



**FLORIDA STATE UNIVERSITY**  
MAGNET RESEARCH & DEVELOPMENT, INC.

# **BUSINESS MANUAL**

**Revised – November 18, 2008**

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**I. ORGANIZATION**

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## REFERENCES

Florida Statutes, Section 1004.28

Magnet Research & Development Corporation Articles  
of Incorporation

Magnet Research & Development Corporation Bylaws

## A. INTRODUCTION

The Florida State University (FSU), with the approval of the Board of Trustees, established the **Florida State University Magnet Research and Development, Inc.** (FSUMRD), a direct-support organization, on January 26, 2007, to design, develop, invent, assemble, construct, test, repair, maintain and fabricate magnets or magnet systems of any type or design.

Incorporated by the State of Florida on March 5, 2007, the not-for-profit organization's purpose is to promote, encourage and assist the research and training activities of faculty, staff, and students of Florida State University.

The FSUMRD's policies and procedures must be followed to maintain the highest integrity and to ensure conformance with the Articles of Incorporation and Bylaws.

### **IRS Status**

On February 16, 2008, the Internal Revenue Service issued a letter of determination declaring the FSUMRD *not-for-profit* as an organization described in section 501(c)(3) of the Internal Revenue Code.

### **Fiscal Year Period**

The FSUMRD's fiscal year is July 1 through June 30.

### **Audit Requirements**

The FSUMRD is required to prepare fiscal-year financial statements annually. These statements, as well as all fiscal aspects, must be audited annually by an independent certified public accounting firm. The audit must be conducted in accordance with generally accepted auditing standards, the Government Accountability Office's *Government Auditing Standards (2003)*, and the State of Florida, Rules of the Auditor General. The audited financial statements, as well as IRS Form 990, Return of Organization Exempt from

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Income Tax, and all other accounting records will be on file in the FSUMRD Business Office located at 1800 East Paul Dirac Drive.

**Investment Earnings**

The FSUMRD will invest all excess funds on deposit less the required daily cash requirement. The FSUMRD's policy will be to retain all investment earnings unless the sponsor specifically requires the return of earnings. Earnings retained by FSUMRD will be used to support the operating costs and training and service activities, as approved by FSUMRD Board of Directors.

**B. TYPES OF INCOME**

The FSUMRD will administer contracts and grants from private sources (i.e. non-U.S. federal, state, and local government) using private funds. Funds derived from contracts and grants will be used in support of research at FSU and in accordance with the policies and procedures of the FSUMRD and the terms of the agreement from the sponsoring agency.

All income received from royalties will be assigned to the FSU Research Foundation to administer and distribute income in accordance with the FSU Research Foundation Policies and Procedures.

**C. IMPORTANT INFORMATION**

FEID Number 13-4356799  
(Federal Employer Identification Number)

Florida Sales Tax Exemption Number [pending](#)

DUNS number [pending](#)

Location/Mailing Address FSU Magnet Research & Development, Inc.  
1800 E. Paul Dirac Drive  
Tallahassee, FL 32306-2740

Campus Mailing Address FSUMRD, Inc.  
Campus Mail Code: 2740

Telephone Number 850/644-8390

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Facsimile Number 850/644-2616

E-Mail Address rea@magnet.fsu.edu

**D. BOARD OF DIRECTORS, OFFICERS and STAFF**

The FSUMRD's Board of Directors is comprised of the FSU President, the Vice President for Research, a representative appointed by the Chairman of the Board of Trustees, and additional individuals appointed by the President of FSU.

The officers of the FSUMRD consist of a President, Vice-President, Secretary and Treasurer. The President of the FSUMRD is selected by the Board of Directors, based upon the recommendation of the FSU President. The Secretary, Vice-President and Treasurer of the FSUMRD are appointed by the FSUMRD President.

Current Board of Director members, Officers and other affiliated personnel can be found at the FSUMRD website:

<http://www.magnet.fsu.edu/magnettechnology/research/magnetprojects/fsumrd.html>

**II. DETERMINING THE APPROPRIATENESS OF A CONTRACT OR GRANT FOR THE  
MAGNET RESEARCH AND DEVELOPMENT, INC.**

**REFERENCES**

Policy for Placement of Funds

<http://www.research.fsu.edu/contractsgrants/placement.html>

Florida State University's policy of placement of funds applies to FSUMRD. For additional information see the Policy for Placement of Funds @ <http://www.research.fsu.edu/contractsgrants/placement.html>.

**III. PROPOSAL PROCESSING**

FSUMRD proposals are initiated by eligible faculty (see policy @ <http://www.research.fsu.edu/contractsgrants/documents/InvestigatorEligibility.pdf>) who will be performing the respective research or education programs. Proposals will be reviewed by the Treasurer and the President of FSUMRD, and if deemed appropriate, presented to the FSUMRD Board of Directors.

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**IV. AWARD PROCESSING**

FSUMRD will coordinate the terms and conditions of the proposal with the sponsor. Upon award, the original copy of the award document will be retained by FSUMRD with a copy provided to the principal investigator.

**V. AUTHORIZED SIGNATURES**

**A. PAYMENT REQUESTS**

Payment requests for budgeted items of \$5,000 or less may be approved by the Principal Investigator (PI) or any member of the Board of Directors. Exceptions are as follows:

1. No payment, regardless of amount, may be approved by the individual to whom the payment is to be made.
2. All travel reimbursement requests must be approved by the PI. In the instance where the traveler is the PI, the reimbursement request must be approved by the FSUMRD Treasurer (or designee).
3. All payments for contracts or consulting services, regardless of the amount, require the approval of the PI and the FSUMRD Treasurer (or designee).

All payment requests exceeding \$5,000 require the approval of any two (2) members of the board of Directors. For items which are considered direct costs of the project, it is preferred that the PI be one of the approvers.

Payment requests exceeding \$10,000 for budgeted items will require the approval of the FSUMRD President (or designee).

Only the FSUMRD President has the authority to commit to expenditures for unbudgeted items, in accordance with the rules established in the FSUMRD Bylaws, Article III, Section 3.

**B. CHECKS**

Checks of \$5,000 or less must be signed by one (1) authorized signer.

All checks exceeding \$5,000 require the signature of any two (2) authorized signers.

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Checks exceeding \$10,000 require two (2) authorized signers, one of which must be the FSUMRD President.

**VI. FLORIDA SALES TAX EXEMPTION - PENDING**

**REFERENCES**      Section 212.08(7), Florida Statutes

State of Florida, Department of Revenue-Consumer's Certificate of Exemption

The FSUMRD has been granted a State of Florida sales and use tax exemption (Consumer Certificate of Exemption). A copy of this certificate can be obtained from FSUMRD Business Office upon request. The certificate number is \_\_\_\_\_; however, in order for a transaction to be exempted from the sales and use tax, the vendor must be paid directly by the FSUMRD. Purchases paid for by an employee are fully taxable, even if the expenses are reimbursed subsequently by the FSUMRD.

**VII. PURCHASING**

All persons engaging in purchasing and purchasing-related activities shall conduct business dealings in a manner that is above reproach in every respect. Expenditures should be customary and reasonable in the conduct of University business. Questionable disbursement requests will be submitted to the FSUMRD President for review and approval.

The authorized requester serves as his/her own purchasing agent on purchases to be paid from funds on deposit with the FSUMRD. He/she is responsible for obtaining quotes

and/or bids while ensuring compliance with open, fair, and competitive procurement practices, selecting purchases and taking delivery of items purchased. The FSUMRD Business Office will review all purchases to assure compliance with applicable procedures and will issue an FSUMRD Purchase Order.

FSU departments that conduct supply/auxiliary functions, e.g., telecommunications, FSU Bookstore, FSU Post Office, etc., will provide services/goods to be paid from an FSUMRD account and will invoice the principal investigator. It should be clearly indicated on the Purchase Order that payment will be made by the FSUMRD. However, the companion salary account in OMNI should never be given as a source of payment.

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**VIII. DISBURSEMENT GUIDELINES**

- All expenditures must be reasonable and in support of research and in compliance with the sponsoring agency's restrictions.
- No expenditure, direct or indirect, may be made for political or charitable contributions, dues to social clubs (i.e. University Club), fines or penalties. Expenditures for food/beverages are allowable within the context of ordinary work-related events which involve guests from an existing or potential sponsoring agency.
- Direct Support Organizations are expected to adhere to specific requirements set by the University Controller for certain types of expenditures. Examples of such expenditures include spouse/family travel, moving expenses, payments to nonresident aliens and gifts. If you need assistance in accessing University procedures related to these items, please call the FSUMRD business manager.

**IX. DISBURSEMENT PROCEDURES**

A formal request for payment of expenses must be submitted to the FSUMRD on the appropriate *FSUMRD Payment Request Form* with original receipts attached.

The *FSUMRD Payment Request Form* must be signed by the requester, however, the signature of Treasurer (or designee) is also acceptable.

**A. SALARIES**

Individuals working on a project administered by the FSUMRD, in an employee capacity, are considered to be FSU employees. These employees are subject to FSU personnel policies and procedures and are paid by FSU and Personnel Action Request forms for employees appointed to FSUMRD accounts will follow the same OMNI routing procedure as all other Personnel Action Forms.

**B. CONTRACTUAL SERVICES**

The FSUMRD may compensate individuals (non-FSU employees ONLY) who are working as independent contractors. Before any commitment is made regarding an agreement, the FSUMRD's Business Office must be consulted for assistance. A contract must be fully executed prior to the rendering of any services.

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### **C. TRAVEL**

The FSUMRD may reimburse travel expenses within the Florida State University's guidelines governed by the Florida Statutes and the Florida Administrative Code. For additional information or how to process travel documents, please refer to the Research Foundation's Travel Policies and Procedures @ <http://www.research.fsu.edu/foundation/documents/2006BusinessManual.doc>.

The traveler must obtain the permission of his/her immediate supervisor prior to the date travel will begin. A Pre-Travel Authorization Form must be completed prior to travel and maintained in the department.

All employee reimbursement requests for travel must be presented for payment within ninety days of the date that the expense is incurred. All travel reimbursement requests must be approved by the Principal Investigator.

### **X. COST OVERRUNS**

The principal investigator is responsible for all expenditures charged to an FSUMRD account. The principal investigator and/or the National High Magnetic Field Laboratory must accept all expenditures that are in excess of available funds.

### **XI. REPORTING REQUIREMENTS**

#### **A. TECHNICAL REPORTS**

The PI will be responsible for the preparation and submission of all required technical reports. The technical reporting requirements are set forth in the award document and/or Educational Agreement and will be disseminated to the PI at the inception of the project. The PI should send a copy of the technical reports to the FSUMRD Treasurer. The PI should apprise the sponsor anytime the project timelines cannot be met.

#### **B. FINANCIAL REPORTS**

The FSUMRD will be responsible for maintaining the official fiscal records and for the preparation of all financial reports and billings to the sponsor. A copy of the final financial report on a project will be sent to the PI for review and concurrence, prior to submission of the report to the sponsor.

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To ensure the accuracy of the data supplied in the financial reports, scientists and staff payroll hours reported in the time tracking system will be reviewed and approved by the PI or his designee. This approver will complete and sign the NHMFL Man Hours Database Certification form on a quarterly basis.

**XII. ACCOUNTING RECORDS AND REPORTS**

FSUMRD will use QuickBooks, Enterprise Version, accounting system.

To ensure an appropriate segregation of duties, the following policies apply:

**A. BANK RECONCILIATIONS**

All bank statements are received, opened and reviewed for unusual activity by a designated staff member other than the Business Manager. The designated staff member will reconcile the bank statements independent of the Business Manager by completing the account reconciliation, initialing and dating the reconciliation. The Business Manager will reconcile the bank statement when performing the accounting and recording functions for the month. If the reconciliation agrees with the designated staff member's reconciliation, the Business Manager will so note on the statement, initial and date. If the reconciliations do not agree, the designated staff member and the Business Manager will review reconciliations to determine the discrepancy, make necessary adjustments and reconcile.

**B. CHECK HANDLING**

The Business Manager will prepare all checks, as required, per payment requests. Subsequently, the request and check will be presented to the designated staff member to obtain proper approval and signatures. Upon completion, the check will be mailed by another designated staff member.

Voided checks will be defaced and filed with the adjoining check stub.

**XIII. PROPERTY**

Items purchased from FSUMRD funds that meet the University's definition of "major accountable equipment" will be donated to FSU by the FSUMRD immediately upon acquisition.

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XIV. PATENTS, INVENTIONS, COPYRIGHTS**

**REFERENCES**

Florida State University *Faculty Handbook*, Policy on Patents  
<http://mailer.fsu.edu/~research/patents.html>  
Florida Statutes, 240.229

Florida State University *Faculty Handbook*, Policy on University-Sponsored Educational Materials (Copyrights)

Distribution of Income, page 41 of the FSU Research Foundation Business Manual:  
<http://www.research.fsu.edu/foundation/documents/2006BusinessManual.doc>

All patents, inventions, copyrights, etc. are administered by the FSU Research Foundation (FSURF). The FSURF and their designated representatives will be responsible for negotiation, execution, and administration of all agreements and contracts resulting from patentable inventions, copyrighted materials and the like.

Any income derived from these activities will be administered by the FSURF in accordance with the rules established under University policies, Florida Statutes and the applicable provisions of the FSU Faculty Handbook.

The FSUMRD Business Office is available to assist principal investigators and fiscal personnel in all matters pertaining to the FSUMRD.

Contact:

Clyde Rea, Business Manager

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