



Item: AF: A-1

Tuesday, June 17, 2014

**SUBJECT: APPROVAL OF THE 2014-15 FLORIDA ATLANTIC UNIVERSITY
RESEARCH CORPORATION OPERATING BUDGET.**

PROPOSED BOARD ACTION

Approval to the Board of Trustees of the 2014-15 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 May 13, 2014 FAURC Board meeting, this budget was approved.

IMPLEMENTATION PLAN/DATE

July 1, 2014.

FISCAL IMPLICATIONS

N/A.

Supporting Documentation: Proposed 2014-15 FAURC Operating Budget.

Presented by: Dorothy Russell, V.P. for Financial Affairs and CFO

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FAU Research Corporation Budgets FY 15, 14, 13, 12

FAU Research Corporation Budget 2014/15			
	Restricted	Unrestricted	Total
Revenue:			
Nongovernmental grants and contracts	250,000.00		250,000.00
Royalties	100,000.00	70,000.00	170,000.00
Investment Income		12,800.00	12,800.00
Total Revenue	350,000.00	82,800.00	432,800.00
Expenses:			
Contractual and program expenses	250,000.00	82,800.00	332,800.00
Royalty expense	100,000.00		100,000.00
Total Expenses	\$ 350,000.00	\$ 82,800.00	\$ 432,800.00

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 are two contracts in the FAURC totaling approximately \$35,000.

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 \$40,000 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 operations 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 (\$40,000) and the Research Corporation's operating expenditures.

FAU Research Corporation Budget 2012/13			
	Restricted	Unrestricted	Total
Revenue:			
Nongovernmental grants and contracts	250,000		250,000
Royalties	100,000	50,000	150,000
Investment Income		12,800	12,800
Total Revenue	350,000	62,800	412,800
Expenses:			
Contractual and program expenses	250,000	62,800	312,800
Royalty expense	100,000		100,000
Total Expenses	350,000	62,800	412,800

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 are two contracts in the FAURC totaling approximately \$136,000.

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 \$50,000 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 (\$50,000) and the Research Corporation's operating expenditures.

FAU Research Corporation Budget 2013/14			
	Restricted	Unrestricted	Total
Revenue:			
Nongovernmental grants and contracts	250,000		250,000
Royalties	100,000	50,000	150,000
Investment Income		12,800	12,800
Total Revenue	350,000	62,800	412,800
Expenses:			
Contractual and program expenses	250,000	62,800	312,800
Royalty expense	100,000		100,000
Total Expenses	350,000	62,800	412,800

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 are two contracts in the FAURC totaling approximately \$71,000.

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 \$50,000 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.

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Unrestricted: revenues and expenditures that do not have specific deliverables or guidelines. This includes the Research Corporation's share of the royalty income (\$50,000) and the Research Corporation's operating expenditures.

FAU Research Corporation Budget 2014/15			
	Restricted	Unrestricted	Total
Revenue:			
Nongovernmental grants and contracts	250,000		250,000
Royalties	100,000	70,000	170,000
Investment Income		12,800	12,800
Total Revenue	350,000	82,800	432,800
Expenses:			
Contractual and program expenses	250,000	82,800	332,800
Royalty expense	100,000		100,000
Total Expenses	350,000	82,800	432,800

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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 \$40,000 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 operations 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 (\$40,000) and the Research Corporation's operating expenditures.