



Item: AF: A-2

Tuesday, May 17, 2016

SUBJECT: APPROVAL OF THE 2016-17 FLORIDA ATLANTIC UNIVERSITY RESEARCH CORPORATION OPERATING BUDGET.

PROPOSED BOARD ACTION

Approval of the 2016-17 Florida Atlantic University Research Corporation's (FAURC) Operating Budget; and, authorize the University President to amend this budget as appropriate during the fiscal year consistent with the FAURC's directives and guidelines.

BACKGROUND INFORMATION

The FAURC By-laws, amended May 18, 2011, require the preparation of an annual budget. The budget must be prepared annually and be approved by the FAURC Board of Directors and the University President, a member of the FAURC Board of Directors. The Board of Trustees must approve the Corporation's budget before it can be enacted.

During the April 27, 2016 FAURC Board meeting, this budget was approved.

IMPLEMENTATION PLAN/DATE

July 1, 2016.

FISCAL IMPLICATIONS

N/A.

Supporting Documentation: Proposed 2016-17 FAURC Operating Budget

Presented by: Dorothy Russell, VP for Financial Affairs and CFO

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FAU Research Corporation Proposed Budget 2016/17			
	Restricted	Unrestricted	Total
Revenue:			
Nongovernmental grants and contracts	10,000		10,000
Royalties	75,000	75,000	150,000
Investment Income		7,500	7,500
Total Revenue	85,000	82,500	167,500
Expenses:			
Contractual and program expenses	10,000	82,500	92,500
Royalty expense	75,000		75,000
Total Expenses	85,000	82,500	167,500

Nongovernmental grants and contracts: Certain contracts and grants are administered through the Research Corporation. These are typically small awards for research projects that needed to be awarded to a 501 c (3) organization. Currently there is very little activity, however would need budget authority if some contracts were to come in.

Royalties: money received from companies for royalties on patents. This money is distributed back to the inventor, and the Research Corporation based on the distribution formula. The restricted portion consists of the total royalty payments received and distributed back. Of this total, an estimated \$80,000 remains in the Research Corporation which is then classified as unrestricted revenue. This money is used to cover the operating expenses of the Research Corporation including the annual audit and other operating expenses.

Investment Income: Interest earned during the fiscal year and used to support operational of the Research Corporation and the Research goals of Florida Atlantic University.

Restricted: revenues and expenditures that have specific deliverables or guidelines. This includes the revenues and expenditures for grant and contract awards made through the Research Corporation and the royalty income and distributions.

Unrestricted: revenues and expenditures that do not have specific deliverables or guidelines. This includes the Research Corporation's share of the royalty income (\$80,000) and the Research Corporation's operating expenditures.

FAU Research Corporation 5-year

	Budget 2012/13			Budget 2013/14			Budget 2014/15			Budget 2015/16			Budget 2016/17		
	Restricted	Unrestricted	Total	Restricted	Unrestricted	Total	Restricted	Unrestricted	Total	Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
Revenue:															
Nongovernmental grants and contracts	250,000		250,000	250,000		250,000	250,000		250,000	30,000		30,000	10,000		10,000
Royalties	100,000	50,000	150,000	100,000	50,000	150,000	100,000	70,000	170,000	150,000	50,000	200,000	75,000	75,000	150,000
Investment Income		12,800	12,800		12,800	12,800		12,800	12,800		7,500	7,500		7,500	7,500
Total Revenue	350,000	62,800	412,800	350,000	62,800	412,800	350,000	82,800	432,800	180,000	57,500	237,500	85,000	82,500	167,500
Expenses:															
Contractual and program expenses	250,000	62,800	312,800	250,000	62,800	312,800	250,000	82,800	332,800	30,000	57,500	87,500	10,000	82,500	92,500
Royalty expense	100,000		100,000	100,000		100,000	100,000		100,000	150,000		150,000	75,000		75,000
Total Expenses	350,000	62,800	412,800	350,000	62,800	412,800	350,000	82,800	432,800	180,000	57,500	237,500	85,000	82,500	167,500