

**Memorandum of Understanding
between
The University of North Florida Board of Trustees
and
The University of North Florida Financing Corporation**

THIS MEMORANDUM OF UNDERSTANDING, made as of this _____ day of _____, 2008, by and between The University of North Florida Board of Trustees, a public body corporate ("Board of Trustees") for and on behalf of The University of North Florida ("University") and The University of North Florida Financing Corporation, a Florida non-profit corporation (" UNFFC").

In 2005, as stated in its bylaws and its articles of incorporation, UNFFC was incorporated as a 501 (c) (3) organization to receive, hold, invest and administer property and to make expenditures to or for the exclusive benefit of the University and to provide financial and other support activities related to the mission of the University and its divisions and operations.

UNFFC is a direct support organization, as defined by and in compliance with applicable Florida Statutes and the University's regulation on direct support organizations. In connection with its asset-management activities, UNFFC retains personnel for accounting and auditing purposes.

In consideration of the mutual commitments herein contained, and other good and valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

UNFFC Name, Seal and Marks

Consistent with its mission to help to advance the plans and objectives of the University, UNFFC is granted the use of the name, University of North Florida, provided, UNFFC will operate under its own seal and shall not use the University seal or other identifying marks in the promotion of its business and activities unless given prior approval.

Institutional Governance

- The Board of Trustees is responsible for governance, setting priorities and long-term plans for the University.
- The Board of Trustees is legally responsible for the oversight of all aspects of University operations.
- The Board of Trustees is responsible for the employment, compensation, and evaluation of all University employees, including the President.

UNFFC's Relationship to the Institution

- UNFFC's Board of Directors is responsible for the control and management of all assets of UNFFC.

- UNFFC is a separately incorporated 501 (c) (3) nonprofit organization “organized and operated exclusively to receive, hold, invest and administer property and to make expenditures to or for the exclusive benefit of [the University,] a state university in Florida; to issue revenue bonds or other forms of indebtedness when such revenue bonds or other forms of indebtedness are used to finance or refinance capital projects which are to provide facilities necessary and desirable to serve the needs and purposes of the University; to acquire real and personal property and to contract for sale and disposal of same; and to approve and execute contracts for the purchase, sale, lease or acquisition of commodities, goods, equipment, construction services, lease of real and personal property and construction.
- UNFFC, through its Board of Directors, is responsible for the performance and oversight of all aspects of its operations based on a comprehensive set of bylaws as well as those state laws and University regulations that address the operation of direct support organizations.

Institution’s Relationship to UNFFC

- University President is responsible for communicating the University’s priorities and long-term goals, as approved by the Board of Trustees, to UNFFC.
- Board of Trustees will have a representative on the Board of Directors of UNFFC’s Board.
- The Vice President for Administration and Finance of the University shall serve as UNFFC’s Executive Director.
- University shall establish and enforce policies that support the UNFFC’s ability to operate in accordance with state and federal laws and regulations.

UNFFC Responsibilities

Asset Management

- UNFFC will develop and adhere to annual budgets to fund its operations and meet its expenses.
- UNFFC will receive, hold, manage, invest, and disburse funds earned through UNFFC and any other securities, patents, copyrights, and other forms of property held by the corporation.
- UNFFC will engage an independent accounting firm annually to conduct an audit of UNFFC’s financial and operational records and will provide the Board of Trustees a copy of the annual audited financial statements, including management letters.

Transfer of Funds

- UNFFC is the primary custodian of funds earned and/or proceeds from revenue bond financing or other investments and as such will transfer funds to the designated entity within the University in compliance with applicable laws, university policies and applicable agreements.
- UNFFC’s disbursements on behalf of the University must be for reasonable business expenses that support in the institution, consistent with the UNFFC bylaws, not in conflict with applicable law or regulation.

Terms of the Memorandum of Understanding (MOU)

This Memorandum of Understanding is intended to contribute to the coordination of the parties’ mutual

activities.

To ensure effective achievement of the items of the Agreement, University officers and board members and UNFFC officers and board members, in compliance with applicable law, shall routinely communicate to foster and maintain productive relationships and to ensure an alignment of priorities.

Consistent with provisions appearing in UNFFC's bylaws and its articles of incorporation, should UNFFC cease to exist or cease to be an Internal Revenue Code §501 (c) (3) organization, UNFFC will transfer its assets and property to the Board of Trustees or its successor, to a reincorporated successor direct support organization, or to another direct support organization with a similar purpose, or to the state or federal government for public purposes, in accordance with applicable law.

IN WITNESS WHEREOF, the parties have caused this Memorandum of Understanding to be executed by their duly authorized directors or officers as of the day and date first above written.

THE UNIVERSITY OF NORTH FLORIDA
BOARD OF TRUSTEES

THE UNIVERSITY OF NORTH FLORIDA
FINANCING CORPORATION

R. Bruce Taylor, Chair

Howard Serkin, Chair

Date: _____

Date: _____

John A. Delaney, President
The University of North Florida

Date: _____