

## **AGENDA**

### **FLORIDA GULF COAST UNIVERSITY BOARD OF TRUSTEES AUDIT AND COMPLIANCE COMMITTEE**

**Tuesday, April 11, 2023      8:30 a.m. to 9:30 a.m.**

**COHEN STUDENT UNION BALLROOM, ROOM #203  
FLORIDA GULF COAST UNIVERSITY**

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***Indicated times within the agenda are approximate and are subject to change. Agenda items may be taken out of order at the call of the Chair and with the concurrence of the Committee.***

**Committee Members:**

Trustee Joseph Fogg III – *Chair*  
Trustee Anna Carlin  
Trustee Leo Montgomery  
Trustee Luis Rivera

8:30 a.m.                      **Call to Order, Roll Call, and Opening Remarks – *Chair***  
*Joseph G. Fogg III*

8:35 a.m.                      **Consent Agenda (Includes Public Comment) – *Chair***  
*Joseph G. Fogg III*

- **Minutes of February 7, 2023 Meeting (TAB #1)**

8:40 a.m.                      **Information:**

- **IT Security Incident Update – *Director of Internal Audit William Foster (TAB #2)***
- **Status Update on Prior Corrective Actions – *Director of Internal Audit William Foster (TAB #3)***

**Action (Includes Public Comment):**

- **Course Substitutions Audit – *Director of Internal Audit William Foster (TAB #4)***
- **WFCU Public Media Audit Report for the Years ended June 30, 2022 and June 30, 2021 – *Director of Internal Audit William Foster (TAB #5)***
- **2022 Annual Compliance Report – *Chief Equity, Ethics, and Compliance Officer and Title IX Coordinator Precious Gunter (TAB #6)***

9:20 a.m.                      **Old Business** – *Chair Joseph G. Fogg III*

9:25 a.m.                      **New Business** – *Chair Joseph G. Fogg III*

9:30 a.m.                      **Closing Remarks, and Adjournment** – *Chair Joseph G. Fogg III*

*(END)*

**AGENDA INDEX**  
**FGCU Board of Trustees**  
**Audit and Compliance Committee**  
**April 11, 2023**

<b>Tab #</b>	<b>Item</b>	<b>Action/Information</b>
1	Minutes of February 7, 2023 Meeting	Committee Action (Consent Agenda)
2	IT Security Incident Update	Information Only
3	Status Update on Prior Corrective Actions	Information Only
4	Course Substitutions Audit	Committee Action
5	WGPU Public Media Audit Report for the Years ended June 30, 2022 and June 30, 2021	Committee Action
6	2022 Annual Compliance Report	Committee Action

ITEM: 1

**Florida Gulf Coast University Board of Trustees  
Audit and Compliance Committee  
April 11, 2023**

**SUBJECT:** Minutes of February 7, 2023 Meeting

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**PROPOSED COMMITTEE ACTION**

Approve minutes

**BACKGROUND INFORMATION**

The Audit and Compliance Committee met on February 7, 2023. Minutes of the meeting were kept as statutorily required.

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**Supporting Documentation Included:** Minutes of February 7, 2023 Meeting

**Prepared by:** Transcription Experts and Assistant Director of Board Operations  
Tiffany Tramontozzi

**Legal Review:** N/A

**Submitted by:** President Mike Martin

**FLORIDA GULF COAST UNIVERSITY BOARD OF TRUSTEES**

***AUDIT AND COMPLIANCE COMMITTEE MEETING***

**Tuesday, February 7, 2023**

**EDWARDS HALL, ROOM #309  
FLORIDA GULF COAST UNIVERSITY**

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Minutes

**Members:**

*Present:* Trustee Joseph Fogg III – Chair; Trustee Anna Carlin; Trustee Leo Montgomery; and Trustee Luis Rivera (by phone).

*Staff:* President Mike Martin; Executive Vice President and Provost Mark Rieger; Vice President for Student Success & Enrollment Management Mitchell Cordova; Vice President for Administrative Services and Finance, and Executive Director of FGCU Financing Corporation David Vazquez; Vice President and General Counsel Vee Leonard; Director of Internal Audit Bill Foster; Chief Equity, Ethics, and Compliance Officer and Title IX Coordinator Precious Gunter; Director of Board Relations Tiffany Reynolds; Coordinator of University Communications & Media Relations Pamela McCabe; Assistant Director of Board Operations Tiffany Tramontozzi; and Administrative Assistant II Amy Liekweg.

**Item 1: Call to Order, Roll Call, and Opening Remarks**

Chair Joseph Fogg called the meeting to order at 10:03 a.m. He noted the meeting had been duly noticed and was originating from Edwards Hall, Room 309. He asked Director of Board Relations Tiffany Reynolds to call the roll and identify the staff participants. Roll call was taken with all Committee members participating, thus meeting quorum requirements.

**Item 2: Consent Agenda (See Tab #1)**

Chair Fogg stated there was one item on the Consent Agenda: Minutes of January 5, 2023 Meeting.

Trustee Luis Rivera made a motion to approve the Consent Agenda. Trustee Anna Carlin seconded the motion. There was no public comment, or Committee discussion. Chair Fogg called for a voice vote with those in favor indicating “Yea” and those opposed “Nay.” The vote was unanimous in favor of the motion.

**Item 3: Action (See Tabs #2-3)**

Chair Fogg indicated there were two action items on the agenda. He called on Director of Internal Audit William Foster to present the items.

**Florida Gulf Coast University Performance Based Funding Data Integrity Audit for Board of Governors (TAB #2)**

Mr. Foster stated this was a request to accept the Florida Gulf Coast University (FGCU) Performance Based Funding Data Integrity Audit for the Board of Governors (BOG) and recommend its acceptance by the FGCU Board of Trustees (BOT). He indicated this report represented the results of the Audit required of all the state universities by the BOG, as described in the letter from BOG Chair Brian Lamb dated June 21, 2022 to FGCU President Mike Martin and FGCU BOT Chair Blake Gable. He explained the purpose of the Audit was to determine whether the University's processes operated effectively to provide complete, accurate and timely data submissions that supported the Performance Based Funding (PBF) Metrics to the BOG.

Mr. Foster stated that this year, Metrics 1, 2, and 7 were chosen for the Audit after consultation with Chair Gable and President Martin. He stated cumulatively over the last three years, the Office of Internal Audit (OIA) reviewed 10 of the 11 metrics, counting Metrics 9a and 9b separately. He noted the chosen metrics for the Audit were: Metric 1: Percent of Bachelor's Graduates Employed (earning \$30,000+) or Continuing their Education (one year after graduation); Metric 2: Median Wages of Bachelor's Graduates Employed Full-time One Year After Graduation; and Metric 7: University Access Rate (Percent of Undergraduates with a Pell Grant). He explained that the Audit process involved: verifying the accuracy of the data submitted to the BOG for these metrics; verifying the completeness of the data submitted; testing the various metrics; identifying and evaluating key processes used by the data administrator and applicable University departments responsible for processing the data; and interviewing key personnel responsible for reporting the data to make sure that their controls were sufficient. He noted the Audit tested 1,968 items which corresponded to a 95 percent competence level for testing. He said there were no comments or findings. He said based on the work performed, he believed the Audit could be relied upon by President Martin and the FGCU BOT as a basis for certifying representations to the BOG related to the integrity of data required for the PBF Model.

Chair Fogg noted this was a perfect audit report; no problems were discovered. He asked why Metric 7 was important and why it was favorable to have a high percentage of students with Pell Grants.

President Martin stated that tracking Metric 7 was difficult as the number of Pell students had decreased 27 percent over the last five years due to the strong state of the economy, and thus families' incomes rising above the Pell eligibility level. He said he felt this metric ran counter to what FGCU was trying to achieve, but others felt differently.

Chair Fogg asked why the BOG felt this was an important metric.

92 President Martin stated the BOG initially felt this metric was an upward mobility  
93 measure that would ensure universities enrolled low income/poverty-level income  
94 students. He stated the problem now was that universities were trying to measure  
95 against a declining population, but this was a good thing; a decline in low  
96 income/poverty level income students was excellent.

97  
98 Chair Fogg stated it also could be argued that students paying full tuition were better  
99 serving the taxpayers.

100  
101 President Martin stated the problem was FGCU did not want to cheer for bad  
102 economics, during which, would make Metric 7 easier to achieve.

103  
104 Chair Fogg asked if FGCU did anything proactively to bring up this metric.

105  
106 President Martin responded FGCU had some matching scholarship programs to bring a  
107 Pell Grant up to full cost of attendance, and it worked with several other foundations  
108 which helped support Pell students, but it still came back to the challenge of having to  
109 chase fewer and fewer students to keep this metric high for the metric's own sake. He  
110 agreed this metric made little sense.

111  
112 Chair Fogg asked what FGCU's score was for Metric 7.

113  
114 Vice President for Student Success & Enrollment Management Mitch Cordova  
115 responded he believed FGCU would score 7 or 8 points this year, and FGCU scored 7  
116 points last year. He said that this metric remained flat.

117  
118 Trustee Carlin asked if the State University System (SUS) numbers related to Metric 7  
119 were similar.

120  
121 Dr. Cordova responded in the affirmative; the University of Florida's (UF) Metric 7  
122 dropped. He stated to combat this and bring up Metric 7, UF was trying to attract and  
123 enroll students from underrepresented populations with the thought that  
124 underrepresented populations equaled Pell Grant students. He noted universities did  
125 not know when they admitted a student whether they were Pell eligible until after the  
126 financial aid process was completed.

127  
128 President Martin said he believed all of the metrics needed to be reconsidered in light of  
129 social and economic changes; FGCU should continue to make this case to both the  
130 BOG and the Legislature. He noted Metric 8: Graduate Degrees Awarded in Areas of  
131 Strategic Emphasis (STEM, Education, Health & Gap Analysis), also frustrated the  
132 University. He said while FGCU continued to increase Metric 8, with the surge in  
133 Master of Business Administration (MBA) and Master of Education (M.Ed.) degrees  
134 awarded at FGCU, the denominator was growing so fast that the numerator could not  
135 keep up. He stated this showed FGCU was serving the need in Southwest Florida  
136 (SWFL), but the metric number decreased due to the surge in non-strategic areas. He

stated at a minimum, the BOG should allow FGCU to decide what their strategic areas of emphasis should be given the region the University is located within.

Chair Fogg noted the presidential candidates should be asked “what do you think of FGCU’s metrics, the system in general, and what would your plan be to address this?”

Trustee Leo Montgomery recommended that the motion be changed to “approve” the Florida Gulf Coast University Performance Based Funding Data Integrity Audit for the Board of Governors and recommend its approval by the FGCU Board of Trustees instead of using the word “accept.”

Chair Fogg indicated this was acceptable.

Trustee Carlin asked if other SUS institutions’ audits contained findings. She asked what type of error might be found in the data.

Mr. Foster said looking at the Data Integrity Certification Form, if there were any findings or notes, there would be an explanatory comment. He stated he could access other universities’ audits if Trustee Carlin wished.

Trustee Carlin asked if other universities ever found anything.

Mr. Foster responded occasionally; less than ten percent of the time.

Chair Fogg noted there always was the possibility of a clerical error as a lot of data entry was involved. He stated what would be most concerning was if a university was purposefully entering false data to improve metric scores; this was the purpose of these audits.

Mr. Foster stated the audit’s purpose was to ensure the reported data was correct.

Trustee Montgomery made a motion to approve the Florida Gulf Coast University Performance Based Funding Data Integrity Audit for the Board of Governors and recommend its approval by the FGCU Board of Trustees. Trustee Carlin seconded the motion. There was no public comment, or further Committee discussion. Chair Fogg called for a voice vote with those in favor indicating “Yea” and those opposed “Nay.” The vote was unanimous in favor of the motion.

### **Florida Gulf Coast University Athletics National Collegiate Athletics Association (NCAA) Report for the Year ended June 30, 2022 (TAB #3)**

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Chair Fogg asked if President Martin found the FGCU Athletics National Collegiate Athletics Association (NCAA) Report data helpful.

President Martin responded in the affirmative. He stated this data was used to ensure that FGCU Athletics was clearly tracking, reporting, and assessing revenues and expenses. He said two years ago, it was discovered there was poor record-keeping



being done, which prompted much-needed changes and improvements in the Athletics department's record-keeping. He noted one reason the outcome was better this year, by far, was due to the changes that were made in Athletics, particularly in the finance department.

Mr. Foster said this was a request to accept the Florida Gulf Coast University Athletics National Collegiate Athletics Association (NCAA) Report dated January 5, 2023 and recommend its acceptance by the FGCU Board of Trustees. He stated this Report presented the results of the agreed-upon procedures for the year ended June 30, 2022, as required by the NCAA Bylaws for Colleges and Universities in Division I Athletics. He reviewed a summary of the key points in the NCAA Agreed-Up Upon Procedures Report:

- Pages 1 through 10 – Independent Accountant's Report – The auditors described the procedures performed and noted for each procedure, there were no exceptions, or the variances were within the tolerable limits as prescribed.
- Pages 11 and 12– Supplement A Variances – This section described the increase in contributions received and in coaching salaries and bonuses paid out.
- Pages 13 through 94 – Supplement B – This section contained the data required by NCAA for Division I, in the format prescribed by NCAA. FGCU had six men's teams and nine women's teams. For the year ended June 30, 2022, FGCU Athletics had operating revenue of \$17.6 million with operating expenses of \$17.3 million, and a net increase of \$0.3 million. For comparison, the prior year had operating revenues of \$16.5 million and operating expenses of \$14.4 million, with a net increase \$2.1 million.

Mr. Foster indicated this report had the desired outcome.

Chair Fogg stated he found it interesting that FGCU was primarily a "basketball school." He said he was fond of baseball and golf, and FGCU's teams performed well, but the revenue from those two sports was much lower than basketball revenue.

Mr. Foster agreed; 75 percent of ticket revenue came from men's and women's basketball.

President Martin stated FGCU Athletics was working to increase their revenue, including the prospect of broadcasting FGCU athletics events through WGCU Public Media by a subscription or other means. He stated the Athletics department relied too heavily on student fees. He noted a full-time FGCU student paid \$526 a year in Athletics fees.

Chair Fogg suggested broadcasting baseball games.

President Martin stated he proposed trying to broadcast sporting events this year on WGCU TV. He said FGCU had a long-standing broadcaster, John Gordon, the voice of

the Minnesota Twins for many years, who was now retired but volunteered to coach student broadcasters.

Chair Fogg asked if there was any way to get spectators involved in the golf tournaments.

President Martin responded he was unsure.

Chair Fogg noted the men's golf team did well in their last tournament; they placed second.

Trustee Montgomery asked how the Report was utilized by the NCAA. He asked if FGCU paid dues to the NCAA.

President Martin responded in the affirmative; FGCU paid dues to the NCAA; however, FGCU brought in more than it paid out to the NCAA due to the monies from academic success and the division among the conferences. He said the NCAA was primarily financed by March Madness, and they hung judiciously onto control over market management.

Chair Fogg asked about the Pell data that was woven into the FGCU NCAA Report.

President Martin responded the NCAA asked about Pell Grant student data, and he was unsure why the NCAA was interested in this information.

Chair Fogg asked if athletic criteria was utilized in awarding Pell Grants to students.

President Martin responded in the negative.

Dr. Cordova explained that Pell Grants were awarded based on the Free Application for Federal Student Aid (FAFSA).

President Martin noted that approximately 30 percent of FGCU students were Pell eligible. He stated it was likely another 15 percent of FGCU students were close to being eligible for Pell.

Dr. Cordova agreed and noted that FGCU had many students who were right above Pell eligibility, and these were the students FGCU worked to fund with scholarships and other financial aid.

Chair Fogg noted this report was a "clean bill of health."

Trustee Montgomery made a motion to accept the Florida Gulf Coast University Athletics National Collegiate Athletics Association (NCAA) Report dated January 5, 2023 and recommend its acceptance by the FGCU Board of Trustees. Trustee Carlin seconded the motion. There was no public comment, or further Committee discussion.

Chair Fogg called for a voice vote with those in favor indicating “Yea” and those opposed “Nay.” The vote was unanimous in favor of the motion.

**Item 4: Old Business**

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There was no old business for discussion.

**Item 5: New Business**

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There was no new business for discussion.

**Item 6: Closing Remarks, and Adjournment**

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Chair Fogg adjourned the meeting at 10:25 a.m.

Minutes prepared by Transcription Experts, and reviewed by Tiffany Tramontozzi, FGCU Assistant Director of Board Operations.

Agenda Items:

A. See Tabs #1-3

a. [https://www2.fgcu.edu/Trustees/AgendaFile/2023/2-7-2023/FGCUACCMTG\\_AGENDAPACKET\\_2-7-2023.pdf](https://www2.fgcu.edu/Trustees/AgendaFile/2023/2-7-2023/FGCUACCMTG_AGENDAPACKET_2-7-2023.pdf)

Attachment:

A. Record of Voice Votes

<b>Record of Votes</b> <b>Audit and Compliance Committee</b> <b>DATE: <u>2/7/2023</u></b>		Consent Agenda (Tab #1) 1- Rivera 2- Carlin	Florida Gulf Coast University Performance Based Funding Data Integrity Audit for Board of Governors (Tab #2) 1- Montgomery 2- Carlin	Florida Gulf Coast University Athletics National Collegiate Athletics Association (NCAA) Report for the Year ended June 30, 2022 (Tab #3) 1- Montgomery 2- Carlin
	<b>TRUSTEES</b>	<b>Yea/Nay</b>	<b>Yea/Nay</b>	<b>Yea/Nay</b>
1	Trustee Anna Carlin	Yea	Yea	Yea
2	Trustee Leo Montgomery	Yea	Yea	Yea
3	Trustee Luis Rivera	Yea	Yea	Yea
4	Trustee Joseph Fogg	Yea	Yea	Yea

ITEM: 2

**Florida Gulf Coast University Board of Trustees  
Audit and Compliance Committee  
April 11, 2023**

**SUBJECT:** IT Security Incident Update

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**PROPOSED COMMITTEE ACTION**

Information Only

**BACKGROUND INFORMATION**

As directed by the Chair of the FGCU Audit and Compliance Committee, a brief update will be provided on a security incident that occurred in FGCU's Information Technology Services (ITS).

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**Supporting Documentation Included:** IT Security Incident Update PowerPoint

**Prepared by:** Director of Internal Audit William Foster

**Legal Review:** N/A

**Submitted by:** Director of Internal Audit William Foster



# FGCU Board of Trustees Audit Committee

4.11.23

# Agenda

- Incident Handling Overview
- FGCU's Security Program
- Inadvertent Data Disclosure Timeline
- Further Improvements
- Questions



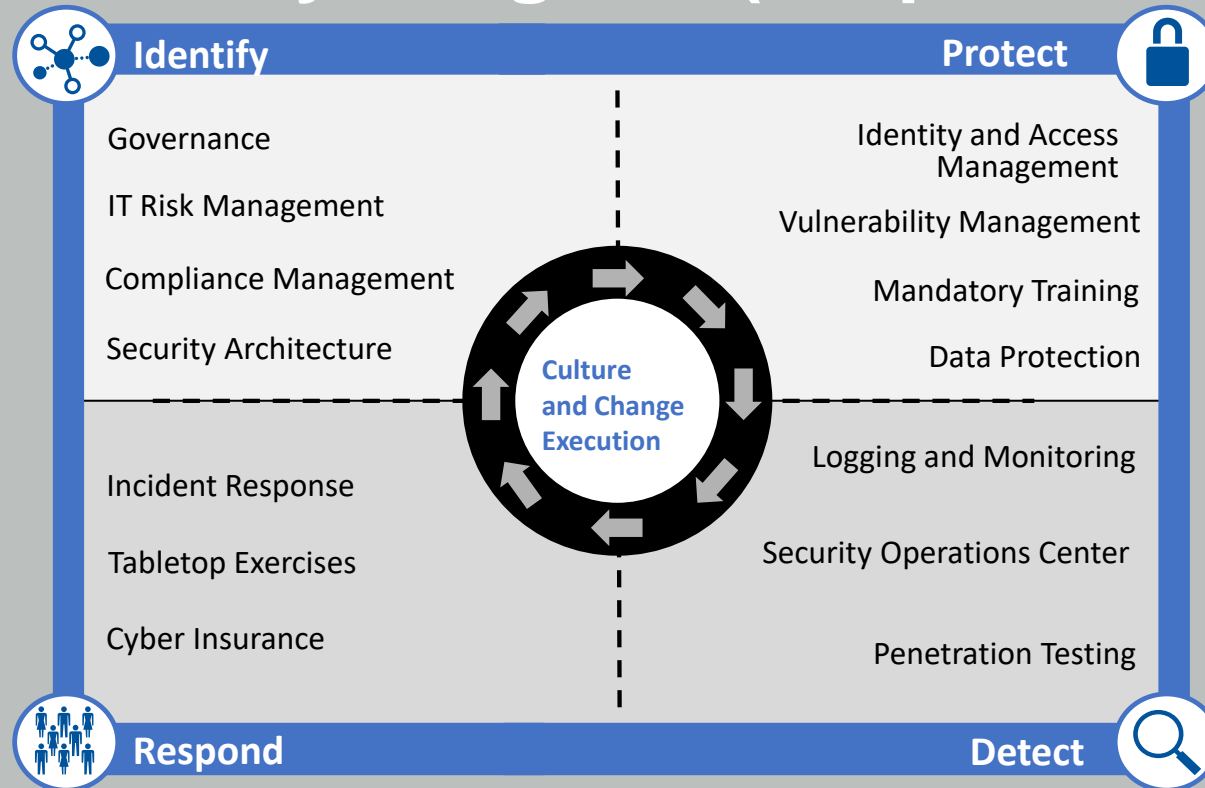
# Incident Handling Steps

- Preparation
- Detection and analysis
- Containment, eradication and recovery
- Post incident activities





# Security Program (Preparation)



# Inadvertent Data Disclosure Timeline

When	Steps	Action
2/8/23	Detect & Contain	File is reported to ITS and removed with in one hour
2/9/23	Notify	FGCU leadership is notified
2/10/23	Analysis & Eradication	Impact assessment concludes & remediation begins. Access reconfigured
2/27/23	Recovery	Final remediation timeline approved
3/10/23	Recovery	Replacement cards start printing
3/20/23*	Recovery	Distribution of new cards begins
3/27/23*	Contain	Impacted cards are deactivated
Planned	Post incident	Work begins on further improvements to prevent and detect

\* Activities are contingent on delivery of cards



# Further Improvements to Prevent and Detect

- **Completed:**

- Fixed file share permissions where the file was stored
- Update document for what to use each file share for
- Update restricted data list with EagleID card
- Configure restricted data discovery software to look for EagleID card #

- **In progress:**

- April - Automatically remove files with EagleID card #s
- Mid April - Review all share folder permissions & clean up as necessary
- May - Create card retirement process
- December - Clean up outdated share folder structure





# Questions?

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ITEM: 3

**Florida Gulf Coast University Board of Trustees  
Audit and Compliance Committee  
April 11, 2023**

**SUBJECT:** Status Update on Prior Corrective Actions

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**PROPOSED COMMITTEE ACTION**

Information Only

**BACKGROUND INFORMATION**

As requested at the Board of Governors meeting on September 13, 2022, this is a status update of prior audit corrective actions and any internal control issues for core businesses, athletics, or direct support organizations.

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**Supporting Documentation Included:** N/A

**Prepared by:** Director of Internal Audit William Foster

**Legal Review:** N/A

**Submitted by:** Director of Internal Audit William Foster

ITEM: 4

**Florida Gulf Coast University Board of Trustees  
Audit and Compliance Committee  
April 11, 2023**

**SUBJECT: Course Substitutions Audit**

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**PROPOSED COMMITTEE ACTION**

Approve the Course Substitutions Audit and recommend its approval by the FGCU Board of Trustees.

**BACKGROUND INFORMATION**

This report represents a limited scope audit to determine whether course substitutions and exceptions for a sample year were made according to College and University guidelines.

If approved by the Audit and Compliance Committee, a copy of this report will be forwarded to the FGCU Board of Trustees for consideration for final approval.

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**Supporting Documentation Included:** Course Substitutions Audit Report dated February 21, 2023

**Prepared by:** Director of Internal Audit William Foster

**Legal Review:** Vice President and General Counsel Vee Leonard (March 7, 2023)

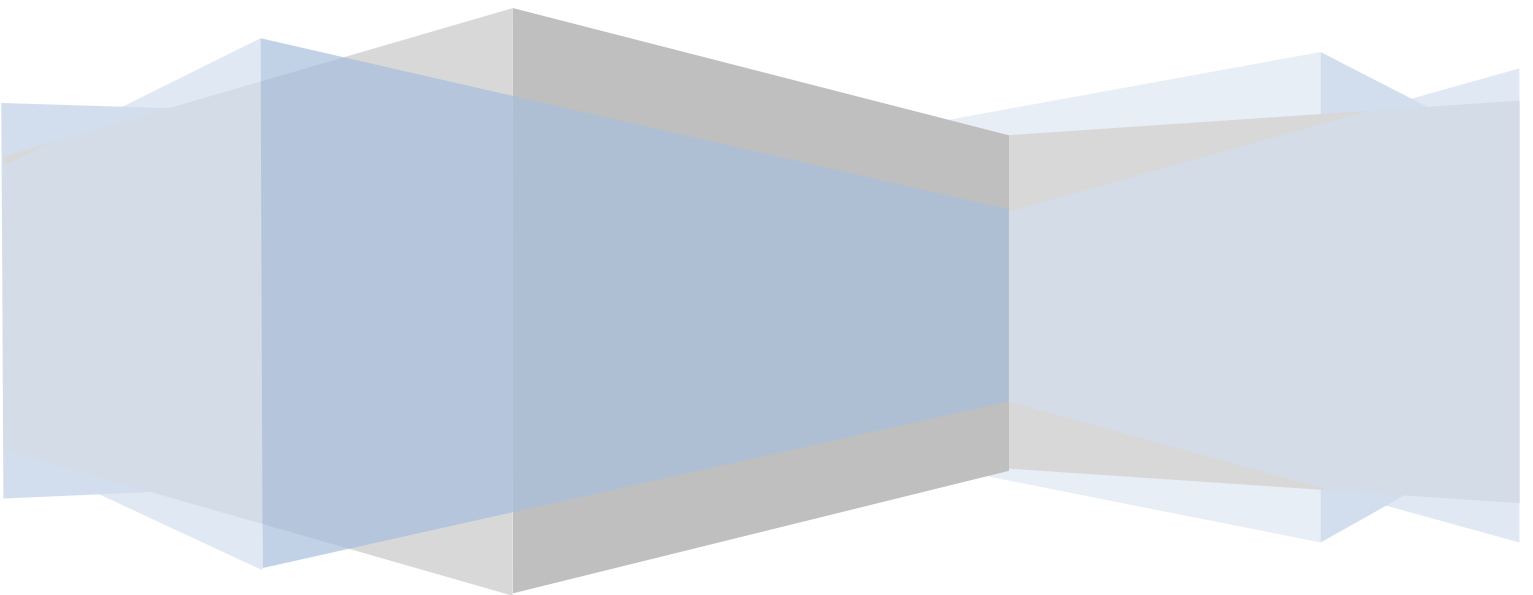
**Submitted by:** Director of Internal Audit William Foster

# Florida Gulf Coast University

## Course Substitutions

### Internal Audit Report

Report Date: February 21, 2023



## **COURSE SUBSTITUTIONS**

### **EXECUTIVE SUMMARY**

This Report represents a limited-scope audit of course substitutions and exceptions (exceptions) in Degree Works (DW). DW is an online tool that generates a degree audit in order to track and display the degree requirements students need in order to complete their degree. Academic advisors and other applicable departments utilize DW to enter course exceptions based on approvals from a representative at the College level. These course exceptions are entered in a student's degree audit for various reasons, including but not limited to, transfer courses that were not automatically articulated from another institution, updates needed based on revisions to the curriculum, individual accommodations, or to apply a degree requirement that was not automatically captured in the degree audit.

In our opinion, based on the audit work performed, course exceptions in Degree Works are appropriate and were generally performed according to guidelines; however, we did find opportunities to enhance the course exception processes for both University Advising Services and the approving Colleges.

Our office anticipates conducting a limited-scope follow up audit of the procedures documented and implemented as a result of this audit report. This follow-up engagement will also consider the anticipated changes as student data is transitioned from the Banner ERP software to the Workday ERP system.

*This audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing, issued by the Institute of Internal Auditors. The audit procedures provided a reasonable basis for our opinion and the following reportable observations and recommendations.*

### **OBJECTIVES**

- A. Determine whether course exceptions for a sample year were made according to College and University guidelines

### **AUDIT SCOPE** – End of Fieldwork was September 21, 2022

- Reviewed the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) Standard 10.8 in the Principles of Accreditation
- Reviewed Section 1007.22, Florida Statutes – Articulation; postsecondary institution coordination and collaboration, Section. 1007.23 - Statewide articulation agreement, and Section 1007.25 - General Education courses; common prerequisites; other degree requirements



- Reviewed BOG Regulation 6.018, Substitution or Modification of Requirements for University or Program Admission, Undergraduate Transfer, or for Graduation by Students with Disabilities
- Reviewed FGCU Regulation 2.001, Undergraduate Admissions for information related to transfer students.
- Reviewed University Advising policies and procedure documents related to Degree Works exceptions.
- Reviewed College procedures for course exceptions
- Reviewed Degree Works exception report from 03/30/2021 to 03/29/2022

### **BACKGROUND**

Degree Works (DW) is the application system used to monitor students' progress towards completing their degree. Degree Works matches a student's coursework with degree requirements and shows how the courses apply toward the student's degree. The exception function allows approved users to grant an exception or substitution for various reasons to student degree requirements.

University Advising Services follows their own documented policies and procedures. These documents are stored on a SharePoint drive and made available to Advising staff and relevant users. Degree Works is managed by the Office of Records and Registration (ORR). ORR is responsible for monitoring training and regulating access to Degree Works.

Access to enter exceptions is limited to academic advisors, direct supervisors of academic advisors, associate deans, and the Office of the Registrar. All users with exceptions access must attend Degree Works exception training prior to being assigned access.

Before an exception can be entered into DW, the exception must be approved at the college level by an applicable Dean, Department Chair or Program Leader. The process and methodology for approving exceptions varies within each college. The Observations and Recommendation on page 5 includes a recommendation to strengthen the procedures for approving exceptions at the college level.

Our audit processes included a review of user access for those individuals who could enter exceptions in Degree Works. Authorized users have received the appropriate training according to guidelines. Tracking for training is a manual process done by the Office of Records and Registration. We relied on the records of the Assistant Registrar that the individuals received the necessary training. It was determined that all individuals within our sample who entered an exception, held an appropriate job position per internal guidelines and were active employees of the University.

Additionally, as part of our testing, we obtained a Degree Works exception details report that included data from 03/30/2021 to 03/29/2022 and listed a total of 3,721 exceptions including

both Undergraduate and Graduate students. We selected a stratified random sample of 60 exceptions to test for compliance with University guidelines. This provided a 95% level of testing confidence. The criteria selected for testing included (1) review for appropriate approval from authorized individuals at the college level, (2) verify whether the exception was entered in DW by an authorized user, (3) evaluate the appropriateness of the exception, (4) verify whether the exception was supported by transcripts and grade requirements, as applicable, and (5) verify whether supporting documentation for the exception was stored in the student's Banner Document Manager (BDM) file.

It was determined that course exceptions were (1) approved by authorized individual at the college level, (2) entered in DW by an authorized user, (3) appropriate, (4) and supported by transcripts and grade requirements, as appropriate. However, for 29 of the 60 exception items tested, approval documentation was not available for review in the student's BDM file. Upon request, University Advising Services was able to provide this supporting documentation for all 29 instances. This observation is discussed in more detail under the Observations and Recommendations section on page 4.

Lastly, our review of policies and procedures and test of course exceptions considered the requirements stated in the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) Standard 10.8 in the Principles of Accreditation. This provides a reasonable basis to conclude that, as it relates to applicable individual course exceptions, University Advising and the Colleges have processes in place to assess (a) the academic quality of any credit or coursework recorded on its transcript, (b) an approval process with oversight by persons academically qualified to make the necessary judgments and (c) the credit awarded is comparable to a designated credit experience and is consistent with the institution's mission.

## **OBSERVATIONS AND RECOMMENDATIONS**

### ***1. Lack of Supporting Documentation Retained in Student File***

*Condition:* We were unable to find supporting documentation in BDM to provide evidence of approval for 29 of the 60 exceptions. Because we were unable to see the supporting materials, we were unable to verify that the appropriate person approved the exception. We requested the supporting documentation from University Advising Services. All 29 documents were subsequently provided.

*Criteria:* In accordance with Degree Works Exceptions Procedures, "supporting documentation for all Degree Works exceptions are to be placed in the students' academic file. (Example Equivalency Course Form, email approvals, etc.)".

*Cause:* The primary function, when advising students through the course exception process, is facilitating the approval from the college and updating their degree audit. The clerical function of scanning and uploading approval documentation to a student's official record is viewed as secondary to the direct advising process for student success. Advisors rely on knowing that the

approval email was received and it is documented in their email or on a form.

However, this information is part of the University's official records and needs to be available to document the work performed within the course exception process. The transition to Workday may provide a more efficient system to retain documentation of approvals.

*Effect:* Supporting evidence for course exceptions were not available for 29 of 60 items in the initial request of student files for verification. If a Faculty or Staff member at the University requires access to this information, it may not be readily available.

*Recommendation:* We recommend that all documents that provide evidence of approval for course exceptions be stored in the student's official academic file.

*Management Response:* Each advising unit will re-evaluate their scanning procedures to identify and document a process that improves the timeliness of uploading supporting documentation for Degree Works exceptions to the student's electronic file (BDM).

*Response Provided By:* Marisa Ouverson, Assistant Vice President University Advising Services

*Person Responsible:* Marisa Ouverson, Assistant Vice President University Advising Services

*Implementation Date:* April 1st, 2023

## ***2. Document Procedures within Colleges***

*Condition:* Colleges and related departments provided general process information for approving course exceptions. However, this information was not presented as a documented and established policy. The information appeared to only be written subsequent to our request.

Written instructions and guidelines on how to enter course exceptions in Degree Works are available on a SharePoint drive. These are detailed and oriented to the authorized administrators (mostly Academic Advisors) who enter the exceptions once these are approved from the designated individual from the particular College. Procedures tailored for the individuals approving the exceptions at the College level are informal and do not contain specific details of the process including required supporting documentation for the various types of exceptions or the titles of individuals with authority to approve these exceptions.

*Criteria:* All aspects of a department's operations should be clearly documented.

*Cause:* The Colleges are decentralized and the organizational structures vary across each area. While Degree Works procedures cover some aspects of entering course exceptions at the Undergraduate level, they do not contain all applicable details pertinent to the approval process by the Colleges and Graduate Studies.

*Effect:* There is not a formally established outline for individuals to follow when approving a course exception. Moreover, decentralization across colleges without cohesive policies creates uncertainties and inconsistencies when approving course exceptions. Written procedures reduce the risk of operations being disrupted and provide a valuable training resource.

*Recommendation:* We recommend that Colleges and related course exception approving departments draft formal and consistent policies and procedures to clearly outline their role and the steps taken to approve course exceptions. These policies and procedures should include the level and title of individual who is authorized to approve a course exception, what documentation is necessary for review to determine the appropriateness of the exception (e.g. syllabus, course information), and any college specific processes that may be unique for awarding credit. These policies should also include standards on how to communicate with University Advising on why an exception was either approved or denied. Moreover, it should also include a process for notifying the Office of Records and Registration when an individual no longer requires access to Degree Works. Considerations should also be included for Graduate level programs.

*Management Response:* Dr. Dawn Kirby, Associate Provost Academic Programs and Curriculum Development, agrees with the observation and supports the recommendation. Dr. Kirby will work with Academic and Curriculum Support and the curriculum liaisons within each of the colleges/schools to draft a FGCU Policy on Course Substitutions and Other Exceptions that can be applicable to both undergraduate and graduate academic programs.

*Response Provided By:* Dr. Dawn Kirby, Associate Provost Academic Programs and Curriculum Development

*Person Responsible:* Dr. Dawn Kirby, Associate Provost Academic Programs and Curriculum Development

*Implementation Date:* Spring 2024.

Audit Performed by: Jena Valerioti, CIA, MBA, Internal Auditor III, and Viviana Lauke, CIA, Internal Auditor III

Audit Reviewed by: William Foster, MBA, CPA, CIA, CGAP, CFE, CRMA, CCSA, CISA, Director, Internal Audit

ITEM: 5

**Florida Gulf Coast University Board of Trustees  
Audit and Compliance Committee  
April 11, 2023**

**SUBJECT: WGCU Public Media Audit Report for the Years ended June 30, 2022 and June 30, 2021**

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**PROPOSED COMMITTEE ACTION**

Accept the WGCU Public Media Audit Report for the Years ended June 30, 2022 and June 30, 2021 and recommend its acceptance by the FGCU Board of Trustees.

**BACKGROUND INFORMATION**

This Report presents the results of the audit required by the Corporation for Public Broadcasting for the comparative years ended June 30, 2022 and June 30, 2021. The purpose of the audit, which is required for all public media radio and television stations, is to document and review the financial activity of the University's public media function.

Upon acceptance of the Report by the Audit and Compliance Committee, the Audit will be provided to the FGCU Board of Trustees for its acceptance consideration.

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**Supporting Documentation Included:** (1) Memo from Director of Internal Audit William Foster, and (2) WGCU Public Media Audit Report for the Years ended June 30, 2022 and June 30, 2021

**Prepared by:** James Moore & Co., P.L

**Legal Review:** N/A

**Submitted by:** Director of Internal Audit William Foster

TO: FGCU Board of Trustees Audit and Compliance Committee  
FROM: William Foster, Director of Internal Audit  
SUBJECT: WGCU Public Media Audit  
DATE: March 20, 2023

Below is a summary of the key points in the Financial Audit of WGCU Public Media, TV and FM, (the Station).

**Pages 1 through 3 – Opinion** – The auditors have determined the financial statements fairly present the financial position of the Station. This is known as a clean opinion.

**Pages 4 through 7 - Management’s Discussion and Analysis** – This is the section where Management describes in reader friendly terms what occurred in the last fiscal year. This section points out major transactions, and presents comparative figures from the prior year.

**Page 8 – Statement of Net Position** – Years ago, this statement was known as the Balance Sheet. At year end June 30, 2022, the station had \$13.9 million of total assets, \$2.7 million total liabilities, and net position of \$11.2 million. For comparison, at the prior year end, the station had \$11.4 million of total assets, \$0.7 million total liabilities, and net position \$10.7 million.

**Page 9 – Statement of Revenues, Expenses and Changes in Net Position** – This statement was formerly known as an Income Statement. For the year ended June, 30, 2022, the station had \$9.5 million operating revenue, \$8.6 million operating expense, \$0.4 million non-operating expense (net loss on investments), with a net increase of \$0.5 million. For comparison, the prior year had \$9.5 million in operating revenue, \$8.8 million operating expenses, and \$1.7 million non-operating revenue (primarily \$0.7 million American Rescue Plan (ARP) Federal funds and \$0.7 million net investment income), arriving at a net increase of \$2.4 million.

**Page 10 – Statement of Cash Flows** – This statement shows the effects to cash from the financial transactions. The net effect to cash for the year ended June 30, 2021 was an increase of \$3,393,878 compared to the prior year with an increase of \$1,663,882.

**Pages 11 through 21 - Notes to the Financial Statements** – There is a significant amount of information to explain the various line items in the financial statements. Compared to Management’s Discussion and Analysis, these notes are not necessarily as reader friendly.

**Pages 22 through 24 – Supplemental Information** – This section breaks out the Statement of Revenues, Expenses and Changes in Net Position for the TV and radio station segments, and in total by functional category.

**WGCU PUBLIC MEDIA  
A PUBLIC TELECOMMUNICATIONS ENTITY  
OPERATED BY  
FLORIDA GULF COAST UNIVERSITY  
  
FINANCIAL STATEMENTS  
  
JUNE 30, 2022 AND 2021**

**WGCU PUBLIC MEDIA  
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY  
FLORIDA GULF COAST UNIVERSITY  
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JUNE 30, 2022 AND 2021**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Trustees,  
Florida Gulf Coast University:

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of WGCU Public Media, which includes WGCU-TV and WGCU-FM (collectively, the "Station"), a public telecommunications entity operated by Florida Gulf Coast University, as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Station's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of WGCU Public Media as of June 30, 2022 and 2021, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Station and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

The Station's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Station's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Station's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Station's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Emphasis of Matter***

As discussed in Note 1, the financial statements of the Station are intended to present the financial position, and the changes in financial position and cash flows, of only the Station-related accounts of Florida Gulf Coast University that are attributable to the transactions of the Station. They do not purport to, and do not, present fairly the financial position of Florida Gulf Coast University as of June 30, 2022 and 2021, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

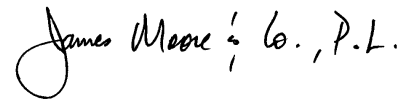
### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise WGCU Public Media's basic financial statements. The WGCU-TV Statements of Revenues, Expenses, and Changes in Net Position (Exhibit I), WGCU-FM Statements of Revenues, Expenses, and Changes in Net Position (Exhibit II), and the Statement of Functional Expenses (Exhibit III) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

These exhibits are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these exhibits are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive, flowing style. The text is positioned to the left of a vertical yellow line.

Gainesville, Florida  
January 13, 2023

**WGCU PUBLIC MEDIA  
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY  
FLORIDA GULF COAST UNIVERSITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2022 AND 2021**

**INTRODUCTION**

The following discussion and analysis is an overview of the financial position and activities of WGCU Public Media (the Station) for the years ended June 30, 2022 and June 30, 2021. Management of WGCU Public Media has prepared the following discussion and it should be read with the financial statements and related footnotes, which follow this section.

WGCU Public Media operates and manages WGCU-TV, WGCU-FM, and WMKO-FM for Florida Gulf Coast University (FGCU) in Fort Myers, Florida. WGCU-TV serves a population of over 1.7 million. WGCU-TV is consistently one of the most-watched public television stations in the country and is viewed, annually, in more than 560,000 households. Our radio stations are among the top-rated radio stations in the market. Combined, WGCU-FM and WMKO-FM reach weekly cumulative audiences of more than 141,000 listeners and serve listeners in some or all of twelve counties in south and southwest Florida.

WGCU Public Media offers a variety of local and national programming on five separate TV programming streams – WGCU HD, WGCU World, WGCU Create, The Florida Channel and WGCU Kids. On WGCU HD, we air the PBS national programming service during primetime, children's programming during the day and BBC World News and The PBS NewsHour each weekday evening. WGCU World provides a 24-hour non-fiction programming service while WGCU Create provides how-to and lifestyle programming during the day. The Florida Channel covers the workings of Florida State government. WGCU Kids, a 24/7 children's educational channel, was launched in January 2017. The service provides around-the-clock access to PBS Kids programming for households throughout our coverage area.

WGCU-FM programming, which is simulcast on WMKO-FM and also available on the WGCU app and many third-party streaming providers serving a local and global audience. The audio programming is predominantly a News and Information service which provides national and international content from NPR, American Public Media, Public Radio International and the BBC. The station produced more than 142 hours of local content including newscasts, Gulf Coast Life and Gulf Coast Life Arts Edition.

WGCU Public Media's online presence provides a content-rich environment for viewers, listeners, parents, kids and educators. Many WGCU programs are available free on our website [wgc.org](http://wgc.org), the WGCU YouTube channel, or the WGCU app. WGCU Public Media provides a portal to the Florida PBS Learning Media site available free of charge to classroom teachers and homeschoolers throughout our coverage area. The site consists of a library of over 125,000 digital learning objects ranging from audio and video clips to Florida Standards-based lesson plans. WGCU also provides members access to PBS programs via PBS Passport, ability to stream programs via the WGCU app, download podcasts and more.

As a joint licensee, WGCU Public Media is working toward more clearly defining contributions made to each individual asset. Significant investments are being made in our channels to transform our services for a better mix of local, national, and international content in a digital age. Many of our programs are available direct to consumers from producers including NPR, PBS, BBC, APM during these last few years as consumer adoption of digital tools is becoming prolific. As a result, investments in our local content, first in audio, and then in video will become increasingly important. FY 2022 may be the last year of a 70/30 split when donors do not designate between radio and TV so that future revenues align with future expenses. A notable shift in our FY2022 revenue can be seen in self-sufficient activities. New and more reliable revenue increases can be seen in membership and development as part of our five-year strategic plan and campaign funds.

**WGCU PUBLIC MEDIA  
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FLORIDA GULF COAST UNIVERSITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2022 AND 2021  
(Continued)**

In addition, a \$2.1M deal in FY2022 to lease a portion of our broadband channel was a business decision that helps secure our future and will be invested into our quasi-endowment.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial statements of WGCU Public Media consist of the Statements of Net Position, the Statements of Revenues, Expenses, and Changes in Net Position and the Statements of Cash Flows. These statements are prepared in conformity with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

The Statements of Net Position includes Assets, Liabilities and Net Position of WGCU Public Media as of June 30, 2022 and June 30, 2021. This statement is classified into Current and Non-Current Assets and Liabilities, with Net Position classified as Net Investment in Capital Assets; Restricted; and Unrestricted. The Statements of Revenues, Expenses and Changes in Net Position depicts the operating revenues and expenses resulting in Net Operating Income (Loss), which is then combined with Non-Operating Revenues (Expenses) to provide the total Change in Net Position. The Statements of Cash Flows shows the sources and uses of cash from operations, cash flows from non-capital financing activities, cash flows from capital and related financing activities and cash flows from investing activities. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

**FINANCIAL HIGHLIGHTS**

WGCU Public Media presents these combined statements of the TV and FM operations to more accurately represent our operations and for financial transparency to the community and the audiences we serve. WGCU Public Media completed FY 2022 with a net operating income of \$862,143 and an increase in net position of \$499,149 including non-operating revenues and investment losses. Non-operating revenues in FY 2022 were (\$362,994) compared to \$1,682,803 in FY 2021, a decrease of (\$2,045,797). This is due to ARP Act funds, FCC Repack revenues and PECO revenues, all of which were non-recurring in FY 2022. In addition, there were unrealized investment losses in FY 2022 compared to unrealized investment gains in FY 2021. This is after a net operating income of \$678,425 in FY 2021. Net position increased to \$11,225,580 for the year ended June 30, 2022, from \$10,726,431 for FY 2021 primarily due to increases in revenue and expense savings offsetting investment losses. WGCU Public Media's operating revenues increased to \$9,510,579 in FY 2022, compared to \$9,449,526 in FY 2021, mainly due to increases in CPB revenues and Indirect Administrative Support. WGCU Public Media's operating expenses decreased to \$8,648,436 in FY 2022 from \$8,771,101 in FY 2021 due to expenditure savings in salaries, premiums, and programming acquisitions.

**THE REPORTING ENTITY**

WGCU Public Media is a department of Florida Gulf Coast University and these financial statements include assets, liabilities and activity related to its public broadcasting function. This includes account activity within the University as well as the Florida Gulf Coast University Foundation, Inc., which are under the control of WGCU Public Media Management.

**WGCU PUBLIC MEDIA**  
**A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY**  
**FLORIDA GULF COAST UNIVERSITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2022 AND 2021**  
(Continued)

**FINANCIAL ANALYSIS OF THE STATEMENTS**

WGCU Public Media condensed financial statements are presented below for FY 2022, FY 2021 and FY 2020.

**CONDENSED STATEMENTS OF NET POSITION**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Current assets	\$ 6,461,744	\$ 3,119,515	\$ 4,970,506
Noncurrent assets	7,445,421	8,271,256	7,740,670
Total assets	<u>\$ 13,907,165</u>	<u>\$ 11,390,771</u>	<u>\$ 12,711,176</u>
Current liabilities	\$ 555,716	\$ 428,426	\$ 4,030,775
Non-current liabilities	2,125,869	235,914	315,198
Total liabilities	<u>2,681,585</u>	<u>664,340</u>	<u>4,345,973</u>
Net position			
Unrestricted	4,004,039	2,574,830	937,775
Restricted, Expendable	1,641,405	2,124,181	4,931,754
Restricted, Nonexpendable	128,824	116,724	67,008
Net investment in capital assets	5,451,312	5,910,696	2,428,666
Total net position	<u>11,225,580</u>	<u>10,726,431</u>	<u>8,365,203</u>
Total liabilities and net position	<u>\$ 13,907,165</u>	<u>\$ 11,390,771</u>	<u>\$ 12,711,176</u>

**CONDENSED STATEMENTS OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION**  
**(For the Fiscal Years ended June 30)**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Revenues			
Operating	\$ 9,510,579	\$ 9,449,526	\$ 8,646,763
Non-operating	(362,994)	1,682,803	1,217,323
Total revenues	<u>9,147,585</u>	<u>11,132,329</u>	<u>9,864,086</u>
Expenses			
Program services			
Programming and production	3,821,253	3,675,883	3,523,846
Broadcasting	1,072,091	1,206,496	1,028,643
Program information	720,794	816,816	919,287
Total program services	<u>5,614,138</u>	<u>5,699,195</u>	<u>5,471,776</u>
Supporting services			
Management and general	1,287,794	1,418,726	1,222,549
Fundraising and membership development	1,187,722	1,182,151	1,167,340
Underwriting and grants	558,782	471,029	438,334
Total supporting services	<u>3,034,298</u>	<u>3,071,906</u>	<u>2,828,223</u>
Total expenses	<u>8,648,436</u>	<u>8,771,101</u>	<u>8,299,999</u>
Increase (decrease) in net position	<u>\$ 499,149</u>	<u>\$ 2,361,228</u>	<u>\$ 1,564,087</u>

**WGCU PUBLIC MEDIA**  
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**FLORIDA GULF COAST UNIVERSITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2022 AND 2021**  
(Continued)

**CONDENSED STATEMENTS OF CASH FLOWS**  
**(For the Fiscal Years ended June 30)**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Net cash flows from operating activities	\$ 3,380,613	\$ 842,866	\$ 379,586
Net cash flows from capital & related financing activities	39,925	(79,401)	(47,546)
Net cash flows from non-capital & related financing activities	(38,989)	832,215	215,923
Net cash flows from investing activities	12,329	68,202	75,352
Change in cash	3,393,878	1,663,882	623,315
<b>Cash and cash equivalents, beginning of year</b>	<b>2,900,883</b>	<b>1,237,001</b>	<b>613,686</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 6,294,761</b>	<b>\$ 2,900,883</b>	<b>\$ 1,237,001</b>

Current Assets consist primarily of cash and cash equivalents, accounts and grants receivable, investments, and prepaid program costs. Non-Current Assets consist primarily of capital assets (property and equipment). Current Liabilities consist of accounts payable, accrued expenses, compensated absences and a due to Florida Gulf Coast University.

Operating revenues consist primarily of membership contributions, State Appropriations, community service grants, contributed support (underwriting), and non-cash donated facilities and administrative support from the University. Operating expenses consist primarily of broadcasting, programming and production, management and general, depreciation, non-cash University donated facilities and administrative support. Non-operating revenues and expenses consist primarily of investments losses. WGCU Public Media had non-operating losses of (\$362,994) in FY 2022, an decrease from \$1,682,803 in FY 2021, due to the prior year investment gains, ARP Act Stabilization funds, FCC Repack and PECO project accrual for the renovation/replacement of WGCU's main transmission tower and related equipment.

**CONTACTING MANAGEMENT**

This financial report provides donors, members, investment managers, foundations and taxpayers with a general overview of WGCU Public Media's finances and the funding it receives.

Additional details can be requested by mail at the following address:

WGCU Public Media  
10501 FGCU Boulevard South  
Ft. Myers, FL 33965

**WGCU PUBLIC MEDIA**  
**A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY**  
**FLORIDA GULF COAST UNIVERSITY**  
**STATEMENTS OF NET POSITION**  
**JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b><u>ASSETS</u></b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 2,065,067	\$ 300,284
Restricted cash	403,350	886,126
Funds held by Florida Gulf Coast University Foundation, Inc. on behalf of the Station	3,826,344	1,714,473
Accounts and grants receivable	141,940	181,557
Current portion of prepaid program costs	25,043	37,075
Total current assets	<u>6,461,744</u>	<u>3,119,515</u>
<b>Noncurrent assets</b>		
Capital assets, net of accumulated depreciation	5,451,312	5,910,696
Funds held and invested by Florida Gulf Coast University Foundation, Inc. on behalf of the Station:		
Unrestricted	618,358	1,005,781
Restricted	1,366,879	1,354,779
Prepaid program costs, less current portion	8,872	-
Total noncurrent assets	<u>7,445,421</u>	<u>8,271,256</u>
<b>Total Assets</b>	<u>13,907,165</u>	<u>11,390,771</u>
<b><u>LIABILITIES</u></b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	133,412	78,159
Due to Florida Gulf Coast University	44,097	83,086
Current portion of compensated absences	224,100	190,100
Current portion of unearned revenue	154,107	77,081
Total current liabilities	<u>555,716</u>	<u>428,426</u>
<b>Noncurrent liabilities</b>		
Compensated absences, less current portion	174,398	235,914
Unearned revenue, less current portion	1,951,471	-
Total noncurrent liabilities	<u>2,125,869</u>	<u>235,914</u>
<b>Total Liabilities</b>	<u>2,681,585</u>	<u>664,340</u>
<b><u>NET POSITION</u></b>		
<b>Net position</b>		
Net investment in capital assets	5,451,312	5,910,696
Restricted:		
Nonexpendable	128,824	116,724
Expendable	1,641,405	2,124,181
Unrestricted	4,004,039	2,574,830
<b>Total Net Position</b>	<u>\$ 11,225,580</u>	<u>\$ 10,726,431</u>

The accompanying notes to financial statements  
are an integral part of these statements.



**WGCU PUBLIC MEDIA**  
**A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY**  
**FLORIDA GULF COAST UNIVERSITY**  
**STATEMENTS OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>Operating revenues</b>		
Community service grants donated by the Corporation for Public Broadcasting	\$ 1,268,483	\$ 1,220,309
Other Corporation for Public Broadcasting grants	37,323	36,643
Community service grants donated by the Department of Education, State of Florida	420,400	420,400
Appropriations from Florida Gulf Coast University	663,664	852,284
Underwriting support	733,097	871,734
Membership income	3,523,167	3,399,319
Non-recurring estate gifts	-	403,071
Strategic campaign revenues	409,746	-
Donated facilities and administrative support from Florida Gulf Coast University	1,522,002	1,454,277
In-kind contributions	379,296	368,862
Production services	32,924	32,049
Broadband channel and tower income	206,227	192,612
Other income	314,250	197,966
<b>Total operating revenues</b>	<u>9,510,579</u>	<u>9,449,526</u>
<b>Operating expenses (Exhibit III)</b>		
Programming and production	3,821,253	3,675,883
Broadcasting	1,072,091	1,206,496
Program information and promotion	720,794	816,816
Management and general	1,287,794	1,418,726
Fundraising and membership development	1,187,722	1,182,151
Underwriting and grant solicitation	558,782	471,029
<b>Total operating expenses</b>	<u>8,648,436</u>	<u>8,771,101</u>
<b>Operating income</b>	<u>862,143</u>	<u>678,425</u>
<b>Non-operating revenues (expenses)</b>		
ARP Act stabilization funds	-	691,100
Investment return, net	(362,994)	605,096
FCC repack	-	282,389
PECO allocation	-	104,218
<b>Total non-operating revenues (expenses)</b>	<u>(362,994)</u>	<u>1,682,803</u>
<b>Change in net position</b>	<u>499,149</u>	<u>2,361,228</u>
<b>Net position, beginning of year</b>	10,726,431	8,365,203
<b>Net position, end of year</b>	<u><u>\$ 11,225,580</u></u>	<u><u>\$ 10,726,431</u></u>

The accompanying notes to financial statements  
are an integral part of these statements.

**WGCU PUBLIC MEDIA**  
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**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities</b>		
Cash received from grants, donors and fundraising activities	\$ 6,878,668	\$ 6,543,275
Cash received from broadband channel and tower agreement	2,095,138	-
Cash paid for payroll and related benefits	(2,706,512)	(2,601,410)
Cash paid to suppliers	(2,886,681)	(3,098,999)
Net cash provided by operating activities	<u>3,380,613</u>	<u>842,866</u>
<b>Cash flows from non-capital financing activities</b>		
Proceeds from ARP Act stabilization funds	-	691,100
Decrease (increase) in due to Florida Gulf Coast University	(38,989)	141,115
Net cash provided by (used in) non-capital financing activities	<u>(38,989)</u>	<u>832,215</u>
<b>Cash flows from capital and related financing activities</b>		
FCC repack	39,925	242,464
PECO allocation	-	3,590,464
Purchase of capital assets	-	(3,912,329)
Net cash provided by (used in) capital and related financing activities	<u>39,925</u>	<u>(79,401)</u>
<b>Cash flows from investing activities</b>		
Decrease (increase) in funds held and invested by Florida Gulf Coast University Foundation, Inc. on behalf of the Station	375,323	(536,894)
Investment return	(362,994)	605,096
Net cash provided by investing activities	<u>12,329</u>	<u>68,202</u>
<b>Change in cash and cash equivalents</b>	<u>3,393,878</u>	<u>1,663,882</u>
<b>Cash and cash equivalents, beginning of year</b>	<u>2,900,883</u>	<u>1,237,001</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 6,294,761</u>	<u>\$ 2,900,883</u>
<b>Reconciliation of operating income to net cash provided by operating activities</b>		
<b>Operating income</b>	\$ 862,143	\$ 678,425
<b>Adjustments to reconcile operating income to net cash provided by operating activities</b>		
Depreciation	459,384	445,630
Loss on disposal	-	23,658
Change in:		
Accounts and grants receivable - related to operating activity	(308)	(26,608)
Prepaid program costs	3,160	(6,501)
Accounts payable and accrued expenses	55,253	(72,282)
Compensated absences	(27,516)	4,764
Unearned revenue - related to operating activity	2,028,497	(204,220)
Total adjustments	<u>2,518,470</u>	<u>164,441</u>
<b>Net cash provided by operating activities</b>	<u>\$ 3,380,613</u>	<u>\$ 842,866</u>
<b>Cash and cash equivalents are presented on the Statements of Net Position as:</b>		
Cash and cash equivalents	\$ 2,065,067	\$ 300,284
Restricted cash	403,350	886,126
Funds held by Florida Gulf Coast University Foundation, Inc on behalf of the Station	3,826,344	1,714,473
	<u>\$ 6,294,761</u>	<u>\$ 2,900,883</u>
<b>Supplemental disclosure of noncash capital activities</b>		
Capital purchases included in due to Florida Gulf Coast University	<u>\$ -</u>	<u>\$ 38,990</u>

The accompanying notes to financial statements  
are an integral part of these statements.

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**(1) Summary of Significant Accounting Policies:**

The following is a summary of the more significant accounting policies of WGCU Public Media, which includes WGCU-TV and WGCU-FM (collectively, the “Station”), a public telecommunications entity operated by Florida Gulf Coast University, which affect significant elements of the accompanying financial statements:

(a) **Reporting entity**—The Station is a department of Florida Gulf Coast University (the “University”), located in Fort Myers, Florida, and conducts various public broadcasting functions. The University, as part of the State University System of Florida, is governed, regulated and coordinated by the State of Florida Department of Education and the University’s Board of Trustees, and is subject to the general supervision of the Florida Department of Education. The President of Florida Gulf Coast University is responsible for the management of the University. The Station operates as a department of the University under the control of the Station manager. The Station’s financial statements include the state accounts and the Station-related accounts of Florida Gulf Coast University Foundation, Inc. (the “Foundation”). These statements do not purport to present the financial position or results of operations of the University as a whole.

(b) **Basis of accounting**—The Station’s accounting policies conform with accounting principles generally accepted by Governmental Accounting Standards Board (GASB). For financial reporting purposes, the Station has elected to report as an entity engaged in only business-type activities. Accordingly, the Station prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for proprietary funds. Revenues are recorded when earned and expenses are recorded when incurred.

(c) **Net position**—In the statements of net position, net position includes the following:

(i) *Net investment in capital assets*—This is the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

(ii) *Restricted*—The component of net position that reports the constraints placed on the use of net position by either external parties and/or enabling legislation, reduced by any liabilities to be paid from these assets.

*Nonexpendable restricted net position*—consists of endowment and similar type funds in which donors or other outside sources have stipulated that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

*Expendable restricted net position*—includes resources in which the Station is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

(iii) *Unrestricted*—The difference between the assets and liabilities that is not reported in *Net investment in capital assets* and *Restricted net position*.

It is the Station’s policy to expend restricted resources first and to use unrestricted resources when the restricted resources have been depleted.

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(1) **Summary of Significant Accounting Policies:** (Continued)

(d) **Cash and cash equivalents**—For the purposes of reporting cash flows, cash and cash equivalents include cash on hand and cash in demand accounts that have original maturities of three months or less. In addition to insurance provided by the Federal Depository Insurance Corporation, deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral. In the event of failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. The Stations's deposits at year end are considered insured for custodial credit risk purposes with Florida statutes.

(e) **Restricted cash**—Restricted cash represents cash held with the University that is restricted as to withdrawal or use under the terms of certain contractual agreements.

(f) **Accounts and grants receivable**—Accounts and grants receivable, including Public Educational Capital Outlay (PECO) allocation receivables and Federal Communications Commission (FCC) repack receivables, are stated at the amount management expects to collect from outstanding balances. PECO allocation funds are recorded as a receivable upon allocation from the Florida Department of Education. FCC repack funds are recorded as a receivable upon the Station's expenditure for required repack equipment. Receivables are carried at their estimated collectible amounts. Credit is generally extended on a short-term basis; thus, accounts receivable do not bear interest. Based on the Station's historical information, credit losses, when realized, have not been significant.

(g) **Costs incurred for programs not yet broadcast**—Costs incurred for programs not yet broadcast (prepaid program costs) are recorded as a deferred asset. Such costs relate to programs purchased or produced by the Station that will be broadcast subsequent to year end. Programs to be completed and broadcast within one year are classified as current assets whereas programs to be completed and broadcast in more than one year are classified as noncurrent. As the programs are broadcast, the costs incurred will be included in operating expenses. Program status is evaluated annually. Costs associated with programs not considered to have future benefit are adjusted to net realizable value.

(h) **Capital assets**—Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives of the assets ranging from 5 – 50 years.

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(1) **Summary of Significant Accounting Policies:** (Continued)

(i) **Unearned revenue**—Unearned revenue relates primarily to grant funds received but not yet spent, the Station's agreement with a private entity related to channel space, and PECO allocation funds that have been allocated but not yet approved for encumbrance. The agreement related to the channel space was set to expire January 2022, but was renewed for an additional 15-year term that ends on January 2037. Annual income received from the agreement is \$131,805 through June 30, 2022 and \$123,333 for fiscal year ended June 30, 2021.

(j) **Pension and other postemployment benefits**—As the Station is a department of the University, any pension and other postemployment benefits liabilities are reported by the University. The University's Annual Comprehensive Financial Report may be obtained from: <https://www.fgcu.edu/financecorp/>.

(k) **Revenue recognition**—State appropriations are recorded as revenue in the statements of revenues, expenses, and changes in net position when an expenditure is recorded.

PECO allocation funds are recorded as revenue when the Florida Department of Education approves the encumbrance.

FCC repack funds are recorded as revenue when the related repack equipment expenditure is incurred.

Membership contributions are recognized as operating revenues in the period they are received.

Program production grants are reported as unearned revenues for programs not yet broadcast until the specific program is broadcast. At such time, amounts are included as revenues and the expenditures are recorded.

Revenue related to program underwriting for subsequent fiscal years is reflected as unearned revenues in the accompanying statements of net position. Revenue is recognized when the related program is aired.

Contributed support represents expenses paid on behalf of the Station by others outside the reporting entity, and includes contributed professional services, donated materials or facilities, and indirect administrative support. These amounts are recorded in revenue in the period in which the support is provided.

(l) **In-kind contributions**—Contributed materials, supplies, facilities, and property are recorded at their estimated fair value at the date of donation. The Station reports gifts of equipment, materials, professional services and other nonmonetary contributions as operating revenue in the accompanying statements of revenues, expenses, and changes in net position.

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(1) **Summary of Significant Accounting Policies:** (Continued)

If the fair value of contributed materials, supplies, facilities, and property cannot be reasonably determined they are not recorded. Donated personal services of nonprofessional volunteers, as well as national and local programming services, are not recorded as revenue and expense as there is no objective basis available to measure the value of such services.

Contributed advertising and promotion are recorded at the fair value of the contribution portion of the total value received.

(m) **Pledges and contributions**—The Station engages in periodic fundraising campaigns manifested by offering some special programs and on-air and mail fundraising appeals. These appeals encourage supporters, both individuals and organizations, to provide financial contributions to the Station for enhancement of program offerings and other operating expenses. Financial contributions are frequently evidenced by pledges received from responding viewers and listeners. Contributions, including unconditional promises to give and membership receipts, are recognized as revenue in the period received or given. However, uncollected pledges are not enforceable against contributors and the Station is not able to determine that they are probable of collection, therefore they are not shown as assets in the statements of net position. Contributions and collected pledges are components of the unrestricted operating fund inasmuch as their usage is not limited to specific activities of the Station. This usage is consistent with appeals for contributions and pledges.

(n) **Corporation for Public Broadcasting Community Service Grants**—The Corporation for Public Broadcasting (“CPB”) is a private, nonprofit grant-making organization responsible for funding more than 1,000 television and radio stations. CPB distributes annual Community Service Grants (“CSGs”) to qualifying public broadcasting entities. CSGs are used to augment the financial resources of public broadcasting entities and thereby to enhance the quality of programming and expand the scope of public broadcasting services. Each CSG may be expended over one or two Federal fiscal years as described in the Communications Act, 47 United States Code Annotated, Section 396(k)(7). In any event, each grant must be expended within two years of the initial grant authorization.

According to the Communications Act, funds may be used at the discretion of recipients for purposes relating primarily to production and acquisition of programming. Also, the grants may be used to sustain activities begun with CSGs awarded in prior years. Certain *General Provisions* must be satisfied in connection with application for and use of the grants to maintain eligibility and meet compliance requirements. These *General Provisions* pertain to the use of grant funds, record keeping, audits, financial reporting, mailing lists, and licensee status with the Federal Communications Commission.

Any remaining CSG funds and other restricted CPB grant funds at fiscal year-end are reported as restricted cash and restricted-expendable net position on the statements of net position.

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(1) **Summary of Significant Accounting Policies:** (Continued)

(o) **Indirect support provided by Florida Gulf Coast University**—Indirect support from the University consists of allocated institutional support and physical plant costs incurred by the University for which the Station receives benefits. The fair value of this support is recognized in the statements of revenues, expenses, and changes in net position as donated facilities and administrative support and is allocated as an expense to each of the functional expense categories.

Indirect support is calculated using the CPB's Standard Method. For purposes of this calculation, expenses for non-broadcasting activities and unrelated business income taxes are removed from the Station's total operating expenses, along with depreciation, amortization, in-kind contributions, and donated property and equipment to determine the Station's net direct expenses. For the years ended June 30, 2022 and 2021, WGCU-TV had \$18,367 and \$17,586 of expenses for non-broadcasting activities and unrelated business income taxes, respectively. For the years ended June 30, 2022 and 2021, WGCU-FM had \$223 and \$0 of expenses for non-broadcasting activities and unrelated business income taxes, respectively. Additionally, in accordance with the CPB Standard Method, fees paid to the University of \$26,439 and \$55,047 for WGCU-TV were removed in the calculation of indirect administrative support for the years ended June 30, 2022 and 2021, respectively. Fees paid to the University of \$11,373 and \$23,736 for WGCU-FM were removed in the calculation of indirect administrative support for the years ended June 30, 2022 and 2021, respectively.

(p) **Production revenue**—The Station uses the percentage-of-completion method of accounting for production revenue, whereby the cumulative production revenue earned equals the ratio of costs incurred to the estimated total costs at completion applied to the total committed revenues from outside sponsors. Production costs include charges by subcontractors plus all direct labor and other direct costs. Indirect and general and administrative expenses are charged to expense as incurred. Cost estimates on programs are reviewed periodically as the work progresses and adjustments, if needed, are reflected in the period in which the estimates are revised.

(q) **Operating activities**—The Station's policy for defining operating activities as reported on the statements of revenues, expenses, and changes in net position are those that generally result from the provision of public broadcasting and instructional technology services, and from the production of program material for distribution in those services. Revenues associated with, or restricted by donors to use for, capital improvements, and revenues and expenses that result from financing and investing activities are recorded as non-operating revenues. American Rescue Plan (ARP) Act stabilization funds are also included within non-operating activities as these funds did not result from normal operations of the Station.

(r) **Program and production underwriting**—Revenue for program underwriting is recorded on a pro-rata basis for the period covered and for production underwriting on an estimated percentage-of-completion basis.

(s) **Income taxes**—The Station is owned and operated by Florida Gulf Coast University, which is a part of the State of Florida's educational system. Accordingly, the Station is exempt from Federal income taxes. Any taxable income is aggregated at the University level and taxes paid, if any, are paid by the University.

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(1) **Summary of Significant Accounting Policies:** (Continued)

(t) **Functional allocation of expenses**—The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of revenues, expenses, and changes in net position. Accordingly, certain costs have been allocated among program and supporting services benefited based on total personnel costs or other systematic bases.

(u) **Use of estimates**—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, results could differ from those estimates.

(v) **Compensated absences**—The liability for compensated absences represents employees' accrued annual and sick leave based on length of service subject to certain limitations as defined by state statute and University policies.

(w) **Advertising costs**—Advertising costs are expensed in the period in which they are incurred. Advertising expense for the years ended June 30, 2022 and 2021, was \$340,854 and \$339,705, respectively.

(x) **Recent accounting pronouncements**—In June 2017, the GASB issued Statement No. 87, *Leases*, to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. The Station adopted Statement No. 87 for fiscal year 2022. The Station had no leases within the scope of GASB 87 and therefore there were no material impacts to the financial statements as a result of implementing the standard.

GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, in May 2020. GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The provisions in GASB 96 are effective for periods beginning after June 15, 2022.

(y) **Reclassifications**—Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation. These reclassifications had no effect on net position.



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(2) **Funds Held and Invested by Florida Gulf Coast University Foundation, Inc. on Behalf of the Station:**

The Station has an agreement with Florida Gulf Coast University Foundation, Inc. (the “Foundation”), whereby Station funds are held and invested by the Foundation on behalf of the Station. These amounts are included in the accompanying financial statements of the Station as “Funds held and invested by Florida Gulf Coast University Foundation, Inc. on behalf of the Station.” Total cash held by the Foundation is \$3,826,344 and \$1,714,473 as of June 30, 2022 and 2021, respectively. Total investments held by the Foundation are \$1,985,237 and \$2,360,560 as of June 30, 2022 and 2021, respectively. These investment totals include \$1,366,879 and \$1,354,779 of restricted funds as of June 30, 2022 and 2021, respectively. These restricted funds relate to contributions and endowments that have donor constraints placed on the use of the funds. See note 11 for additional information on restrictions on net position.

All funds held and invested by the Foundation on behalf of the Station are invested in uninsured and unregistered investments, which are held in the name of the Foundation. All funds held and invested by the Foundation on behalf of the Station are reflected at fair value. The Foundation categorizes the fair value measurement of these investments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Station has the following recurring fair value measurements as of June 30, 2022 and 2021:

Funds held and invested by the Foundation – recorded at the Station’s ownership of a share of an investment pool, not the underlying securities. These funds are valued at net asset value (“NAV”) of units held, as reported by the Foundation. The Station reviews and evaluates the values and assesses the valuation methods and assumptions used in determining the fair value of these investments. Because the investment pool is not readily marketable, NAV is used as a practical expedient, and the estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a readily available market for such investment existed, and differences could be material. The Station relies on policies developed and administered by the University and the Foundation for managing interest rate risk or credit risk for these investment pools.

In accordance with GASB 72, certain investments that were measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The following table discloses the nature and risk of investments for which fair value has been estimated using the NAV per share of the investments as a practical expedient as of June 30, 2022 and 2021.

	Investments Measured at NAV			
	<u>Total Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Funds held and invested by the Foundation				
June 30, 2022	\$ 1,985,237	\$ -	Daily	N/A
June 30, 2021	\$ 2,360,560	\$ -	Daily	N/A

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**(3) Capital Assets:**

Capital asset activity for the years ended June 30, 2022 and 2021, was as follows:

	<b>Balance July 1, 2021</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Balance June 30, 2022</b>
Capital assets, not being depreciated:					
Land and land improvements	\$ 293,732	\$ -	\$ -	-	\$ 293,732
Total capital assets, not being depreciated	<u>293,732</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>293,732</u>
Capital assets, being depreciated:					
Buildings	4,182,564	-	-	-	4,182,564
Furniture, fixtures and equipment	7,832,471	-	1,151,521	-	6,680,950
Improvements	154,363	-	-	-	154,363
Transmitter	163,481	-	-	-	163,481
Total capital assets, being depreciated	<u>12,332,879</u>	<u>-</u>	<u>1,151,521</u>	<u>-</u>	<u>11,181,358</u>
Less: Accumulated depreciation	<u>6,715,915</u>	<u>459,384</u>	<u>1,151,521</u>	<u>-</u>	<u>6,023,778</u>
Total capital assets, being depreciated, net	<u>5,616,964</u>	<u>459,384</u>	<u>-</u>	<u>-</u>	<u>5,157,580</u>
Total capital assets	<u>\$ 5,910,696</u>	<u>\$ 459,384</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,451,312</u>
	<b>Balance July 1, 2020</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Balance June 30, 2021</b>
Capital assets, not being depreciated:					
Land and land improvements	\$ 293,732	\$ -	\$ -	\$ -	\$ 293,732
Construction in progress-tower	3,486,247	-	-	(3,486,247)	-
Total capital assets, not being depreciated	<u>3,779,979</u>	<u>-</u>	<u>-</u>	<u>(3,486,247)</u>	<u>293,732</u>
Capital assets, being depreciated:					
Buildings	4,182,564	-	-	-	4,182,564
Furniture, fixtures and equipment	4,531,046	444,512	629,334	3,486,247	7,832,471
Improvements	133,802	20,561	-	-	154,363
Transmitter	246,272	-	82,791	-	163,481
Total capital assets, being depreciated	<u>9,093,684</u>	<u>465,073</u>	<u>712,125</u>	<u>3,486,247</u>	<u>12,332,879</u>
Less: Accumulated depreciation	<u>6,958,752</u>	<u>445,630</u>	<u>688,467</u>	<u>-</u>	<u>6,715,915</u>
Total capital assets, being depreciated, net	<u>2,134,932</u>	<u>19,443</u>	<u>23,658</u>	<u>3,486,247</u>	<u>5,616,964</u>
Total capital assets	<u>\$ 5,914,911</u>	<u>\$ 19,443</u>	<u>\$ 23,658</u>	<u>\$ -</u>	<u>\$ 5,910,696</u>

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(3) **Capital Assets:** (Continued)

WGCU-TV had depreciation expense of \$412,626 and \$400,579 for the fiscal years ended June 30, 2022 and 2021, respectively. WGCU-FM had depreciation expense of \$46,758 and \$45,051 for the fiscal years ended June 30, 2022 and 2021, respectively.

(4) **Lien on Property and Equipment:**

The Federal government has a ten-year priority lien on any facilities and equipment purchased with funds from the National Telecommunications and Information Administration (NTIA). The lien is to ensure that telecommunications facilities funded with Federal monies will continue to be used to provide public telecommunications services to the public during the period of Federal interest. The original cost of the property acquired with NTIA funds was approximately \$868,000 and the liens expired in years through 2021.

(5) **Significant Concentrations:**

Information related to significant concentrations of revenues and credit risk for financial instruments owned by the Station, except as otherwise disclosed, is as follows:

(a) **Cash and cash equivalents**—The Station has demand deposits held at financial institutions for the University and the Foundation, which are secured up to FDIC limits. Amounts over FDIC limits are secured by collateral held by the financial institution which is pledged to the State of Florida Public Deposits Trust Fund. These deposits amounted to \$6,294,761 and \$2,900,883 as of June 30, 2022 and 2021, respectively.

(b) **Accounts and grants receivable**—The Station has accounts and grants receivables of \$141,940 and \$181,557 at June 30, 2022 and 2021, respectively. At June 30, 2022 and 2021, one entity represented approximately 10% and two entities represented approximately 34% of accounts and underwriting receivables, respectively. The Station has no policy requiring collateral or other security to support receivables.

(c) **Revenues**—The Station received significant revenue from two sources in fiscal year 2022 and two sources in fiscal year 2021. The CPB provided approximately 14% of revenues and the University provided approximately 24% in cash, support and donated facilities during the year ended June 30, 2022. For the year ended June 30, 2021, CPB provided approximately 17% of revenues and the University provided approximately 21% in cash, support and donated facilities.

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**(6) Compensated Absences:**

Compensated absences liability activity for the years ended June 30, 2022 and 2021, were as follows:

<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Amount Due</u> <u>Within 1 Year</u>
\$ 426,014	\$ 284,128	\$ 311,644	\$ 398,498	\$ 224,100

<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Amount Due</u> <u>Within 1 Year</u>
\$ 421,250	\$ 255,852	\$ 251,088	\$ 426,014	\$ 190,100

**(7) Community Service Grants:**

The Station receives CSGs from the CPB annually. The CSGs received and expended during the most recent fiscal years were as follows:

<u>Year of</u> <u>Grant</u>	<u>Grants</u> <u>Received</u>	<u>Expended</u>			<u>Uncommitted</u> <u>Balance at</u> <u>June 30, 2022</u>
		<u>2019 – 2020</u>	<u>2020 – 2021</u>	<u>2021 – 2022</u>	
2019-21	\$ 1,138,446	\$ 1,023,668	\$ 114,778	\$ -	\$ -
2020-22	\$ 1,220,309	\$ -	\$ 985,200	\$ 235,109	\$ -
2021-23	\$ 1,268,483	\$ -	\$ -	\$ 876,465	\$ 392,018

**(8) Risks and Uncertainties:**

The Station invests in uninsured and unregistered investments, held and managed by Florida Gulf Coast University Foundation, Inc. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the carrying values reported in the statements of net position.

**WGCU PUBLIC MEDIA**  
**A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY**  
**FLORIDA GULF COAST UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**(9) Nonfederal Financial Support:**

The CPB allocates a portion of its funds annually to public broadcasting entities, primarily based on nonfederal financial support ("NFFS"). NFFS is defined as the total value of cash and the fair market value of property and services received as either a contribution or a payment and meeting all of the respective criteria for each.

A "contribution" is cash, property or services given to a public broadcasting entity for general operational purposes. Support received as a contribution by a public broadcasting entity must meet the following criteria to be includable as NFFS: (1) the source may be an entity except the Federal government or any other public broadcasting entity; (2) the contribution may take the form of a gift, grant, bequest, donation or appropriation; (3) the purpose must be for the construction or operation of a noncommercial, educational public broadcasting station or for the production, acquisition, distribution or dissemination of educational television or radio program and related activities; and (4) the recipient must be a public broadcasting entity on behalf of a public broadcast station. However, to eliminate distortions in the TV CSG grant program precipitated by extraordinary infusions of new capital investments in DTV, all capital contributions received for purposes of acquiring new equipment or upgrading existing or building new facilities regardless of source or form of the contribution are not included in calculating the NFFS. This change excludes all revenues received for any capital purchases.

A "payment" is cash, property or services received by a public broadcasting entity from specific sources in exchange for specific services or materials. Support received as a payment by a public broadcasting entity must meet the following criteria to be includable as NFFS: (1) the source must be a state or local government or agency thereof, or an educational institution; (2) the form of the payment must be an appropriation or contract payment in exchange for specific materials or services related to public broadcasting; (3) the purpose must be for services or materials with respect to the provision of educational or instructional television or radio programs; and (4) the recipient must be a public broadcasting entity on behalf of a public broadcast station.

Reported NFFS for the Station was \$7,610,488 and \$7,605,736 for the years ended June 30, 2022 and 2021, respectively.

**(10) Due to Florida Gulf Coast University:**

As of June 30, 2022 and 2021, the Station owed \$44,097 and \$83,086, respectively, to the University, related mainly to payroll expenses fronted by the University and PECO allocation reimbursements.

**(11) Restrictions on Net Position:**

Investment income, including unrealized appreciation and depreciation, is allocated to the unrestricted account if there are no donor restrictions. If there are specific donor restrictions or criteria, investment income, including unrealized appreciation and depreciation, are allocated to the restricted expendable account on a pro rata basis based on the nonexpendable balance. In accordance with state law, and absent any donor restrictions, these funds are then available for expenditure when the specific donor criteria are met. Included in restricted expendable net position at June 30, 2022, are contributions totaling \$1,238,054 and restricted cash from grants of \$403,350. Included in restricted expendable net position at June 30, 2021, are contributions totaling \$1,238,055 and restricted cash from grants of \$886,126. The restricted nonexpendable net position at June 30, 2022 and 2021, contains the endowment balances of \$128,824 and \$116,724, respectively.

**SUPPLEMENTAL INFORMATION**

## EXHIBIT I

**WGCU-TV**  
**A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY**  
**FLORIDA GULF COAST UNIVERSITY**  
**STATEMENTS OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>Operating revenues</b>		
Community service grants donated by the Corporation for		
Public Broadcasting	\$ 1,084,902	\$ 1,056,290
Other Corporation for Public Broadcasting grants	37,323	36,643
Community service grants donated by the Department of		
Education, State of Florida	320,400	320,400
Appropriations from Florida Gulf Coast University	444,378	619,513
Underwriting support	221,378	346,493
Membership income	2,360,986	2,218,295
Non-recurring estate gifts	-	332,000
Strategic campaign revenues	2,500	-
Donated facilities and administrative support from Florida Gulf		
Coast University	1,013,910	983,427
In-kind contributions	177,925	152,798
Production services	27,676	32,049
Broadband channel and tower income	206,227	192,612
Other income	221,006	195,185
<b>Total operating revenues</b>	<u>6,118,611</u>	<u>6,485,705</u>
<b>Operating expenses</b>		
Programming and production	2,516,785	2,408,349
Broadcasting	741,874	870,634
Program information and promotion	439,202	487,270
Management and general	902,824	1,023,882
Fundraising and membership development	868,735	886,890
Underwriting and grant solicitation	333,417	269,081
<b>Total operating expenses</b>	<u>5,802,837</u>	<u>5,946,106</u>
<b>Operating income</b>	<u>315,774</u>	<u>539,599</u>
<b>Non-operating revenues (expenses)</b>		
ARP Act stabilization funds	-	525,028
Investment return, net	(352,743)	594,245
FCC repack	-	282,389
PECO allocation	-	104,218
<b>Total non-operating revenues (expenses)</b>	<u>(352,743)</u>	<u>1,505,880</u>
<b>Change in net position</b>	<u>(36,969)</u>	<u>2,045,479</u>
<b>Net position, beginning of year</b>	9,748,207	7,702,728
<b>Net position, end of year</b>	<u><u>\$ 9,711,238</u></u>	<u><u>\$ 9,748,207</u></u>

The accompanying notes to financial statements  
are an integral part of these statements.

## EXHIBIT II

**WGCU-FM**  
**A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY**  
**FLORIDA GULF COAST UNIVERSITY**  
**STATEMENTS OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>Operating revenues</b>		
Community service grants donated by the Corporation for Public Broadcasting	\$ 183,581	\$ 164,019
Community service grants donated by the Department of Education, State of Florida	100,000	100,000
Appropriations from Florida Gulf Coast University	219,286	232,771
Underwriting support	511,719	525,241
Membership income	1,162,181	1,181,024
Non-recurring estate gifts	-	71,071
Strategic campaign revenues	407,246	-
Donated facilities and administrative support from Florida Gulf Coast University	508,092	470,850
In-kind contributions	201,371	216,064
Production services	5,248	-
Other income	93,244	2,781
<b>Total operating revenues</b>	<u>3,391,968</u>	<u>2,963,821</u>
<b>Operating expenses</b>		
Programming and production	1,304,468	1,267,534
Broadcasting	330,217	335,862
Program information and promotion	281,592	329,546
Management and general	384,970	394,844
Fundraising and membership development	318,987	295,261
Underwriting and grant solicitation	225,365	201,948
<b>Total operating expenses</b>	<u>2,845,599</u>	<u>2,824,995</u>
<b>Operating income</b>	<u>546,369</u>	<u>138,826</u>
<b>Non-operating revenues (expenses)</b>		
ARP Act stabilization funds	-	166,072
Investment return, net	(10,251)	10,851
<b>Total nonoperating revenues (expenses)</b>	<u>(10,251)</u>	<u>176,923</u>
<b>Change in net position</b>	<u>536,118</u>	<u>315,749</u>
<b>Net position, beginning of year</b>	978,224	662,475
<b>Net position, end of year</b>	<u>\$ 1,514,342</u>	<u>\$ 978,224</u>

The accompanying notes to financial statements  
are an integral part of these statements.



## EXHIBIT III

**WGCU PUBLIC MEDIA**  
**A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY**  
**FLORIDA GULF COAST UNIVERSITY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
**(With Summarized Comparative Totals for the Year Ended June 30, 2021)**

	Program Services				Supporting Services				2022 Total Expenses	2021 Total Expenses
	Programming and Production	Broadcasting	Program Information and Promotion	Total	Management and General	Fundraising and Membership Development	Underwriting and Grant Solicitation	Total		
Salaries, payroll taxes and employee benefits	\$ 1,275,734	\$ 549,720	\$ 213,973	\$ 2,039,427	\$ 542,602	\$ 530,443	\$ 241,221	\$ 1,314,266	\$ 3,353,693	\$ 3,375,412
Commissions to advertising agencies	-	-	-	-	-	-	148,630	148,630	148,630	170,532
Professional services	106,418	51,481	25,080	182,979	111,490	26,921	4,681	143,092	326,071	299,836
Office supplies	2,610	224	4,583	7,417	2,712	3,751	-	6,463	13,880	17,915
Operating and other supplies	120	-	-	120	-	35,302	-	35,302	35,422	33,555
Telephone	-	46,593	-	46,593	21,473	19,080	-	40,553	87,146	101,254
Postage	32	-	-	32	40	45,848	995	46,883	46,915	44,787
Advertising	3,669	-	335,438	339,107	1,747	-	-	1,747	340,854	339,705
Rental and maintenance of equipment	-	53,703	-	53,703	-	-	-	-	53,703	153,901
Program acquisitions	1,523,627	-	-	1,523,627	-	-	-	-	1,523,627	1,607,338
Program production costs	9,245	-	1,419	10,664	-	563	-	563	11,227	9,901
Printing and publications	290	-	5,039	5,329	642	610	63	1,315	6,644	12,554
Travel and training	7,015	3,370	-	10,385	12,847	1,177	13,048	27,072	37,457	20,692
Freight	278	73	295	646	47	-	-	47	693	1,002
Premiums	-	-	-	-	-	76,029	-	76,029	76,029	122,301
Direct mail	-	-	-	-	-	37,089	-	37,089	37,089	22,402
Computer fees and supplies	3,708	8,779	3,202	15,689	1,774	33,814	103	35,691	51,380	62,058
Subscriptions and dues	49,645	-	485	50,130	47,170	5,544	-	52,714	102,844	81,875
Ratings and research	75,057	-	-	75,057	-	-	5,049	5,049	80,106	67,459
Meetings and events	10,636	58	1,122	11,816	4,956	19,670	173	24,799	36,615	12,096
Utilities	-	3,325	-	3,325	-	-	-	-	3,325	5,384
Station maintenance	753	172	-	925	-	-	-	-	925	1,527
Overhead charges	11,993	1,492	1,712	15,197	214,990	34,911	-	249,901	265,098	237,811
Depreciation	162,401	75,807	31,222	269,430	78,764	76,007	35,183	189,954	459,384	445,630
Facility rental	-	27,677	-	27,677	-	-	-	-	27,677	25,569
Donated facilities and administrative support from Florida Gulf Coast University	578,022	249,617	97,224	924,863	246,540	240,963	109,636	597,139	1,522,002	1,454,277
Loss on disposal	-	-	-	-	-	-	-	-	-	23,658
Bad debt expense	-	-	-	-	-	-	-	-	-	20,670
	<u>\$ 3,821,253</u>	<u>\$ 1,072,091</u>	<u>\$ 720,794</u>	<u>\$ 5,614,138</u>	<u>\$ 1,287,794</u>	<u>\$ 1,187,722</u>	<u>\$ 558,782</u>	<u>\$ 3,034,298</u>	<u>\$ 8,648,436</u>	<u>\$ 8,771,101</u>

The accompanying notes to financial statements are an integral part of this statement.

ITEM: 6

**Florida Gulf Coast University Board of Trustees  
Audit and Compliance Committee  
April 11, 2023**

**SUBJECT: 2022 Annual Compliance Report**

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**PROPOSED COMMITTEE ACTION**

Review the 2022 Annual Compliance Report, and approve a recommended version for action by the FGCU Board of Trustees.

**BACKGROUND INFORMATION**

Board of Governors Regulation 4.003 (State University Compliance and Ethics Programs) and FGCU's Compliance Office Charter require at least an annual report on the University's Compliance Program. The 2022 Annual Compliance Report is a summary of FGCU's comprehensive compliance, ethics, and risk program accomplishments, to include compliance partner reports from January 1, 2022 to December 31, 2022.

Upon approval of this Report by the FGCU Audit and Compliance Committee, it will be recommended for approval to the FGCU Board of Trustees.

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**Supporting Documentation Included:** 2022 Annual Compliance Report

**Prepared by:** Chief Equity, Ethics, and Compliance Officer and Title IX Coordinator Precious Gunter

**Legal Review:** Vice President and General Counsel Vee Leonard (March 25, 2023)

**Submitted by:** Chief Equity, Ethics, and Compliance Officer and Title IX Coordinator Precious Gunter

# 2022 ANNUAL COMPLIANCE REPORT



# FGCU

Office of Institutional Equity  
& Compliance (OIEC)

# FOREWORD

A comprehensive Compliance and Ethics Program is essential to the success of any organization or university. At FGCU, we strive to embody all facets of integrity, morals, and values as we believe that they are woven into the fabric of why we exist. We believe it is important to set standards and examples of ethical behavior and character, not just for students, but for the University community and regional community as well. As such, the 2022 Annual Compliance Report highlights all of the steps taken thus far towards building a robust University-wide Compliance and Ethics Program.

Through the process of setting priorities, we will continue to engage faculty, staff and student representatives as we continue to take major strides towards implementation of the Program. We offer thanks to everyone that has participated/contributed thus far as we continue to grow and improve in this area.

Go Eagles!



Mike Martin, President

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## ABOUT THE OFFICE OF INSTITUTIONAL EQUITY & COMPLIANCE



In alignment with FGCU's guiding principles, we promote a culture that celebrates all of our members. Our focuses are eliminating discrimination and harassment, promoting ethical decisions on all levels, and ensuring compliance with applicable regulations and guidelines.

FGCU does not discriminate on the basis of race, color, national origin, ethnicity, religion, age, disability, sex, gender identity/expression, marital status, sexual orientation, veteran status, or genetic predisposition. We promote ethical decisions and responsible stewardship of resources to foster trust and promote the best interests of our community. We also provide oversight and guidance of FGCU's Compliance Program in accordance with applicable state and federal laws, regulations, professional standards, and University regulations and policies.

The OIEC is committed to upholding ethical standards and ensuring equity and fairness for all faculty, staff, students, visitors, and vendors. Our office provides the following functions for the University: Training and Awareness, Committee Management, Investigations and Informal Resolutions, External Agency Response, Equal Opportunity Certification for Grants and Degree Programs, Policy Analysis and Development, Conflict of Interest Review/Investigations, and Equal Opportunity Waivers of Advertisement.

Contact Us:  
Office of Institutional Equity & Compliance  
Edwards 114  
10501 FGCU Boulevard South  
Fort Myers, Florida 33965  
239-745-4366

# COMPREHENSIVE COMPLIANCE, ETHICS, & RISK REPORT

THE FOLLOWING REPORT IS A SUMMARY OF  
FGCU'S COMPREHENSIVE COMPLIANCE, ETHICS,  
& RISK PROGRAM ACCOMPLISHMENTS,  
INCLUDING COMPLIANCE PARTNER REPORTS  
FROM JANUARY 1, 2022 TO DECEMBER 31, 2022.



## COMPLIANCE AND ETHICS PROGRAM

**The goal of the Office of Institutional Equity & Compliance (OIEC) is to promote an organizational culture that encourages ethical conduct and a commitment to compliance. The responsibilities of the office are to:**

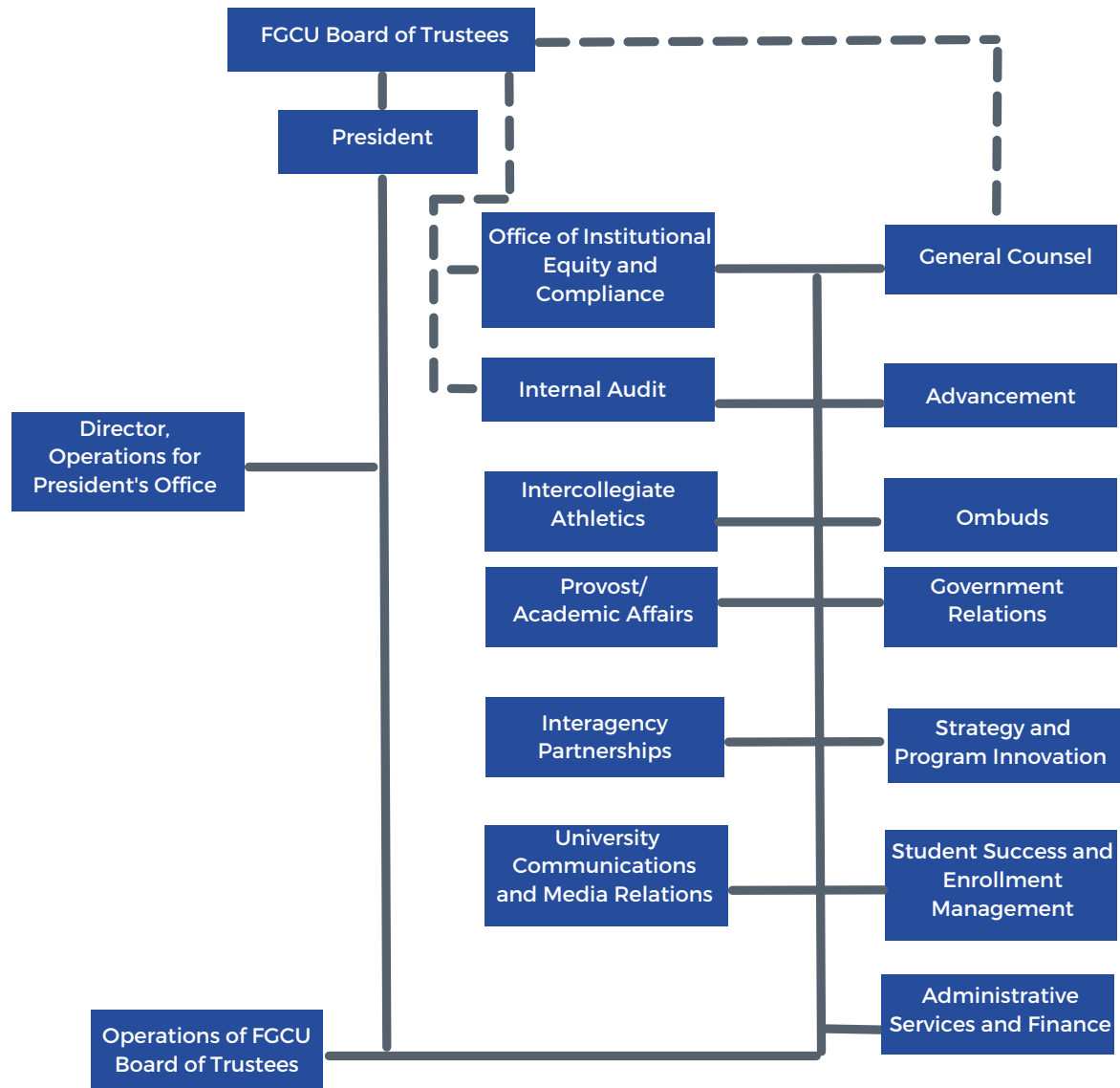
- Develop and direct the University's compliance and ethics function;
- Provide leadership, oversight, and advice to ensure appropriate development, interpretation, and implementation of the University's policies and regulations pertaining to compliance in accordance with state and federal laws;
- Prepare, implement, and manage the University's Compliance and Ethics Program Plan as approved by the President, Audit and Compliance Committee, and the FGCU Board of Trustees; revise the Plan as necessary;
- Develop or implement compliance training or awareness programs;
- Develop and provide compliance and ethics training to the FGCU Board of Trustees, the President and Cabinet, and employees to assist University community members with performing their jobs, understanding compliance issues, and infusing an ethical framework into the fabric of the University;
- Engage in investigations, monitor activities, and conduct risk assessments for the University and its affiliated organizations to prevent and detect misconduct or violations of institutional policies or applicable laws and regulations;
- Develop a program consistent with Florida's Code of Ethics for Public Officers and Employees, and Chapter 8 of the Federal Sentencing Guidelines Manual;
- Administer and promote the FGCU Hotline, an anonymous mechanism available for individuals to report potential or actual misconduct and violations of University policy, regulation, or law, and ensure that no individual faces retaliation for reporting a potential or actual violation when such report is made in good faith;
- Ensure that managers responsible for compliance functions within the University coordinate and communicate program matters of substantial importance with the Chief Compliance Officer;
- Oversee the processing of internal complaints and refer concerns to an appropriate University office for review and disposition (such as Office of the General Counsel, Internal Audit, or Human Resources);



- Bring all compliance and ethics-related matters of substantial importance and all credible evidence of alleged misconduct, including criminal conduct, to the attention of the President and the Chair of the Audit and Compliance Committee of the FGCU Board of Trustees, as well as the Board of Governors' Inspector General, as applicable;
- Ensure that an initial review of the compliance and ethics program to determine its effectiveness is conducted no later than November 2021 and that a subsequent review is conducted at least once in each successive five-year period;
- Perform other activities as deemed necessary by the President and/or the Chair of the Audit and Compliance Committee of the FGCU Board of Trustees.



## Organizational Chart



## FGCU Compliance Liaisons

The Compliance Liaisons are University employees designated with carrying out compliance-related responsibilities for a specific program or function within the University, including, but not limited to the following:

<b>Topic</b>	<b>University Unit</b>
Academic Integrity	Dean of Students
ADA	Adaptive Services
Athletics and NCAA Rules	Athletic Compliance
Biohazardous Waste, Biosafety, and Bloodborne Pathogens	Environmental Health & Safety
Clery Act	University Police Department
Compliance with Regulations and Policies	General Counsel or Institutional Equity & Compliance/Title IX
Conflicts of Interest	Institutional Equity & Compliance/Title IX
Contracts	General Counsel
Controlled Substances	Environmental Health & Safety
Counseling and Wellness	Counseling & Psychological Services
Donations/Endowment	University Advancement
Environmental Protection	Environmental Health & Safety
Export Controls	Research & Sponsored Programs
Family Educational Rights and Privacy Act (FERPA)	Registrar
Financial Aid	Financial Aid & Scholarships
Financial Conflict of Interest	Research & Sponsored Programs
Financial Disclosure	Institutional Equity & Compliance/Title IX
Fraud, Waste, and Abuse	Internal Audit
Harassment, Intimidation, Retaliation, Discrimination	Institutional Equity & Compliance/Title IX
Hiring, Background Checks	Human Resources
Information Security	Business and Technology Services
Institutional Animal Care and Use Committee	Research & Sponsored Programs
Institutional Review Board	Research & Sponsored Programs
Insurance (Risk Management)	Environmental Health & Safety
Intellectual Property	Research & Sponsored Programs
Misconduct in Research	Research & Sponsored Programs
Outside Activities	Institutional Equity & Compliance/Title IX
Procurement	Procurement
Records Management	Records Management
Sponsored Programs	Research & Sponsored Programs
Taxation	Controller
Whistleblower Protection	Internal Audit

The Compliance Liaisons provide the Chief Compliance Officer with immediate notification of suspected or detected non-compliant behavior, unethical behavior, or criminal conduct; and on an annual basis, a summary of compliance initiatives. In addition, University personnel with compliance responsibilities meet on a quarterly basis to discuss program activities and new and supplemental changes to laws, regulations, rules, policies and procedures in order to stay abreast of best practices in the compliance sector. The Chief Compliance Officer chairs these meetings.

FGCU also has Compliance Liaisons that sit on the following University committees:

- ADA Committee
- Athletics Gender Equity Committee
- Athletics Health and Wellness Committee
- Athletics Inclusion and Diversity Committee
- Behavioral Consultation and Assessment Team
- Commencement Committee
- Dive Safety Committee
- Diversity and Inclusion Committee
- Faculty Senate Awards (ex-officio)
- Faculty Senate Grants and Research Team (ex-officio)
- Hazing Prevention Team
- Institutional Animal Care and Use Committee
- Institutional and Effectiveness Accountability Council
- Institutional Review Board
- National Counsel of University Researcher Administrators Peer Review
- Research Integrity and Conflict of Interest Committee
- Space Committee
- Threat Assessment Team
- Title IX Committee
- Workplace Safety Committee

## EDUCATION AND TRAINING

Educating faculty and staff on FGCU procedures, standards of conduct, and policies and regulations are a key component to the FGCU compliance and ethics program. The chart below details the employee trainings that are offered throughout the year.

### Trainings Offered to Employees by FGCU

Title	Responsible Department	Requirement
Accommodating Disabilities (ADA)	OIEC/Adaptive Services	Required for faculty and staff annually
Active Shooter and Emergency Procedures	UPD	Required for new employees
Banner Student Financial Account Data Access	Finance & Accounting	Required for users who access Student Financial Account Data
Campus Security Authority Training	UPD – Clery Programs	Required for all designated Campus Security Authorities
Collaborative Institutional Training Initiative (CITI) – Social & Behavioral Research	Research and Sponsored Programs	Required for IRB Approval
CITI – Export Control	Research and Sponsored Programs	Required for faculty and staff – Specific course dependent on job description
CITI – IACUC	Research and Sponsored Programs	Required for IACUC Approval – Course dependent on study protocol
Ethics Training	OIEC	Required for faculty and staff annually
Family Education Rights and Privacy Act (FERPA) and Sunshine Laws	Registrar/General Counsel	As needed
Harassment and Discrimination Prevention	OIEC	Required for faculty and staff annually
Kognito	Student Success and Enrollment Management and Academic Affairs	Required for faculty and staff
Marketplace Reconciliation	Finance & Accounting	Required for users reconciling Marketplace stores.
New Employee Orientation	Human Resources	Required for new employees
Payroll Liaison Training	Finance & Accounting	Required for new payroll liaisons
PCI Compliance Training	Finance & Accounting	Required for users handling payments and credit card information within Touchnet
Procurement/Purchasing Training	Procurement	Required for new employees
Property Manager Training	Finance & Accounting	Required for all Property Managers
Property Orientation	Finance & Accounting	Required for new employees
Recruiting and Search Training	HR/OIEC/General Counsel	Required for search committees
Sexual Harassment Prevention/Title IX	OIEC	Required for new employees
Travel Training	Procurement	Required for anyone traveling
Workday Budget Training	Finance & Accounting	Required for all users who want budget access and those that complete budget amendments
Workday PCARD Training	Procurement	Required for PCARD holders
Workday Requisition Training	Procurement	Required for users creating online purchasing
Workday Travel Card Training	Procurement	Required for anyone traveling

## Environmental Health & Safety (EH&S) Specific Trainings Offered to Employees by FGCU

<b>EH&amp;S Courses</b>		
Personnel must complete one of the Courses below in its entirety to earn a Training Certificate.		
<b>Environmental Health and Safety Training Course</b>	EH&S	Required for <b>all employees</b> (unless enrolled in other EH&S course listed below)
Environmental Health and Safety Training for <b>Arts</b> Course	EH&S	Mandatory for everyone except Administrative Personnel in the Art, Art Galleries, and Theatre Programs
Environmental Health and Safety Training for <b>Engineering</b> Course	EH&S	Mandatory for everyone except Administrative Personnel in UA Whitaker College of Engineering
Environmental Health and Safety Training for <b>Fundamental Science</b> Personnel Course	EH&S	Mandatory for faculty, teaching and lab managing personnel in the Biological, Chemistry, Ecology, Environmental, Justice, Marine, Earth Sciences departments, and The Water School
Environmental Health and Safety Training for <b>General Science</b> Personnel Course	EH&S	Mandatory for Adjuncts and OPS staff in the Biological, Chemistry, Ecology, Environmental, Justice, Marine, Earth Sciences departments, and The Water School
Environmental Health and Safety Training for Professional, <b>Industrial</b> , and Shops Personnel Course	EH&S	Mandatory for everyone except Administrative Personnel in the University Police Department, Buckingham, Physical Plant Maintenance, Housing Maintenance, and Grounds
Environmental Health and Safety Training for <b>Outdoors Activities</b> , Groups, and Curriculum Course	EH&S	Mandatory for everyone except Administrative Personnel in University Colloquium, and Campus Naturalists
Environmental Health and Safety Training for <b>Sports, Hospitality, and Health</b> Personnel Course	EH&S	Mandatory for everyone except Administrative Personnel in Athletics, Campus Recreation, the Department of Rehabilitation Sciences, the Department of Health Sciences, and the School of Nursing
Environmental Health and Safety <b>Hazardous Materials Transportation</b> Training	EH&S	Mandatory for everyone involved in the transport, shipping, and/or receiving of hazardous materials
Environmental Health and Safety <b>Hazardous Materials Transportation Refresher</b> Training	EH&S	Mandatory annual refresher for anyone who completed the EH&S Hazardous Materials Transportation Training Course the previous year
Environmental Health and Safety <b>Radioactive Materials</b> Training	EH&S	Mandatory for everyone using sealed radiation sources, unsealed radiation sources, and/or radiation machines
Environmental Health and Safety <b>Radioactive Materials Refresher</b> Training	EH&S	Mandatory annual refresher for anyone who completed the EH&S Radioactive Materials Training Course the previous year
Environmental Health and Safety <b>Respirator</b> Training	EH&S	Mandatory for everyone wearing an N95 (including KN95) or another respirator
Environmental Health and Safety <b>Respirator Refresher</b> Training	EH&S	Mandatory annual refresher for anyone who completed the EH&S Respirator Training Course the previous year
Environmental Health and Safety <b>Annual Refresher</b> Training	EH&S	Mandatory for anyone who completed the Environmental Health and Safety Training Course the previous year
Environmental Health and Safety <b>Refresher Training for Lab and Specialized Areas</b>	EH&S	Mandatory annual refresher for anyone who completed the EH&S Safety for Engineering, Fundamental Science, or General Science Course the previous year
Environmental Health and Safety <b>Refresher Training for Specialized Areas</b>	EH&S	Mandatory annual refresher for anyone who completed the EH&S Safety for Arts, Industrial & Shops, Outdoors, or Sports & Health Course the previous year



Annual Refresher Training Courses/Modules		
Analytical (X-ray) Safety Training Refresher	EH&S	Mandatory annual refresher for anyone who completed Analytical (X-ray) Safety the previous year
Bloodborne Pathogens/BioWaste Refresher	EH&S	Mandatory annual refresher for anyone who completed Bloodborne Pathogens/BioWaste the previous year
DOT Hazardous Materials Refresher	EH&S	Mandatory annual refresher for anyone who completed DOT Hazardous Materials the previous year
FGCU Laboratory Safety Refresher	EH&S	Mandatory annual refresher for anyone who completed FGCU Laboratory Safety the previous year
First Aid Refresher	EH&S	Mandatory annual refresher for anyone who completed First Aid Basics the previous year
Haz Com and Wastes Refresher	EH&S	Mandatory annual refresher for anyone who completed Hazard Communications, and University Wastes the previous year
Radiation Safety & Control Refresher	EH&S	Mandatory annual refresher for anyone who completed Radiation Safety & Control the previous year
Respiratory Protection Refresher	EH&S	Mandatory annual refresher for anyone who completed Respiratory Protection the previous year
Sharp Hazards Refresher	EH&S	Mandatory annual refresher for everyone who completed Sharp Hazards the previous year
Stormwater and SPCC Refresher	EH&S	Mandatory annual refresher for anyone who completed Stormwater Training the previous year
Workplace Safety & Reporting Refresher	EH&S / HR	Mandatory annual refresher for anyone who completed FGCU Canvas Workplace Safety Training the previous year

## POLICY REVIEW & DEVELOPMENT

To promote effective governance practices, Florida Gulf Coast University formally approves and promulgates University policies. Policies are approved by the President in accordance with FGCU Policy 1.001, Guidance and Procedures for Approval and Issuance of University Policies.

Once a policy has gone through the development process, it is then disseminated by the Office of the General Counsel to the University community via email and online postings. The University community has 10 days, from the date of the posting, to provide feedback to the Office of the General Counsel. Feedback is presented to the President's Cabinet for further review and possible revisions. The draft policy is then forwarded to the President for final review and approval. The below policies were reviewed and approved in 2022:

Number	Title	Responsible Unit	Date Approved	Date Reviewed
3.016	Payroll Guidelines	Office of the Controller	09/23/22	09/23/22
3.026	Use of University Facilities	Campus Reservations	09/08/22	09/08/22
4.007	Posting Materials and Commercial Activity on Campus	Campus Reservations	09/08/22	09/08/22
2.014	Export Control	Office of Research and Sponsored Programs	07/14/22	07/14/22
4.018	Ombuds Services for Student Concerns and Complaints	Office of the Ombuds	06/14/22	06/14/22
3.022	University Technology Resources	Information Technology Services	05/16/22	05/16/22
3.055	Chosen First Name	Human Resources	05/16/22	05/16/22
4.017	Student Concerns and Complaints	Dean of Students	04/26/22	04/26/22
3.025	Budget Management	Budget Office	04/11/22	04/11/22
3.048	Smoke Free and Tobacco Free Campus	Office of the Vice President for Administrative Services	04/11/22	04/11/22
1.015	Sexual Harassment Under Title IX	Office of Institutional Equity and Compliance	03/31/22	03/31/22
3.002	Tuition Assistance	Office of the Bursar	03/28/22	03/28/22
3.043	File Transfer Protocol (FTP)	Information Technology Services	01/09/15	03/04/22
3.042	Restricted Data	Information Technology Services	02/28/22	02/28/22
3.062	Technology Resource Accessibility	Information Technology Services	01/20/22	01/20/22
2.011	Substantive Change for Accredited Institutions of Southern Association of Colleges and Schools Commission on Colleges	Planning and Institutional Performance	01/18/22	01/18/22
3.061	Student Email System	Information Technology Services	01/18/22	01/18/22



## Government Reporting and Regulatory Activities

The FGCU compliance campus partners conducted the following government and regulatory activities:

### Office of Institutional Equity & Compliance

- The Office of Institutional Equity & Compliance (OIEC) compiles the Annual Compliance Report (ACR), the Affirmative Action Plan (AAP), and the Equity Report for the University. The ACR and Equity Report are approved by the Board of Trustees and sent to the Board of Governors. The AAP is a required report by the Office of Federal Contract Compliance Programs.

### Counseling & Wellness Services

- Counseling & Psychological Services (CAPS) is an American Psychological Association approved internship site. The recruitment, supervision and training of interns follows all guidelines and requires annual reports for the maintenance of this program's approval. CAPS also has International Association for the Accreditation of Counseling Services approval and makes annual reports of all facets of compliance for this approval.

### Emergency Management

- Emergency Management annually submits the Continuity of Operations Plan to the Florida Division of Emergency Management.

### Environmental Health & Safety

- The Chemical Facility Anti-Terrorism Standards Act from Title 6 of the Code of Federal Regulations, requires reporting of certain chemicals to the Department of Homeland Security if they are stored in large quantities, per the Chemicals of Interest list. To date, FGCU remains below the regulatory levels, however, Environmental Health & Safety (EH&S) has registered the facility with the Department of Homeland Security.
- The Resource Conservation and Recovery Act (RCRA) from Title 40 of the Code of Federal Regulations and Florida Administrative Code (FAC) Chapter 62-730, are the public laws that create the framework for the proper management of hazardous and non-hazardous solid waste. EH&S oversees the control and documentation of the processes required for compliance with these complicated regulations. Due to the increases in enrollment and constant growth of the University, FGCU has recently moved to the designation of Small Quantity Generator of Hazardous Waste. FGCU is subject to compliance inspections by the Environmental Protection Agency (EPA) or Florida Department of Environmental Protection at any time.

- The Tier II Report is mandated by Section 312 of the Emergency Planning and Community Right-To-Know Act of Title 40 of the Code of Federal Regulations. The Tier II report captures information regarding the types, quantities and locations of hazardous chemicals at a given facility, so that information is available to emergency responders in the event of an emergency incident. EH&S submits the annual report, due by March 1st of each year, to the State of Florida Department of Environmental Protection. This report primarily captures chemicals stored at a facility in large quantities. For FGCU, these include the gasoline and diesel fuel stored on campus, and the chemicals stored and used for water treatment for the Chiller Plants.
- The Spill Prevention, Control and Countermeasure and the Facility Response Plan rules, required by the United States EPA in Title 40 of the Code of Federal Regulations Part 112, are federal regulations to help facilities to prevent a discharge of oil to navigable waters or adjoining shorelines. This plan for FGCU pertains to petroleum products, including the oil, gasoline, and diesel fuel present on campus, in above-ground storage tanks, generators, elevators, fire pumps, and transformers. EH&S oversees the measures implemented to prevent the discharge of potential contaminants onto FGCU property, which is the center of a watershed leading to the Estero Bay and the Gulf of Mexico.
- Florida Department of Health, Bureau of Radiation Control Inspections are required by 64E-5, Florida Administrative Code. Department of Health Bureau of Radiation Control inspectors perform detailed audit/inspections of the Radiation Safety program at FGCU every three years. EH&S provides oversight of the administrative controls and provisions relating to organization and management, procedures, record keeping, material control and accounting, and management review that are necessary to assure safe operations with radioactive materials and machines, and ensure compliance with the Department of Health license and regulations.
- The Municipal Separate Storm Sewer System Compliance Report is regulated under the National Pollutant Discharge Elimination System in Title 40 of the Code of Federal Regulations in Part 122. The General Permit was granted to FGCU October 10, 2016 to protect the water quality of the watershed and receiving waters. EH&S submits the annual report, due by April 9th each year, to the State of Florida Department of Environmental Protection. The report exhibits how FGCU implements Best Management Practices, including educating/training our students, faculty, and staff; involving campus interest groups in Campus clean-up events; and developing and maintaining a map and GIS Coordinates to facilitate the campus storm sewer system inspections.

- Florida Department of Health Inspectors also perform annual inspections of the Biomedical Waste program at FGCU per 64E-16, FAC. EH&S provides oversight of sanitary practices and documentation relating to the management of biomedical waste, including segregation, handling, labeling, storage, transport, and disposal of any biological, biohazardous, or biomedical waste produced, including sharps, from laboratories, clinics, and other areas on campus.
- The Assistant Director of EH&S serves as the Safety Coordinator, who investigates and documents all work-related accidents, reviews and reports claim data, identifies trends, and works with EH&S personnel to provide regular employee safety training and consultations.
- During the past year, EH&S was assigned the responsibility for the Institutional Safety Committee to ensure research and classroom activities on and off campus involving biologicals, chemicals, environmental samples, radioactive materials and/or equipment, lasers, hazardous waste, drones and scientific diving are conducted in full compliance with FGCU, local, state, and federal regulations and guidelines.
- EH&S members assist the Office of Research and Sponsored Programs (ORSP) by serving on the Institutional Animal Use & Care Committee (IACUC), which provides regulatory oversight for any research projects involving vertebrate animals. EH&S also assists with the Occupational Health & Safety program for any personnel involved in research with animals.
- EH&S conducts lab inspections to ensure personnel working in research labs comply with training and regulatory requirements, and research grant requirements.
- EH&S members assist ORSP and Shipping and Receiving with the requirements for Export Control for shipping packages to international and domestic destinations. EH&S members serve as an integral step in the approval process to ensure packaging and documentation required for shipping hazardous materials (dangerous goods) are in compliance with federal regulations and international standards.

## **Finance & Accounting**

- Finance & Accounting submitted the following government forms:
  - Form 941 to the Internal Revenue Service (IRS) for quarterly payroll reporting.
  - Form W-2s to the Social Security Administration for annual wage reporting.
  - Form 990T to the IRS for annual unrelated business income reporting.
  - Form 1099-MISC to the IRS for vendor payments.
  - Form 1099-NEC to the IRS for non-employee compensation payments.
  - Form 1042 to the IRS for non-resident alien payments.
  - Monthly sales tax report to the Florida Department of Revenue.
  - Form 1098-T to the IRS for student qualified tuition and scholarship payments.
  - Annual tourist tax report to Lee County Tax Collector.
  - Annual Operating Data for posting to Electronic Municipal Market Access for compliance with debt covenants.

## **Office of Financial Aid & Scholarships**

- The Office of Financial Aid & Scholarships complies with all reporting requirements from the Federal Department of Education and the Florida Department of Education. The office works with the Office of Planning & Institutional Performance to provide these reports, and any requested data to these agencies.

## **Foundation**

- Foundation completed the 2022 audit report with no management comments. This was approved by the Foundation Audit Committee and then approved by the Board of Directors.
- Foundation submitted the following government forms:
  - Submission of Form 1099-MISC to the IRS for vendor payments.
  - 990 and 990-T Federal tax return.
  - 9.012 Disclosure of Gifts from Foreign Governments and Persons. There were no disclosures for this year.
  - Florida Office of Insurance Regulation - Donor Annuity Sworn Statement.

## **Information Technology Services**

- Information Technology Services (ITS) submitted the Auditor General Information Technology Survey, Operational Audit, and Performance Metric Audit to the Florida Auditor General.

**Internal Audit**

- Internal Audit submits an annual report, summarizing the activities of the office for the preceding fiscal year. The report goes to the Board of Trustees and the Board of Governors.

**Global Engagement Office**

- All international students and scholars comply with health insurance coverage as mandated by the U.S. Department of State and the State of Florida.
- All immigration processes are performed under authorization from Department of Homeland Security and U.S. Department of State. Both entities require on-going reporting, monitoring, and tracking of international students and scholars as well as annual reports, program re-certification, program re-designation, designated school official verification, field representative visits and reviews, submitting and processing immigration benefit petitions for students and scholars, and response to government requests for information. Annual reports are submitted to the Exchange Visitor Program.
- All incoming J-1 scholars and J-1 interns are screened for export control by the Office of Research and Sponsored Programs. A J-1 Scholar is a visiting researcher, professor, or specialist from a country outside of the United States who has been approved to enter the United States for a specific purpose and for a limited amount of time. Faculty Led Study Abroad faculty leaders complete an Export Control form with the travel authorization request.

**Procurement Services**

- Procurement Services reports spend and savings to the Board of Governors on a biannual basis.
- Staff members within Procurement Services, who have purchasing authority, complete a Financial Disclosure on an annual basis and send it to the State Board on Ethics.

**Office of Research & Sponsored Programs**

- Office of Research & Sponsored Programs (ORSP) completed the National Science Foundation Higher Education Research and Development Survey due each year in January on behalf of FGCU.
- ORSP submitted Federal Financial Reports for all Federally Sponsored Projects as required on a quarterly or annual basis.
- ORSP also submitted an annual report to the Office of Laboratory Animal Welfare.

### **Office of Records & Registration**

- Through a partnership with the National Student Clearinghouse, student enrollment data is shared with federal agencies, such as the National Student Loan Data System.

### **Records Management**

- An annual Records Management Compliance Statement was submitted to the Department of State. The Compliance Statement requires acknowledgement and compliance with Florida Statutes, a record for the volume of paper shredded, and a statement of participation in electronic disposal of records.

### **University Police Department**

- The University Police Department (UPD) submitted the following reports to the State of Florida: Hate Crimes, Cargo Theft, Use of Force, and Seatbelt Statistics. UPD also submitted the federally mandated Campus Safety and Security Survey to the U.S. Department of Education.

## Effective Lines of Communication

FGCU displays a proactive commitment to compliance by encouraging open communication of compliance and ethics issues, and the reporting of good-faith concerns of alleged wrongdoing, without fear of retaliation.

FGCU maintains that open line of communication in several ways:

- The Office of Institutional Equity & Compliance (OIEC) completed volume two of the FGCU Compliance and Ethics quarterly newsletter. Each newsletter spotlights three compliance topics for educational purposes and is emailed out to all faculty and staff. In 2022, the quarterly newsletters included the following articles:
  - Do you know the Code?
  - No Retaliation
  - What Does It Mean to Be a Responsible Employee?
  - Conflict of Interest
  - FGCU 5 Year External Compliance Review: Results
  - Responsible Conduct in Research
  - Seeking Guidance and Reporting Concerns
  - What Happens After I Report?
- Faculty, staff, and students are sent reminder emails annually in February and September with information regarding FGCU's commitment to ethical conduct and how to make reports through the EthicsPoint Hotline. Faculty and staff are also sent separate reminder emails on this same schedule detailing their responsible reporting duties with regards to harassment and discrimination issues that occur on campus.
- In December 2022, the OIEC hosted Compliance and Ethics trivia for University faculty and staff. This event allowed employees to ask their compliance related questions and learn more about FGCU's compliance and ethics program.
- The OIEC also tables on campus throughout the semester to inform students, faculty, and staff of reporting options and educate individuals on University policies.

## FGCU EthicsPoint & Investigations

The FGCU EthicsPoint Hotline is a reporting mechanism that facilitates reporting of alleged illegal, unethical, or improper conduct when the normal channels of communication have proven ineffective or are impractical under the circumstances. The EthicsPoint Hotline is available to employees and students, as well as contractors, vendors, and members of the Southwest Florida community.

While the University encourages reporters to contact FGCU's Chief Compliance Officer for assistance, if a reporter is uncomfortable reporting through normal channels of communication, or wishes to raise an issue anonymously, they can access the Hotline. The Hotline is available 24 hours a day, 365 days a year, and is run by an independent, third-party provider called EthicsPoint. It is an anonymous Internet and telephone-based reporting tool that allows University stakeholders to work together to address misconduct at the University and help cultivate a positive work environment.

The EthicsPoint Hotline is accessible at the bottom of every University webpage and is mentioned during all Office of Institutional Equity & Compliance (OIEC) trainings, including harassment and discrimination prevention training. The OIEC is tasked with assigning all complaints that come through the EthicsPoint Hotline. The OIEC maintains responsibility for any complaints that are potentially related to harassment or discrimination and other, nonspecific compliance and ethics related complaints and concerns.

When the OIEC is tasked with investigating a complaint, the investigator serves as a neutral fact finder, who determines under the preponderance of the evidence standard, whether a policy violation exists. The process for investigations is laid out in FGCU Policy 1.015 and FGCU Policy 1.006.



## Office of Institutional Equity & Compliance: 2021-2022 Case Data

The OIEC tracks case data by academic year. The most recent data is from the 2021-2022 academic year.

Type of Case	Number of Inquiries
Title II - Disability Discrimination	30
Title VI - Race, Color, and National Origin Discrimination (Students and Non-Employees)	37
Title VII - Race, Color, National Origin, Sex, and Religion Discrimination (Employees)	28
Title VII/IX - Sex Discrimination (Involving at Least 1 Employee)	54
Title IX - Sex Discrimination (Students)	219
Retaliation	6
Employment, generally	9
Outside Agency	4
Ethics	15
Other Protected Classes	12
Total:	414

<b>By Resolution</b>	<b>Number of Cases</b>
Sufficient Evidence, Investigated	9
Insufficient Evidence, Investigated	15
Sufficient in Part Insufficient in Part, Investigated	1
Preliminary Review, No Investigation	38
Informal Resolution	13
Met with OIEC, Did Not Investigate	120
OIEC Communicated, Did Not Meet	148
External Agency Responses	4
OIEC Referred Out	20
Otherwise Resolved with OIEC	46
Outside Investigations	0
<b>Total:</b>	<b>414</b>

## Monitoring and Program Assessments

FGCU implements a self-assessment program to monitor and evaluate compliance functions throughout the University. Through its Compliance Liaisons and Director of Internal Audit, FGCU conducts ongoing efforts to assess, evaluate, monitor, and audit compliance with regulatory requirements and University regulations and policies.

As required by the Board of Governors Regulation 4.003, State University System Compliance and Ethics Programs, the University completed a five-year external review of the compliance program. The review was conducted by Ethisphere and the report was issued in January, 2022. The report found the University's compliance and ethics program "generally conforms" with the Board of Governors Regulation, which is the highest rating under the regulation. The external review was presented to the University's Board of Trustees in April 2022.

## 2022 FGCU Compliance Highlights

### FGCU's Continued Response to Foreign Influence

FGCU continues to adhere to House Bill 7017 Foreign Influence. In June 2021, the Governor signed the bill establishing five new Florida statutes: Reporting Foreign Gifts and Contracts (286.101 and 1010.25), International Cultural Agreements (288.860), and Requirements Regarding Screening Applicants (1010.35), which became effective on July 1st, 2021; and International Travel Pre-Approval, Monitoring & Reporting (1010.36) effective January 1st, 2022. The Compliance Liaison Committee continues to meet regularly to discuss the implementation of these statutes. President Martin has designated the Office of Research & Sponsored Programs to be the Research Integrity Office and the Assistant Director, Research Compliance and Integrity Officer is the named individual to perform these verification duties.

### Clery Compliance Committee

The Florida Gulf Coast University Clery Compliance Team (CCT) has been established to review and enforce compliance requirements set forth in the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act). The Annual Security Report and Annual Fire Report is published each year on Oct. 1st containing information from several different departments across the University. Therefore, the need to collaborate on the contents of this document institution-wide is imperative. The main focus of the Clery Compliance Team is to review the components of this report and to gather accurate information to provide to the FGCU Campus Community, prospective students, and prospective employees regarding crime statistics and campus safety. The team meets quarterly or as needed for team specific duties.

### Student Complaint Process

In compliance with accreditation guidelines from SACSCOC, the University created a student complaint website (<https://www.fgcu.edu/studentcomplaints/>) to streamline how students may file complaints about a myriad of issues related to the University. This also included an automated electronic form for academic complaints, creating consistency across the Colleges. In addition, FGCU Policy 4.017 Student Concerns and Complaints was updated and effective April 26, 2022.

## **Research Integrity and Conflict of Interest Committee**

The Research Integrity and Conflict of Interest Committee was established in 2022 and serves to provide review of research integrity issues, including research misconduct as well as advising on perceived or real conflicts of interest. The committee advises the Associate Vice President for Research on matters related to potential research misconduct. The committee, when appropriate, reviews employee disclosures related to federal and state statutes to avoid non-compliance.

A conflict of interest (COI) is a situation whereby a personal interest may bias or compromise professional judgement and objectivity in research and decision making. Funding agencies may require a management plan if there is a conflict of interest. The committee will assist with the development of the management plan for sponsored programs.

Members are appointed to serve on the committee by the Associate Vice President for Research. Members must recuse themselves from review and actions of an employee in their college, school, division, or unit and if they cannot insure complete objectivity. Recommendations from the committee are forwarded to the Associate Vice President for Research for approval.

### **Upcoming Compliance Initiatives for 2023...**

- Conflict of Interest (COI) Training series for faculty and staff
- Outside Activities policy update and COI disclosure kick off in August for employees
- Compliance and Ethics Trainings for Direct Support Organizations
- Risk Assessments for University departments and offices

## **THIS REPORT WAS DRAFTED BY:**

### **The Office of Institutional Equity & Compliance**

Special thanks to the President, Executive Leadership, and all of the Departments that provided information included in this report.

