FLORIDA STATE UNIVERSITY

BOARD OF TRUSTEES

Finance and Business Committee

ACTION ITEM (insert number)

October 30, 2025

SUBJECT: Internal Bank Loan in Support of the Athletics Baseball Program

---

PROPOSED COMMITTEE ACTION

1. Approve the University to provide the Athletics Department with an Internal Bank loan up to $2M.

AUTHORITY FOR BOARD OF TRUSTEES ACTION

Florida Statutes – Section 1011.42(5) and Section 218.415
Board of Governors – Regulation 9.013 Auxiliary Operations
University Policy – 4-OP-D-2-H Investments

BACKGROUND INFORMATION

Board of Governors Regulation 9.013 provides BOT the authority to consider using unreserved cash from a non-athletic auxiliary for Athletics, with BOG approval. The BOG will consider requests on a case-by-case basis, taking into consideration the unique facts and circumstances surrounding each situation.

The University's Investment policy is designed to ensure the prudent management of public funds, the availability of operating and capital funds when needed, and to offer an internal funding mechanism as an alternative to external financing, such as accessing capital markets through the issuance of revenue bonds. The University Internal Bank may only invest funds from auxiliary operations, as described in and regulated by Florida Board of Governors Regulations 9.007 and 9.013 and in their Glossary of Budget and Finance Terms. These funds would also include Designated operations, as defined by University Policy 4-OP-D-1, with the exception of certain student fees. Auxiliary enterprise reserves restricted by bond covenants, for which such auxiliary enterprise has currently outstanding bonds, may not be invested in the Internal Bank.

In accordance with BOG regulation, the University shall provide the BOT with the following information.

a. The specific non-athletic auxiliary the funds are coming from, the amount of the proposed transfer, and the amount of reserves available;

   Loan funds will come from miscellaneous administrative auxiliary/designated activity reserves. These funds are generated from various sources, including purchasing card rebates and interest earnings. It is proposed that $2 million will be transferred to Athletics from these funds.

b. Justification that the use of unreserved cash from the non-athletic auxiliary will benefit the broader student body or campus community;

   The existing Baseball stadium videoboard is in constant need of repairs, and the parts are becoming harder to find. Replacing the current Baseball stadium videoboard and sound system will reduce the Department's maintenance costs and enhance the gameday experience, increasing fan/student attendance and engagement during events.

c. If the supporting non-athletic auxiliary has outstanding debt, verification that the funds to be used are unreserved cash balances and that sufficient current revenues exist to cover all expenditures, including, but not limited to, debt service payments and required reserves;

   The supporting non-athletic auxiliaries being considered for this Internal Bank loan do not have outstanding debt.

d. Assurance by the university, with concurrence of the Division of Bond Finance, that such transfer does not violate any bond covenants;

   Not applicable as there are no outstanding bonds secured by the proposed loan funds.

e. In the event the non-athletic auxiliary revenues to be transferred include student fees or payments, documentation that a disclosure has been made to students that non-athletic auxiliary revenues which include student fees or payments will be transferred to athletics.

   The non-athletic auxiliary revenues to be transferred do not include student fees or payments.

Submitted by: Kyle Clark, Sr Vice President for Finance and Administration