9.013 Auxiliary Operations

(1) Auxiliary services are integral activities of a university that furnish to its faculty, staff, and students goods and/or services that are necessary or desirable but not readily available elsewhere in terms of costs, quality, quantity, timeliness, convenience, or other similar considerations. These activities shall support the educational endeavor of the institution and enhance its functioning; therefore, they shall not detract or distract from this basic endeavor in any way, financially or otherwise.

(2) Each auxiliary service is an individual entity and shall be accounted for as such. A service may be operated by the institution or by a private contractor under the institution's supervision. Under either arrangement, all pertinent institutional revenues and costs shall be assigned to each auxiliary and the consequent financial results of operations determined.

(3) There shall be a uniform system of financial reporting within the State University System for auxiliary services. Each university board of trustees~~institution~~ may determine whether its auxiliary services, including intercollegiate athletics programs, will be self-supporting on an individual or collective basis., ~~except for athletics, which shall be a self-supporting entity.~~ A university board of trustees may approve the transfer of unreserved cash from one auxiliary enterprise to support another auxiliary enterprise as long as such transfer does not reduce revenues necessary to cover all expenditures of the auxiliary nor violate any bond covenants or impact debt service payments and required reserves. Transfers made under this paragraph shall be reported to the Board of Governors annually. ~~The use of unreserved cash from a non-athletic auxiliary may be considered for athletics by the university board of trustees and approved by the Board of Governors. The Board of Governors will consider this on a case-by-case basis, taking into consideration the unique facts and circumstances surrounding each situation.~~ The university administration should provide, at a minimum, the following information to the university board of trustees for its consideration, and subsequently to the Board of Governors, so that a transparent and informed decision can be made:

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

(b) justification that the use of unreserved cash from the ~~non-athletic~~ auxiliary will benefit the broader student body or campus community;

(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;

(d) assurance by the university, with confirmation, not to be unreasonably withheld by the Division of Bond Finance, that such transfer does not violate any bond covenants; and

(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~~another auxiliary.

(4) Proposed expenditures from the various auxiliary funds shall be reflected in annual budgets filed with the Board of Governors.

(5) Notwithstanding Section 3 above, beginning with the fiscal year ending June 30, 2025, and going through the fiscal year ending June 30, 2026~~8~~, the use of unreserved cash, not to exceed $22.5 million annually, from a non-athletic auxiliary, may be utilized for athletics by each university board of trustees, as a transfer or a loan. The university should ensure that funds utilized under this provision do not have a material impact on the university's current credit rating or negatively impact any non-athletic auxiliary enterprise. The university administration should provide, at a minimum, the following information to the university board of trustees for its consideration, and subsequently submit the information to the Chancellor within 14 days of the board of trustees' approval, so that a transparent and informed decision can be made:

(a) the specific non-athletic auxiliary being utilized, the amount of the related transfer(s), and the amount of reserves available in each source before and after such transfer;
(b) if any individual non-athletic auxiliary utilized has outstanding debt, verification, with confirmation, not to be unreasonably withheld by the Division of Bond Finance, 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, required reserves, or any other current debt requirements; and
(c) in the event a non-athletic auxiliary to be utilized includes student fees or payments, documentation that a disclosure has been made to students that non-athletic revenues, which include student fees or payments, will be utilized by athletics.

(6) If a university utilizes funds from a non-athletic auxiliary, each university board of trustees, pursuant to their powers and duties stated in Regulation 1.001, shall develop and approve a multi-year athletic budget to ensure the viability of university athletic programs and success of their student athletes.

(7) Beginning January 2026, universities shall annually provide the following information to their university board of trustees and the Chancellor:

(a) an accounting of the funds utilized in section (5), including the amount expended and how the funds were utilized.

(b) If the university provides a loan to athletics under these provisions, the university shall report on the status of any loan repayment.
(c) By June 22, 2026, each university shall provide the Chancellor a two-year plan showing how the university intends to address the elimination of the $22.5 million allowance from non-athletic auxiliary funds in its athletic department by the end of fiscal year 2028.

(8) Revenues for auxiliary services shall not be provided from general revenue supported budget entities except in payment of goods and/or services. Provided, however, auxiliary services may be housed in buildings that are financed by other sources.

(9) Any agreement between an entity and a University, a University Athletic Department, or a University Athletic Direct-Support Organization, by and through which the entity provides up-front capital in exchange for a share of future University Athletic Program revenue or control over University Athletic Program operations may not be executed unless such agreement is approved by the university board of trustees and confirmed by the Board of Governors. This provision does not apply to broadcast agreements, athletic conference agreements, agreements relating to real estate, pouring or apparel rights agreements, facility operation agreements, multi-media rights agreements, concession agreements, licensing arrangements, naming-rights agreements, sponsorship agreements, or advertising and media-rights contracts, provided that such agreements do not include the principal purpose of providing capital in exchange for a share of future University Athletic Program revenue or Control over University Athletic Program operations. This provision shall not apply to the disposition of surplus Athletic Assets.

Authority: Section 7(d), Art. IX, Fla. Const., Section 1011.47 Florida Statutes; History—Formerly BOG Rule 6C-3.14 and 6C-9.13, 3-4-74, 12-17-74, 8-29-77, 9-8-77, 8-11-85, 1-8-86, 4-10-86, 11-20-08, Amended 6-22-2023, 6-18-25, 11-6-25, XX-XX-XX.