is needed to review the goals as presented. Trustees Harrington and Hall indicated that they'd like to see more specific and descriptive goals, especially concerning student and faculty ratios. Chair Martins indicated that all trustees should review the goals as presented and submit any comments to the Board Office. Comments will be circulated to the full Board prior to the November 18, 2021 meeting.

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

Youndy Cook, Interim Vice President and General Counsel, presented a new regulation proposed for adoption, UCF-4.015 Fraud Prevention and Detection. This regulation will replace the existing university policy on the same topic. This 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. Board of Governors Regulation 3.003 requires each university to adopt a regulation addressing these matters. No public comments were received. Trustee Miklos made a motion to approve University Regulation UCF-4.015. Trustee Hall seconded the motion. The motion was approved unanimously.

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

Cook presented the Fourth Amended and Restated Bylaws of the UCF Research Foundation for approval. These bylaws were approved by the UCFRF Board of Directors in August 2018, but it was discovered that they were never brought to the Board of Trustees for approval. Trustee Harrington questioned why the language requiring that officers may not hold more than one position was struck. Cook pledged to obtain that information for Trustee Harrington. Trustee Hall made a motion to approve the Fourth Amended and Restated Bylaws of the UCF Research Foundation. Trustee Miklos seconded the motion. The motion to approve these bylaws was approved unanimously.

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

Cook also presented the Fourth Amended and Restated Bylaws of Limbitless Solutions. These bylaws were approved by the Limbitless Solutions Board of Directors in 2018, but it was discovered that they were not brought forward to the Board of Trustees for approval. With regard to this oversight, all other direct support organization bylaws were reviewed, and it was confirmed that all remaining DSO bylaws did receive BOT approval. Trustee Harrington pointed out that rearranging some language would be beneficial. Albert Manero, President and Chief Executive Officer of Limbitless Solutions indicated that there are plans to revise these bylaws and those comments will be included in those discussions. Trustee Miklos made a motion to approve the Fourth Amended and Restated Bylaws of Limbitless Solutions. Trustee Hall seconded the motion. The motion was approved unanimously.

**ADJOURNMENT**

The meeting adjourned at 11:28 a.m.

Reviewed by:

\_\_\_\_\_  
Michael Okaty  
Chair, Governance Committee

\_\_\_\_\_  
Date

Respectfully submitted:

\_\_\_\_\_  
Mike Kilbride  
Associate Corporate Secretary

\_\_\_\_\_  
Date



Board of Trustees  
Governance Committee | February 22, 2022

### GOVC-1: Amendments to University Regulation UCF-3.038 Notice of Separation for USPS Employees

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☐ Information

☐ Discussion

☒ Action

Meeting Date for Upcoming Action: February 23, 2022

#### Purpose and Issues to be Considered:

The University proposes to amend University Regulation *UCF-3.038 Notice of Separation for USPS Employees* to clarify language regarding the probationary period for USPS employees. Specifically, it clarifies that probationary employees may be terminated at any time during the probationary period and that all probation periods are 12 months (except for those employees covered under the collective bargaining agreement with the Florida Police Benevolent Association).

This regulation was posted online January 21, 2022, 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 amendments to UCF Regulation UCF-3.038.

#### Alternatives to Decision:

Do not amend University Regulation UCF-3.038 as proposed. Approve alternative amendments.

#### Fiscal Impact and Source of Funding:

N/A

#### Authority for Board of Trustees Action:

Board of Governors Regulation 1.001

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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:

Youndy Cook, Vice President and General Counsel



# Board of Trustees

## Agenda Memo

**Supporting Documentation:**

Attachment A: Proposed Amended Regulation UCF-3.038

**Facilitators/Presenters:**

Youndy Cook

**UCF-3.038 Notice of Separation for USPS~~University Support Personnel System~~ Employees**

(1) Except as provided by any applicable collective bargaining agreement, this regulation applies to all University Support Personnel System (USPS) employees. Employees on probation or in OPS, temporary, time-limited, emergency, or other irregular appointments may be separated from the university without advance notice, although they will normally be given two weeks' notice of separation.

(2) Probationary Employees:

- (a) All USPS employees must serve a probationary period, upon initial employment in a regular benefits-earning position. This period shall be a working trial period required of all new USPS employees, and during which the employees may be terminated at any time. Upon the successful completion of the probationary period, regular status is granted for those serving in regular benefits-earning positions.
- (b) USPS employees (excluding those covered under the University's collective bargaining agreement with the Florida Police Benevolent Association) ~~in positions which have a six-month probationary period~~ will serve only one (1) twelve-month probationary period upon their initial USPS employment. ~~Positions which have a twelve-month probationary period shall serve a probationary period in each classification.~~ After attainment of regular status in any-a regular benefits-earning USPS position, the USPS employees ~~who serve in a position requiring a six-month probationary period~~ will not be required to serve an additional probationary period during contiguous employment.
- (c) If a USPS employee has a break in service, a new probationary period will be required. Approved paid or unpaid leaves shall not be considered a break in service. An exception to this provision is the recall of a laid off employee during the recall period as noted in University Regulation UCF-3.0123, in which case the employee shall not be required to serve another probationary period.

(3) A USPS employee may be separated with cause in accordance with University Regulation UCF-3.033.

(4) USPS staff members have no expectation of continued employment beyond the terms listed herein. A USPS employee may be separated without cause by providing a written Notice of Separation informing the employee of the last date of employment with the university. The period between issuance of the Notice of Separation and the last date of employment shall be the notice period.

(5) Terms and conditions during the notice period:

- (a) The notice period shall be 16 weeks.
- (b) The employee's base rate of pay shall remain unchanged during the notice period. The employee shall not receive any pay increases or bonuses during the notice period.
- (c) At its discretion, the university may reassign the employee to other duties, responsibilities, and locations during the notice period.
- (d) At the time of or following issuance of a Notice of Separation, the University may elect in its discretion to pay the employee for the notice period, as may be allowed

under Florida law. If the University elects this option, it shall pay the employee an amount, less withholding, equal to the salary for that portion of the notice period which the University is paying out, and the employee's employment shall terminate immediately.

- (e) The employee has the right to seek employment elsewhere, either within or outside the university.
- (f) The employee remains subject to all university regulations, policies, and procedures during the notice period. The university's right to terminate the employee for cause remains in effect during the notice period. Similarly, the employee is subject to layoff in accordance with UCF Regulation 3.0123 during the notice period.

(6) Notice of Separation Procedures:

- (a) A department that wishes to consider the issuance of a Notice of Separation to an employee pursuant to this regulation must consult with Human Resources regarding the proposed action. The department must obtain the approval of the respective vice-president or designee prior to making a request to Human Resources for a separation action under this regulation. Only Human Resources is authorized to issue a Notice of Separation.
- (b) An employee who is separated in accordance with this regulation will be considered eligible for rehire.

(7) The decision to issue a Notice of Separation to a USPS employee shall not be based on constitutionally or statutorily impermissible grounds.

(8) The Chief Human Resources Officer or designee shall make final determinations as to interpretation and implementation of this regulation.

~~(9) This regulation is effective January 1, 2011.~~

*Authority: BOG Regulation 1.001. History— New 8-3-10; Amended 10-1-12, 9-27-18, \_\_\_\_\_ -*

22.



Board of Trustees  
Governance Committee | February 22, 2022

### GOVC-2: Amendments to University Regulation UCF-4.015 Fraud Prevention and Detection

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☐ Information

☐ Discussion

☒ Action

Meeting Date for Upcoming Action: February 23, 2022

#### Purpose and Issues to be Considered:

The University proposes to amend University Regulation *UCF-4.015 Fraud Prevention and Detection* to add new language to address provisions required by Board of Governors' regulation 4.001. BOG regulation 4.001 subsections (5) and (6) require each university to have a process in place for handling and notifying the BOG of any significant and credible allegations of fraud, waste, mismanagement, misconduct, and other abuses made against the president or a trustee, or against the chief audit executive or chief compliance officer, respectively. Further, each university must include this information in a university regulation. With these amendments to University Regulation UCF-4.015, the university meets this requirement.

This regulation was posted online January 21, 2022, 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 amendments to UCF Regulation UCF-4.015.

#### Alternatives to Decision:

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

#### Fiscal Impact and Source of Funding:

N/A

#### Authority for Board of Trustees Action:

Board of Governors Regulation 1.001

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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, Vice President and General Counsel

**Supporting Documentation:**

Attachment A: Proposed Amended 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](mailto: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, misconduct, or other abuse made against a University Board of Trustees' member or the president. Such allegations will be handled as follows:
  - (a) The Chair of the Board of Trustees (or the Chair of the Audit and Compliance Committee of the Board of Trustees if the allegations involve the Board Chair), in consultation with the Chair of the Board of Governors, shall review the matter and may ask the OIGC to conduct a preliminary inquiry, in accordance with section 10.2.a of the OIGC charter. If it is determined that an investigation is warranted, it shall take one of the following forms:
    - 1.The Board of Trustees will hire an independent outside firm to conduct the investigation with OIGC guidance and monitoring; or
    - 2.The OIGC will perform the investigation.
  - (b) At the conclusion of such investigation, the report shall be submitted to the subject, who shall have twenty (20) working days from the date of the report to submit a written response. The subject's response and the investigator's rebuttal to the response, if any, shall be included in the final report presented to the Chair of the Board of Trustees and the Board of Governor's Audit and Compliance Committee. ; and shall provide copies of all final investigative reports to the Board of Governors, if the allegations are determined to be significant and credible.
4. Significant and credible allegations of fraud, waste, mismanagement, misconduct, or other abuses made against the Chief Audit Executive or Chief Compliance and Ethics Officer. If the University receives a significant and credible allegation of fraud, waste, mismanagement, misconduct, or other abuse against the Chief Audit Executive or the Chief Compliance and Ethics Officer, the President and the Chair of the Audit and Compliance Committee will consult to review the matter and timely provide the OIGC with sufficient information to demonstrate that the Board of Trustees is both willing and able to address the allegations. If, after review, an investigation is warranted, the Chair of the Audit and Compliance Committee in consultation with the President may either hire an independent outside firm to conduct the investigation or direct the Office of Inspector General to conduct the investigation if appropriate. At the conclusion of the investigation, the report shall be submitted to the subject, who shall have twenty (20) working days from the date of submission of the report to submit a written response. The subject's response along with any rebuttal by the investigator shall be included in the final report presented to the President, the Chair of the Audit and Compliance Committee, and the OIGC.

(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 11-18-21, \_\_\_\_\_-22.*