

Advancement | UCF Foundation, Inc.

Financial Risk Management Policy

Policy# 7.15

Effective Date: 06/04/2020

Responsible Department: Accounting

1. **PURPOSE**

It is the responsibility of the UCF Foundation Board of Directors (Board) to formulate financial policies and review the operations and activities of the University of Central Florida Foundation, Inc. (Foundation) on a periodic basis. The Board delegates this oversight responsibility as outlined in the Finance Committee Charter to the Finance Committee, of which the Treasurer is the Chair.

2. **APPLICABILITY**

This policy is applicable to all Foundation employees that administer or oversee funds.

3. **POLICY**

The Associate Vice President and Chief Financial Officer (CFO) acts as the primary fiscal agent, with responsibility for implementing all financial management policies and procedures on a day to day basis.

The financial management objectives of the Foundation are to:

- Preserve and protect financial assets.
- Exercise appropriate care in the handling of incoming funds and disbursement of outgoing funds.
- Strive for transparency and accountability in fiscal operations.

The UCF Finance Committee (Finance Committee) is charged by the Board with specific responsibilities outlined in the Finance Committee Charter including reviewing the financial statements.

In addition, it is the policy of the Foundation to engage the services of a reputable, independent CPA firm to conduct an annual audit of the Foundation's financial statements. The UCF Foundation Audit Committee (Audit Committee) is charged by the Board with specific responsibilities as outlined by the Audit Committee Charter including selecting the audit firm. The audit is required to be completed within four (4) months of the end of each fiscal year.

Budgeting

The CFO shall be responsible for developing and presenting to the Finance Committee a proposed budget for the upcoming fiscal year. The Finance Committee shall review and present the budget to the board for approval. Budget reports including a comparison of budget to actual for revenue and expenses will be reviewed throughout the year.

In addition, the CFO shall be responsible for monitoring the unrestricted financial reserves of the Foundation and after the end of the fiscal year audit, for reporting and reviewing the year end reserve analysis to the Chief Executive Officer (CEO).

Investment Policy

The UCF Foundation Investment Committee (Investment Committee) is charged by the Board with oversight of the Foundation's investment program and periodically reports to the Board performance information. In addition, the Investment Committee is responsible for hiring an investment consultant. The Foundation's specific investment program including the allocation of types of investments is outlined in the Investment Policy.

Insurance

To help safeguard the assets and resources of the Foundation, the Foundation will purchase insurance to protect the financial health of the organization. It is the CFO's responsibility to oversee the organization's insurance program and provide an annual insurance report to the Finance Committee of the Board.

The Foundation insurance program includes but is not limited to:

- Property
- General Liability
- Umbrella
- Director and Officers
- Crime
- Environmental
- Cyber

The Foundation's agent or broker is expected to coordinate the purchase of adequate insurance coverage at an acceptable price. Additional services can include: (i) claims management assistance in reporting and handling claims and acting as the Foundation's advocate; (ii) premium and loss reports on a periodic basis; contract review for insurance implications as needed; (iii) loss-control and prevention activities; risk management services; (iv) educational resources, for example, provide training sessions for employees, volunteers and the Board; (v) account reports and updates throughout the year; (vi) annual report. The CFO will evaluate the performance of all insurance advisors (agents or consultants) on an annual basis and seek competitive bids for these services as agreed upon with the Finance Committee.

Facilities

As a facility owner, the Foundation is committed to providing outside users of its premises with a safe environment. This commitment includes, but is not limited to, meeting building code requirements and making timely repairs. The Foundation has hired a property management company to facilitate and administer the property management program.

The property management company is charged with maintaining the properties owned by the Foundation including ensuring adequate repair of equipment, compliance with building codes and safety regulations of all jurisdictions applicable to the facilities; service support related to maintenance requests, and emergency planning and preparation related to the facility. Emergency planning includes training, identification of certain responsibilities to ensure smooth operations, documentation of the Emergency Guide which is readily available and reviewed annually. The Emergency Guide will be on file in the Accounting Office.

4. CLARIFICATION

Requests for clarification of this policy should be sent to the Associate Vice President and Chief Financial Officer.

Certified as approved by the Executive Committee of the Foundation Board of Directors on

June 4, 2020 .

Michael Morsberger Signed: Tuesday, June 23, 2020

Name: Michael J. Morsberger

Title: Vice President for Advancement and Chief Executive Officer

Revision history: 11/04/2013

Adoption Date: 10/30/2013

History: 756