

AGREEMENT BETWEEN THE COMMISSION FOR PUBLIC HIGHER EDUCATION AND THE FLORIDA BOARD OF GOVERNORS FOUNDATION

This Agreement is between the Florida Board of Governors Foundation, Inc. (Foundation), a Florida Not for Profit Corporation, and the Commission for Public Higher Education, Inc. (CPHE), a Florida Not for Profit Corporation. The purpose of this Agreement is to formalize the schedule by which the Foundation will provide funds to CPHE to operationalize CPHE.

WHEREAS, during the FY2024-2025, the Florida Legislature allocated a total of Four Million Dollars (\$4,000,000 or \$4M) in funds to support start-up activities to operationalize a new accrediting agency. These funds are held by the Foundation.

WHEREAS, CPHE was formed for charitable and educational purposes to advance the quality and improvement of higher education and to serve as an accrediting agency for state public colleges and universities in the United States.

WHEREAS, CPHE has a sole corporate member, namely the Board of Governors of the State University System of Florida (BOG-SUSF) and will be governed by a Board of Directors in accordance with its Articles of Incorporation and Bylaws.

WHEREAS, this agreement documents that, at the beginning of each quarter in FY 2025-26, the BOG Foundation will release to CPHE a sum equal to expenses forecasted for the quarter ahead, in support of operational benchmarks, activities, and projected expenditures.

NOW, THEREFORE, the parties agree as follows:

Article I: Purpose And Scope

1.1 Purpose

This Agreement sets forth the terms and conditions under which the Foundation will disburse funds to CPHE to support initial start-up operations during FY2025-2026 in accordance with the schedule attached as Exhibit A.

1.2 Maximum Funds

The maximum funds available to CPHE under this Agreement is up to Four Million Dollars (\$4,000,000) (the “Grant Funds”). The Foundation shall disburse funds quarterly pursuant to an annual schedule submitted by CPHE at the beginning of each fiscal year, until the \$4,000,000 maximum is disbursed or CPHE no longer needs funds to support its operations, whichever is sooner.

1.3 Disbursement of Funds: FY2025-2026 and Subsequent Fiscal Years

CPHE agrees to submit a disbursement schedule at least thirty (30) days in advance of each fiscal year in which it seeks funds substantially in the form of the disbursement schedule for the FY2025-2026, attached hereto and incorporated herein as Exhibit A. The Foundation agrees to disburse funds to CPHE in accordance with the disbursement schedule at the beginning of each quarter. Nothing herein prevents the parties from mutually agreeing to modify the disbursement

during the term of a fiscal year. No later than January 1, 2026, CPHE shall submit the proposed disbursement schedule for FY2026-2027 in substantially the same form as Exhibit A for FY2025-2026.

Article II: Conditions

2.1 Uses of Funds

Funds shall be used exclusively for the expense categories and amounts detailed in the disbursement schedule, which for FY2025-2026 is set forth as Exhibit A. CPHE shall **not** use funds for:

- Any purposes other than those set forth in the disbursement schedule;
- Personal expenses of CPHE directors, officers, or employees unrelated to CPHE business;
- Political activities or lobbying;
- Entertainment or social functions not directly related to CPHE's purpose; and
- Any activity that conflicts with CPHE's status as a non-profit corporation under the laws of the State of Florida and tax-exempt entity under Section 501(c)(3) of the Internal Revenue Code.

Notwithstanding the foregoing, CHPE may reallocate funds among expense categories in any particular quarter as set forth in the disbursement schedule without prior written approval from the Foundation; provided, however, the total disbursement for any such quarter remains unchanged and such reallocations are consistent with the CPHE's purposes and this Agreement.

2.2 Excess Expenditures

Any expenditures that exceed the approved quarterly amount set forth in the disbursement schedule must be funded entirely from CPHE's other sources. CPHE acknowledges that it is solely responsible for securing alternative funding for any costs beyond the funds set forth in the disbursement schedule.

2.3 Unexpended Funds at the End of Each Quarter

In the event CPHE spends less than disbursed pursuant to the disbursement schedule for a particular quarter and thereby holds unexpended funds, such funds can be carried forward into the subsequent quarter(s) until the end of CPHE's fiscal year. If unexpended funds exist at the end of that particular Fiscal Year, such funds shall be accounted for and constitute an offset from the funds set forth in disbursement schedule for the immediate following Fiscal Year.

Article III: Financial Controls and Compliance Monitoring

3.1 Financial Management Standards

CPHE shall maintain financial records in accordance with Generally Accepted Accounting Principles (GAAP) and make any such records available to the Foundation or its designated auditors.

3.2 Segregation of Funds

Funds disbursed to the Foundation in accordance with this Agreement shall be maintained in separate bank accounts and shall not be commingled with other CPHE funds or resources.

3.3 Documentation Requirements

All expenditures must be supported by appropriate documentation, including but not limited to invoices, receipts, contracts, payroll records, time and attendance records, paid checks, and other evidence of legitimate business expenses.

3.4 Audit

The Foundation reserves the right to audit CPHE's use of funds disbursed pursuant to this Agreement at any time during the term of this Agreement period and for a period of three (3) years after the termination of this Agreement.

3.5 Compliance Monitoring

If the Foundation determines that CPHE is not in compliance with this Agreement, the Foundation may require certain corrective action(s) within a designated timeframe to come into compliance before disbursing any additional funds.

Article IV: Default and Remedies

4.1 Events of Default

The following constitutes events of default:

- Use of funds for unauthorized purposes;
- Material breach of any term or condition of this Agreement; or
- Misrepresentation or fraud in reporting

4.2 Remedies

Upon default, the Foundation may:

- Terminate this Agreement;
- Suspend or withhold funds;
- Demand immediate repayment of misspent funds;
- Exercise any rights as the sole corporate member; or
- Pursue any other available legal remedies for breach of contract.

Article V: General

5.1 Entire Agreement

This Agreement, including all recitals, schedules and attachments, constitutes the entire agreement between the parties and supersedes all prior negotiations, representations, or agreements.

5.2 Amendment

This Agreement may be amended only by written instrument executed by both parties.

5.3 Governing Law

This Agreement shall be governed by the laws of the State of Florida.

5.4 Severability

If any provision of this Agreement is held invalid or unenforceable, the remainder shall continue in full force and effect.

5.5 Termination

Either party may terminate this Agreement upon sixty (60) days written notice, subject to the repayment by CHPE to Foundation of any unused funds.

5.6 Implementation

Upon execution of this Agreement, absent the any cause under Article IV of this Agreement, payment will be issued each quarter from the Foundation to CPHE, pursuant to the disbursement schedule as set forth in Exhibit A for FY2025-2026 and as submitted subsequent fiscal years. By the 20th day of the month following the end of each quarter, CPHE must submit a report from that quarter with supporting documentation for the expenditure of funds and proof of the operational benchmarks from each prior quarter.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date of the last signature.

FLORIDA BOARD OF GOVERNORS FOUNDATION, INC.

By: _____

Name: [Name]

Title: Board Chair

Date: _____

COMMISSION FOR PUBLIC HIGHER EDUCATION, INC.

By: _____

Name: [Name]

Title:

Date: _____

Exhibit A

FY2025-26 Disbursement Schedule

Quarterly sums for FY2025-26 requested by BOG Foundation in support of Y1 expenses for CPHE, with associated operational benchmarks:

Q1 (July 1, 2025 – September 30, 2025)

Operational Benchmarks:

1. Articles of incorporation filed
2. Website and email addresses functional
3. Meeting of Board of Directors
4. 501(c)(3) Application
5. Development of standards, policies and procedures

Foundation Disbursement supporting Q1 table on September 11, 2025, totaling \$109,861.83

Q1. Table

Category	Projected Expenditure
Filing Incorporation Documents	\$ 87.50
Managed Information Technology Services	\$ 4,000
Office Supplies	\$ 750
Insurance	\$ 6,000
Directors' Insurance	\$ 1,000
Professional Services (Legal, Accounting, etc.)	\$ 31,250
Website Domain Purchase,	\$ 42,124.33
Website management, Email Addresses, and Branding	\$ 900
Fundraising and Marketing (excluding food/beverage)	\$ 10,000
Conferences and Meetings	\$ 7,500
Miscellaneous	\$ 6,250
Q1 TOTAL PROJECTED EXPENDITURES AND DISBURSEMENT	\$ 109,861.83

Q2 (October 1, 2025 – December 31, 2025)

Benchmarks/deliverables by conclusion of Q2:

1. Meeting of Board of Directors
2. Convening of stakeholders regarding standards and procedures
3. Training of evaluators
4. Approval of initial standards, policies and procedures
5. Accrediting activity initiated for first cohort of six to eight institutions

Foundation Disbursement supporting Q2 table on October 1, 2025, totaling \$329,750.

CPHE submits supporting documentation as referenced in 3.3 & 5.6 for Q1 by October 20, 2025.

Q2. Table

Category	Projected Expenditure
Managed Information Technology Services	\$ 4,000
Office Supplies	\$ 750
Evaluation of 8 Applications for Institutional Membership and Accreditation	\$ 80,000
Accreditation Consultants (Standards, Procedures and Policy Development)	\$ 200,000
Professional Services (Legal, Accounting, etc.)	\$ 31,250
Conferences and Meetings	\$ 7,500
Miscellaneous	\$ 6,250
Q2 TOTAL PROJECTED EXPENDITURES AND DISBURSEMENT	\$ 329,750

Q3 (January 1, 2026 – March 31, 2026)

Benchmarks/deliverables by conclusion of Q3:

1. Meeting of Board of Directors
2. Continuation of process and activities with first institutional cohort

Foundation Disbursement supporting Q3 table on January 1, 2026, totaling \$42,250.

CPHE submits supporting documentation as referenced in 3.3 & 5.6, for Q2 by January 20, 2026.

Q3. Table

Category	Projected Expenditure
Managed Information Technology Services	\$ 4,000
Office Supplies	\$ 750
Professional Services (Legal, Accounting, etc.)	\$ 31,250
Miscellaneous	\$ 6,250
<i>Q3 TOTAL PROJECTED EXPENDITURES AND DISBURSEMENT</i>	<i>\$ 42,250</i>

Q4 (April 1, 2026 – June 30, 2026)

Benchmarks/deliverables by conclusion of Q4:

1. Meeting of Board of Directors
2. Completion of process and activities with the first institutional cohort.

Foundation Disbursement supporting Q4 table on April 1, 2026, totaling \$55,250

CPHE submits supporting documentation as referenced in 3.3 & 5.6, for Q3 by April 20, 2026.

Q4. Table

Category	Projected Expenditure
Managed Information Technology Services	\$ 4,000
Office Supplies	\$ 750
Professional Services (Legal, Accounting, etc.)	\$ 31,250
In-person meeting of Board of Directors	\$ 13,000
Miscellaneous	\$ 6,250
<i>Q4 TOTAL PROJECTED EXPENDITURES AND DISBURSEMENT</i>	<i>\$ 55,250</i>