



BOARD OF TRUSTEES RESOLUTION

NUMBER: R09-55

Subject: Approval of Updates and Amendments to Internal Operating Memorandum 01-1 (UF Oversight of Affiliated Entities)

Date: March 17, 2009

The University of Florida Board of Trustees approves the updates and amendments to Internal Operating Memorandum 01-1 as provided in the attached summary and redlined IOM.

Adopted this 17th day of March, 2009.

Brian C. Beach, Assistant Corporate Secretary

J. Bernard Machen, President

University of Florida Internal Operating Memorandum

Number: 01-1

Subject: Service of Trustees on Direct Support Organizations, Health Services Support Organizations, and Other Affiliated Corporate Boards

Date: September 7, 2001, Revised March 17, 2009

The University of Florida Board of Trustees, in consultation with the University President, determines whether Trustees or non-Trustee representatives of the Board of Trustees should serve on the boards of University of Florida Direct Support Organizations, Health Services Support Organizations or other affiliated corporations.¹ Although Trustees need not always serve as directors on University-affiliated boards, the nature and scope of certain boards warrants Board of Trustees participation. University representation, including Trustee service on such boards, shall meet the following minimum oversight requirements (which have been the intent and application of this IOM since its inception):

1. University of Florida Direct Support Organizations, Health Services Support Organizations or other affiliated boards that should include a University of Florida Trustee as a member.

University of Florida Foundation, Inc.
The University Athletic Association, Inc.
Gator Boosters, Inc.
University of Florida Research Foundation, Inc.
Shands Teaching Hospitals and Clinics, Inc.
Shands Healthcare, Inc.²
University of Florida Investment Corporation³

¹ The BOT previously delegated authority to the University President generally to make all appointments to affiliates' boards. (Affiliates include Direct Support Organizations, Health Services Support Organizations, as well as non-DSO affiliates.) The BOT reserved the right to approve *creation* of all affiliates and, as always if desired, to act in any particular case. [BOT Resolutions R07-37 (part I. O and II. P and the accompanying summary chart) and RO8-44 (giving UFICO the same treatment as other DSOs).] Florida 2003 Statutes, 1004.28(3) and 1004.29(4), authorize--but do not require--the Chair of the Board of Trustees to appoint a representative to each DSO or HSSO board of directors and executive committee. (These statutes do not apply to *non-DSO* affiliates.) Consequently, to implement this IOM, the BOT approves the categorization of each affiliate as a Category 1, 2 or 3 affiliate and the President generally makes all appointments to *non-DSO* affiliate boards---as well as to DSO and HSSO boards if the Chair opts to give effect to the BOT Resolutions, rather than exercising the Chair's discretionary statutory authority to make an appointment.

² Creation of new non-DSO affiliate approved by BOT RO9-50, January 14, 2009.

³ Categorized pursuant to BOT Action Agenda Item 5.13, June 14, 2005.

2. University of Florida Direct Support Organizations, Health Services Support Organizations or other affiliated boards that should include a designated non-Trustee representative of the University of Florida Board of Trustees as a member.

Citrus Research and Development Foundation, Inc.⁴
Citrus Research and Education Foundation, Inc.
Florida 4-H Club Foundation, Inc.
Florida Foundation Seed Producers, Inc.
Southwest Florida Research and Education Foundation, Inc.
Treasure Coast Agricultural Research Foundation, Inc.
University of Florida Leadership and Education Foundation, Inc.
Florida Clinical Practice Association, Inc. (College of Medicine)
University of Florida Jacksonville Physicians, Inc.
University of Florida Jacksonville Healthcare, Inc.
University Alumni Association, Inc.
University of Florida Law Center Association, Inc.

3. Other boards that should include a designee of the University President as a member with a report of such designees to the Board of Trustees.

University of Florida College of Nursing Faculty Practice Association, Inc.
University of Florida College of Pharmacy Faculty Practice Association, Inc.
Faculty Associates, Inc. (College of Dentistry)
Florida Health Professions Association, Inc.
University of Florida Health Care Education Insurance Company, Inc.
Shands Jacksonville Healthcare, Inc.⁴
Shands Jacksonville Medical Center, Inc.⁴
Florida Veterinary Medicine Faculty Association, Inc.⁵
Faculty Clinic, Inc.⁵
University Village Apartments, Inc.⁵

History: New 09-07-2001. Revised 3-17-2009.

⁴ DSO approved by BOT Action Agenda Item GV2, March 17, 2009.

⁵ Overlooked in 2001 listings, but has been treated as Category 3 with Presidential designee.

EXECUTIVE SUMMARY OF UPDATES AND AMENDMENTS OF
INTERNAL OPERATING MEMORANDUM 01-1 ON
UF OVERSIGHT OF AFFILIATED ENTITIES

March 17, 2009

I. UPDATES TO CONFORM IOM WITH PRIOR BOT RESOLUTIONS

All of the following are technical changes that are already in effect under former BOT action or capture longstanding BOT implementation:

- A. Confirms the IOM has, since its inception in 2001, provided minimum UF oversight standards for each category of affiliate. Exceeding minimum standards has never been a violation.
- B. Reflects BOT Action of June 14, 2005, recategorizing Shands Jacksonville Healthcare, Inc. and Shands Jacksonville Medical Center, Inc. as Category 3 (rather than Category 1) affiliates.
- C. Reflects BOT Action of June 14, 2005, categorizing the then-new University of Florida Investment Corporation as a Category 1 affiliate.
- D. Deletes two defunct affiliates, University of Florida Health Services, Inc. and Florida Association of Basic Medical Scientists, Inc. which were decertified by BOT Action of June 4, 2004.
- E. The BOT approves the *creation* of each affiliate. (Affiliates may be DSOs, HSSOs or non-DSO affiliates.) The BOT also *categorizes* each affiliate (in Category 1, 2 or 3). Under existing BOT Authority Resolutions, the BOT delegated to the President authority to generally make all appointments to affiliates' boards. Consequently, the President makes all appointments to non-DSO affiliate boards—and also to DSO/HSSO boards, if the BOT Chair opts to give effect to the BOT Resolutions, rather than exercising the Chair's discretionary statutory authority to make an appointment to each DSO/HSSO board. (The statute does not apply to *non-DSO* affiliates.) (See the IOM's footnote 1 for details.)

II. SUMMARY OF AMENDMENTS TO CATEGORIZE NEW AFFILIATES

- A. Categorizes the new Shands Parent entity (a non-DSO affiliate approved to be the sole member of the Gainesville and Jacksonville hospital affiliates by the BOT on January 14, 2009) as a Category 1 affiliate.
- B. Categorizes the new Citrus Research and Development Foundation, Inc., a DSO, as a Category 2 affiliate.
- C. Also lists as Category 3 affiliates, three longstanding entities that were overlooked in the

original 2001 listings. (Florida Veterinary Medicine Faculty Associates, Inc.—the Veterinary faculty practice plan; Faculty Clinics, Inc.—the non-DSO affiliate that leases medical clinic space; and University Village Apartments, Inc.—the non-DSO affiliate developer of married student housing). These have had Presidential designees on their boards and were identified in the affiliated entity principles project.