




OFFICE OF THE PRESIDENT

Item 8.1

PRESENT TO BOARD: JUNE 27, 2018

TO: SOUTH FLORIDA STATE COLLEGE  
DISTRICT BOARD OF TRUSTEES

FROM: THOMAS C. LEITZEL 

SUBJECT: RECERTIFICATION OF DIRECT SUPPORT ORGANIZATION

In accordance with SFSC Policy 8.01, the South Florida State College Foundation, Inc. respectfully requests recertification to function on behalf of SFSC during the College's 2018-2019 fiscal year. Legal Authority: Florida Statute 1004.70.

SFSC Policy 8.01 states that "each direct support organization (DSO) wishing to operate under the auspices of South Florida State College must be annually certified by the SFSC District Board of Trustees as meeting the conditions set forth by the Board. Direct support organizations so certified by the Board may be permitted the use of the College's property, facilities and personnel services."

**Conditions for certification include the following:**

1. The DSO shall exist for the purpose of providing financial, scholarship, facility, equipment and other support to the College and its programs and students.
2. The DSO shall provide full, complete, and timely information on all of its activities to the SFSC District Board of Trustees (DBOT) as follows:
  - a. One or more members of the SFSC DBOT shall be designated by the Chair of the DBOT to serve as liaison voting members of the Board of Directors and the Executive Committee of the DSO.
  - b. The College President shall be a voting member of the Board of Directors and the Executive Committee of the DSO.
  - c. The College's Controller shall serve as ex-officio member of the Board of Directors of the DSO in the capacity of Assistant Treasurer.
  - d. The DSO shall make monthly reports to the DBOT.
  - e. The Executive Director of the DSO shall report administratively to the College President.
  - f. The DSO shall submit its annual independent audit and Income Tax Form 990 to the DBOT for review and acceptance.

- The DSO will make an annual report on its activities in the spring of each year (typically May or June) so that the DBOT may certify the DSO by July 1<sup>st</sup>.

**Summary of yearly accomplishments:**

The South Florida State College Foundation, Inc. operates on a calendar fiscal year. During the fiscal year ending December 31, 2017 (FY17), the SFSC Foundation continued to meet each of the mandates specified above. Specific activities and accomplishments for the year include:

Revenue

Number of gifts: 1,407	
• Amount received .....	\$ 1,027,149.07
• Investment income .....	\$ 1,674,693.00
• Donated services* .....	\$ 152,379.00
• Rental Income.....	<u>\$ 344,405.00</u>
Total	<b>\$ 3,198,626.07</b>

Pledged gifts

• Partnership Project .....	\$ 3,570,000.00
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Scholarships (2017 academic year awards)

Number awarded: 411	
• Amount awarded.....	\$ 208,284.00

Teaching chairs awarded..... 4

Take Stock in Children:

• Currently in program.....	132
• High School graduates.....	438
• Currently in college.....	113
• College graduates.....	240

Facilities leased to SFSC..... 2

Board members elected..... 4

SFSC programs supported

All academic programs at the College

**DSO support from the College**

For FY17 current expense support totaled \$4,614.97 and personnel support totaled \$252,379. This support is reduced by the \$100,000 Administrative fee recouped by the College. As in FY17, the anticipated personnel and current expense expenditures for FY18 and FY19 of approximately \$257,000 each, were and will be utilized for the promotion and support of the College's Vision and Mission. The Administrative Fee in FY18 and FY19 are also expected to be \$100,000 each year.

**Value added**

\$1,027,149.07 raised at a cost to SFSC of \$156,994 devoted to operations, represents a significant ROI for the College.

**Indebtedness of DSO**

The SFSC Foundation has no indebtedness.

**\* Donated Services Contributors:**

- Executive Director, Institutional Advancement
- Controller
- Executive Assistant, Institutional Advancement
- Accounts Payable Specialist
- Administrative Assistant II, Controller
- Coordinator, Restricted Accounting
- Resource Development Specialist

**SUGGESTED MOTION:**

**Move to accept the 2017 independent audit and IRS form 990 and to reauthorize the SFSC Foundation, Inc. to work on behalf of the College as a direct support organization in support of the College's Vision and Mission, utilizing support from the College as presented for the 2018-2019 Fiscal Year.**



OFFICE OF THE PRESIDENT

July 2, 2018

Ms. Madeline Pumariega  
Chancellor  
Division of Florida Colleges  
325 W. Gaines Street, Suite 1544  
Tallahassee, FL 32399

Re: Annual Certification of Direct Support Organization

Dear Chancellor Pumariega:

At the June 27, 2018 meeting of the South Florida State College District Board of Trustees, a report detailing the operation of the SFSC Foundation, Inc., our only direct support organization, was presented by the Executive Director of the Foundation. This report outlined all SFSC policies relating to the operation of direct support organizations and attested to the full compliance with each. Based on the review, the Board of Trustees recertified the South Florida State College Foundation, Inc., to operate on the College's behalf for the coming 2018-2019 year.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tom", is written over a long, thin blue horizontal line that extends to the right.

Thomas C. Leitzel, Ph.D.  
President

Enclosure: Direct Support Organization (DSO) Review Checklist

c: Jamie Bateman, Executive, Director, Institutional Advancement

**DIRECT-SUPPORT ORGANIZATIONS (DSO) AUDIT REVIEW CHECK LIST**

**DSO NAME: South Florida State College Foundation, Inc.**

**FOR THE YEAR ENDING: 2017-2018**

**COLLEGE PRESIDENT'S RESPONSE TO DSO AUDIT:**

1. In accordance with Section 1004.70(2), Florida Statutes (F.S.), did the chair of the board of trustees appoint a representative to the board of directors and the executive committee of each direct-support organization established under section 1004.70, Florida Statutes?

YES X NO \_\_\_

NAME OF APPOINTEE: Mrs. Lana C. Puckorius

2. In accordance with section 1004.70(2), F.S., did the president or the president's designee serve on the board of directors and the executive committee of the college's direct-support organization?

YES X NO \_\_\_

NAME OF APPOINTEE: Thomas C. Leitzel, Ph.D., President, South Florida State College

3. In accordance with section 1004.70(4)(c), F.S., did the board of trustees approve all transactions or agreements between one direct support organization and another direct support organizations?

YES \_\_\_ NO \_\_\_ N/A X

4. In accordance with section 1004.70(4)(e), F.S., did the board of trustees authorize all debt, including lease-purchase agreements, incurred by the direct-support organization? (Authorization for approval of short-term loans and lease-purchase agreements for a term of not more than five years, including renewals, extensions, and refundings, for goods, materials, equipment, and services may be delegated by the board of trustees to the board of directors of the direct-support organization. Trustees shall evaluate proposals for debt according to guidelines issued by the Division of Florida Colleges. Revenues of the Florida College System institution may not be pledged to debt issued by direct-support organizations.)

YES \_\_\_ NO \_\_\_ N/A X

5. In accordance with section 1004.70(5), F.S., did this direct-support organization submit to the board of trustees a copy of its Internal Revenue Service (IRS) Application for Recognition of Exemption form (Form 1023) and its IRS Return of Organization Exempt from Income Tax form (Form 990)?

YES X NO \_\_\_

6. Did the board of trustees review the following issues and accept the annual audit?
- A. College support of direct-support organization's operating expenses.
  - B. Annual change in the direct-support organization's net assets.
  - C. Direct-support organization's ability to cover indebtedness (both current and projected).
  - D. Direct-support organization's internal controls.
  - E. Direct-support organization's compliance with Florida Statute.

YES X NO     

7. If the direct-support organization expended \$500,000 or more in federal awards during the fiscal year, was an independent federal single audit performed as required pursuant to the *Single Audit Act Amendments of 1996 (Section 7502 (a)(1)(A))*; *OMB Circular A-133 (Part 3, Section M)*; the *Florida Single Audit Act (F.S. 215.97 (2)(a))*; or other applicable federal and state law?

YES      NO      N/A X

South Florida State College

COLLEGE NAME



PRESIDENT (SIGNATURE)

6-27-18

DATE

Thomas C. Leitzel, Ph.D.

(Print Name)



CHAIRMAN, BOARD OF TRUSTEES (SIGNATURE)

6-27-18

DATE

Mr. Tim Backer

(Print Name)

Please attach this checklist to the audit and return to:

Director, The Florida College System Budget Office  
 Florida Department of Education  
 325 West Gaines Street, Suite #1224  
 Tallahassee, FL 32399-0400  
[Collegereporting@fldoe.org](mailto:Collegereporting@fldoe.org)