

STATEMENT OF POLICY OBJECTIVES – SPECIALTY LICENSE PLATES FUNDS

HARBOR BRANCH OCEANOGRAPHIC INSTITUTE FOUNDATION, INC.

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I. INTRODUCTION

The purpose of this Statement of Policy Objectives is to ensure proper oversight, monitoring, and compliance of the Specialty License Plate program of the Harbor Branch Oceanographic Institute Foundation (HBOIF) in accordance with Florida legislative requirements and best practices for management and use of said funds. This Statement of Policy Objectives is also to establish a clear understanding between the Foundation and any designated sub recipient or contractor as to Specialty License Plate intent and objectives.

This Statement of Policy Objectives will establish the process of funds collection, maintenance, and distribution as well as monitoring and audit process.

II. PURPOSE

Under Florida statute, the purpose of the specialty license plate program is to raise funds for a particular cause. Sales of Florida specialty license plates support innovative initiatives, services, and research on issues of importance to the people of Florida. Each specialty license plate requires an annual use fee which is a volunteer purchase.

The specialty license plates administered by the Foundation are:

- Save Our Seas
- Protect Wild Dolphins
- Protect Florida Whales, and
- Aquaculture

FAU Harbor Branch is currently the research sub-recipient from the Foundation. The Foundation also steward a state-allowed marketing budget and oversee marketing responsibilities for the plates.

III. LEGISLATIVE LANGUAGE

Per Title XXIII, MOTOR VEHICLES; Chapter 320, MOTOR VEHICLE LICENSES; 320.08058 Specialty license plates (2016), the following legislative language governs the use of funds received by an organization for the designated plates for the following purposes. Please note, the “Harbor Branch Oceanographic Institution, Inc.” referred to in the legislative language is now known as the “Harbor Branch Oceanographic Institute Foundation, Inc.” via a name change dating August 30, 2010:

(19) PROTECT WILD DOLPHINS LICENSE PLATES.—

(a) The department shall develop a Protect Wild Dolphins license plate as provided in this section. The word “Florida” must appear at the top of the plate, and the words “Protect Wild Dolphins” may appear at the bottom of the plate.

(b) The annual use fees shall be distributed to the Harbor Branch Oceanographic Institution, Inc., to fund wild dolphins related research. The Harbor Branch Oceanographic Institution, Inc., shall distribute available resources for research of the wild Florida Bottlenose Dolphin. Up to 15 percent of the funds received by Harbor Branch Oceanographic Institution, Inc., may be expended for administrative costs directly associated with the operations of the institution. Up to 10 percent of the funds distributed may be used by Harbor Branch Oceanographic Institution, Inc., for continuing promotion and marketing of the license plate. The remainder of the funds must be used to collect, analyze, and archive scientific data regarding the wild dolphin population in Florida waters; provide care and assistance to stranded wild dolphins; distribute information to the scientific community, federal, state, and local government agencies, educational institutions, and the public for the purpose of protecting and preserving wild dolphins; individually identify wild dolphins through a photographic identification program; and advance the research technology associated with tracking and categorizing wild dolphins.

(c) The Auditor General may examine any records of the Harbor Branch Oceanographic Institution, Inc., and any other organization that receives funds from the sale of this plate, to determine compliance with law.

(34) PROTECT FLORIDA WHALES LICENSE PLATES.—

(a) The department shall develop a Protect Florida Whales license plate as provided in this section. The word “Florida” shall appear at the top of the plate, and the words “Protect Florida Whales” shall appear at the bottom of the plate.

(b) The annual use fees shall be distributed to the Harbor Branch Oceanographic Institution, Inc., to fund whale research, rehabilitation, and education programs. Up to 15 percent of the funds received by the institution may be used for administrative costs directly associated with the Harbor Branch Oceanographic Institution’s Marine Mammal Research and Conservation program and this specialty license plate funding. Up to 10 percent of the funds may be used for continuing promotion and marketing of the license plate. Ten percent of the funds shall be distributed to the Wyland Foundation, Inc., and used specifically to conduct educational programs in this state which promote conservation of Florida marine mammals. The remainder of the funds shall be used to collect, analyze, and archive scientific data regarding whale populations that inhabit, utilize, or migrate in state waters; provide care and assistance to stranded whales; construct and maintain a Harbor-Branch-based teaching marine mammal hospital; train veterinary students in the rescue, medical and rehabilitation treatment, and release and postrelease monitoring of stranded whales; distribute information for the purpose of protecting and preserving whales; identify whale populations; conduct scientific research through genetic, telemetry, bioacoustical, and photographic identification research programs; advance the research technology associated with tracking, monitoring, and categorizing whales; develop methods of monitoring whale movements; and provide for methods of early-warning detection systems and advance notification that will help prevent accidental boat strikes in state waters.

(44) SAVE OUR SEAS LICENSE PLATES.—

(a) The department shall develop a Save Our Seas license plate as provided in this section. Save Our Seas license plates must bear the colors and design approved by the department. The word “Florida” must appear at the top of the plate, and the words “Save Our Seas” must appear at the bottom of the plate.

(b) The annual use fees shall be distributed to the Harbor Branch Oceanographic Institution, Inc. After reimbursement for documented costs expended for establishing the license plate, the Harbor Branch Oceanographic Institution, Inc., shall use the remaining funds for aqua as follows:

1. Ten percent of the funds shall be distributed to the Guy Harvey Research Institute of the Nova Southeastern University Oceanographic Center to conduct fisheries and shark research in the state.
2. Up to 15 percent of the funds may be used for administrative costs directly associated with the Harbor Branch Oceanographic Institution’s marine science and marine education programs and administrative costs associated with the Save Our Seas license plate.
3. Up to 10 percent of the funds may be used for continuing promotion and marketing of the license plate.
4. The remaining funds shall be used to conduct scientific research and education on marine plants and animals and coastal oceanography in state marine waters; to collect and analyze long-term data sets on the state’s critical marine habitats; to determine changes in populations and communities of marine organisms and their impacts on the use of the state’s marine resources; to maintain reference collections of scientific specimens and photographic archives of the state’s marine plants and animals; and to conduct scientific conferences of relevance to the state’s marine resources and their management, utilization, and conservation.

(45) AQUACULTURE LICENSE PLATES.—

(a) The department shall develop an Aquaculture license plate as provided in this section. Aquaculture license plates must bear the colors and design approved by the department. The word “Florida” must appear at the top of the plate, and the word “Aquaculture” must appear at the bottom of the plate.

(b) The annual use fees shall be distributed to the Harbor Branch Oceanographic Institution, Inc. After reimbursement for documented costs expended for establishing the license plate, the Harbor Branch Oceanographic Institution, Inc., shall use the remaining funds for aquaculture research and education programs as follows:

1. Ten percent of the funds shall be distributed to the Guy Harvey Research Institute of the Nova Southeastern University Oceanographic Center to conduct outreach and education regarding aquaculture in the state.
2. Up to 15 percent of the funds may be used for administrative costs directly associated with the Harbor Branch Oceanographic Institution’s aquaculture programs and administrative costs associated with the Aquaculture license plate.
3. Up to 10 percent of the funds may be used for continuing promotion and marketing of the license plate.
4. The remaining funds shall be used to conduct scientific research on environmentally responsible and sustainable methods of farming freshwater and saltwater organisms such as fish, shellfish, and crustaceans for food; biomedical species for pharmaceutical and nutraceutical compounds; and marine ornamentals for the aquarium trade. These funds shall also be used to expand the institution’s educational programs that include secondary school field experiences, college degree programs, and intensive courses in order to further the objective of increasing aquaculture’s contribution to the state’s economy.

IV. INVESTMENT POLICY

The funds received by the State for each Specialty License Plate type will be deposited into segregated investment accounts to be managed independently. Any interest earned on the funds in each of the segregated Specialty License Plate type accounts shall be earned by plate and added to each plate fund accordingly.

The investment objective of the funds will be complete preservation of capital with no risk to principal. While the assets are to be invested for the long term, full liquidity is to be expected. The time horizon for these funds is perpetual.

The Finance Committee has determined cash and/or cash equivalent strategies to be acceptable vehicles for the funds.

Investment of the assets will be primarily through mutual funds vehicles understanding that the fund advisors will have full discretion over the management of the funds with regard to guidelines and restrictions. However, the funds selected will generally comply with the investment guidelines stated in this Investment Policy.

The investment performance will be expected to exceed an appropriate index reflecting the duration of the portfolio such as 3 Month Treasury Bills. Results will be monitored quarterly to insure compliance with guidelines.

Additional information may be found in the Harbor Branch Oceanographic Foundation's Statement of Policy and Investment Objectives.

V. FUNDS MAINTENANCE AND DISTRIBUTION

Said funds are approved for use to achieve the plate objectives per legislative language. At the time of any Request for Proposals (RFP), a determination of actual funds available in each plate account minus previously committed awards shall be stated as available for funding.

Distribution of awarded funds will be made on a quarterly basis as invoiced by FAU Harbor Branch. The distributions will represent a reimbursement of funds expended by FAU Harbor Branch. The invoices should reflect, at a minimum, the FAU Tag No., Grant Title, PI Name, and amount requested. Documentation should be included with the invoice to support the dollar amount requested.

VI. AWARDING OF FUNDS

The Memorandum of Understanding between the Florida Atlantic University Board of Trustees and the Harbor Branch Oceanographic Institute Foundation, Inc., dated June

22, 2012 in follow up to the Memorandum of Understanding dated August 14, 2009 with Florida Atlantic University Foundation (FAUF), outlines a general process for SLP proposal review and funding decisions. As a result, certain steps have been put into place over the past few years to award and ensure the most effective use of SLP funds under State statute per plate and assist HBOIF's efforts to monitor SLP funding.

As of May 5, 2015 these are the steps:

1. Project proposals are accepted via an established Request for Proposals (RFP) process. Calls for all projects under all four plates are made on an annual basis by the Associate Director for Research at HBOI. A proposal template is used and a specific deadline is stated.
2. Proposals are reviewed by appropriately selected internal and external reviewers based on an established template. Reviews are made anonymously.
3. Proposals are rated by the reviewers and ratings are combined and averaged.
4. A score sheet is produced for review by an SLP Review Committee. In addition, an overview of active SLP funded projects is reviewed as progress on these projects may impact funding decisions in a given round.
5. The SLP Review Committee is comprised of the HBOI Executive Director and Associate Director for Research, and the HBOIF President & CEO and Director of Operations.
6. The purpose of the SLP Review Committee is to review the proposals, reviewer comments and rankings, and any additional information that might impact on the ability of a project to be successful in the proposed timeframe.
7. The SLP Review Committee will make recommendations of project fundability based on applicability to HBOI goals and objectives under its strategic plan, scientific merit, the anticipated ability to be accountable, review of past and currently funded projects and any impact on a new project, availability of anticipated funds for each specialty license plate at the time, and a match to the requested specialty license plate fund.
8. The final decision for funding rests with the HBOI Executive Director. Funding letters are issued by HBOIF.

VII. MONITORING

The Memorandum of Understanding between the Florida Atlantic University Board of Trustees and the Harbor Branch Oceanographic Institute Foundation, Inc., dated June 22, 2012 outlines the sub-recipient monitoring procedure carried out by the HBOIF

quarterly. The monitoring process includes a review of all general expenses and payroll transactions associated with the SLP awards.

At the end of each quarter, the Director of Operations requests a report from the FAU Harbor Branch Director of Business Services. This report provides the HBOIF with all the transactions associated with the SLP awards during that quarter. A random sampling is completed in two parts: general expenses and payroll transactions.

The sampling of general expenses is determined by dollar amount and new or unusual vendors. The transactions chosen for testing are forwarded to the FAU Harbor Branch Director of Business Services for supporting documentation, i.e., purchase order, requisition or check request, invoice, payment history, and approvals. Once all of the requested documentation is returned, the information is verified and if found to be in compliance, is signed off by the Director of Operations and the President & CEO and retained in the HBOIF's files.

The testing of payroll transactions is determined by a review of all the employee payroll transactions compared to the employee/supervisor list also provided by FAU Harbor Branch. Any payroll transaction for an employee that does not normally work for a PI to which the SLP award was made is verified in writing with the PI for that award. All payroll transactions that have been verified and found to be in compliance are signed off by the Director of Operations and President & CEO and retained in the HBOIF's files.

VIII. SINGLE AUDIT REQUIREMENT

As a recipient of state funds and as required by the Florida Single Audit Act, the HBOIF is required to have an annual audit conducted by an external audit firm. Conducted at the same time as the annual financial statement audit, the Florida Single Audit requires that the audit is performed to obtain reasonable assurance with regard to compliance of applicable laws and regulations and the provisions of contracts and agreements applicable to major programs or projects.

The audited financial statements are submitted annually to the State of Florida Auditor General both electronically and by mail along with the Financial Reporting Package Submittal Checklist.