OPERATING AGREEMENT
BETWEEN CALIFORNIA STATE UNIVERSITY
AND ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY
CHANNEL ISLANDS, INC.

This agreement is made and entered into by and between the Trustees of the California State University by their duly qualified Chancellor (CSU) and Associated Students of California State University Channel Islands, Inc. (Auxiliary) serving California State University Channel Islands (Campus). The term of this agreement shall be August 1, 2024, through July 31, 2029.

1. PURPOSE

The purpose of this agreement is to set forth the terms and conditions under which Auxiliary may operate as an auxiliary organization pursuant to California Education Code §89900 et seq. and California Code of Regulations (CCR) Title 5, § 42400 et seq. In entering this agreement, CSU finds that certain functions important to its mission are more effectively accomplished by the use of an auxiliary organization rather than by the Campus under the usual state procedures.

2. PRIMARY FUNCTION(S) OF THE AUXILIARY

In consideration of receiving recognition as an official CSU auxiliary organization, Auxiliary agrees, for the period covered by this agreement, that the primary function(s), which the Auxiliary is to manage, operate or administer is/are (*Check each category that applies)*:

[X]Student Body Organization
[X]Student Union
[ ]Housing
[ ]Philanthropic
[ ]Externally Funded Projects
[ ]Real Property Acquisition / Real Property Development
[ ]Commercial

In carrying out the above, the Auxiliary engages in the following functions authorized by, CCR tit.5, §42500, which are activities essential and integral to the educational mission of the University:

1. Student Body Organization Programs
2. Student Union Programs
3. Public relations, fundraising, fund management, and similar development programs
4. Acquisition, development, sale, and transfer of real and personal property

including financing transactions related to these activities

Auxiliary agrees to receive and apply exclusively the funds and properties coming into its possession toward furthering these purposes for the benefit of CSU and the Campus. Auxiliary further agrees that it shall not perform any of the functions listed in CCR tit.5, §42500 unless the function has been specifically assigned in this operating agreement with the Campus. Prior to initiating any additional functions, Auxiliary understands and agrees that CSU and Auxiliary must amend this agreement in accordance with Section 21, *Amendment*.

3. CAMPUS OVERSIGHT AND OPERATIONAL REVIEW

The responsibility and authority of the Campus president regarding auxiliary organizations is set forth in CCR tit.5, §42402, which requires that auxiliary organizations operate in conformity with CSU and Campus policies. The Campus President has been delegated authority by the CSU Board of Trustees (Standing Orders §VI) to carry out all necessary functions for the operation of the Campus. The operations and activities of Auxiliary under this agreement shall be integrated with Campus operations and policies and shall be overseen by the campus Chief Financial Officer (CFO) or designee so as to assure compliance with objectives stated in CCR tit.5, §42401.

The Campus shall review Auxiliary to ensure that the written operating agreement is current and that the activities of Auxiliary are in compliance with this agreement at least every five (5) years from the date the operating agreement is executed and at least every five years thereafter. Confirmation that this review has been conducted will consist of either an updated operating agreement, or a letter from the Campus CFO or designee to the Campus President with a copy to the Chancellor’s Office, certifying that the review has been conducted. As part of these periodic reviews, the Campus President should examine the need for each auxiliary and look at the efficiency of the auxiliary operation and administration.

Auxiliary agrees to assist the Campus CFO or designee in carrying out the compliance and operational reviews required by applicable CSU Executive Orders and related policies.

4. OPERATIONAL COMPLIANCE

Auxiliary agrees to maintain and operate its organization in accordance with all applicable laws, regulations and CSU and Campus rules, regulations and policies. Failure of Auxiliary to comply with any term of this agreement may result in the removal, suspension or probation of Auxiliary as an auxiliary organization in good standing. Such action by CSU may result in the limitation or removal of Auxiliary's right to utilize the CSU or campus name, resources and facilities (CCR tit.5, §42406).

5. CONFLICT OF INTEREST

No officer or employee of the CSU shall be appointed or employed by Auxiliary if such appointment or employment would be incompatible, inconsistent or in conflict with his or her duties as a CSU officer or employee.

Auxiliary has established and will maintain a conflict of interest policy. The Auxiliary's Conflict of Interest Policy is attached as **Attachment 1**.

6. EXPENDITURES AUGMENTING CSU APPROPRIATIONS

With respect to expenditures for public relations or other purposes which would serve to augment appropriations for CSU operations, Auxiliary may expend funds in such amount and for such purposes as are approved by Auxiliary's governing body. Auxiliary shall file, as **Attachment 2** to this agreement, a statement of Auxiliary's policy on accumulation and use of public relations funds. The statement shall include the policy and procedures for solicitation of funds, the purposes for which the funds may be used, the allowable expenditures and procedures of control.

7. FISCAL AUDITS

Auxiliary agrees to comply with CSU policy and the provisions of CCR tit.5, §42408, regarding fiscal audits. All fiscal audits shall be conducted by auditors meeting the guidelines established the Integrated CSU Administrative Manual (ICSUAM).

The Campus CFO shall annually review, and submit a written evaluation to the Chancellor's Office in accordance with Section 20, Notices, *of* the external audit firm selected by the Auxiliary. This review by the Campus CFO must be conducted prior to the Auxiliary engaging an external audit firm and annually thereafter. If the Auxiliary has not changed audit firms, and the audit firm was previously reviewed and received a satisfactory evaluation, a more limited review may be conducted and submitted.

8. USE OF NAME

Campus agrees that Auxiliary may, in connection with its designated functions as a CSU auxiliary organization in good standing and this agreement, use the name of the Campus, the Campus logo, seal or other symbols and marks of the Campus, provided that Auxiliary clearly communicates that it is conducting business in its own name for the benefit of Campus. All correspondence, advertisements, and other communications by Auxiliary must clearly indicate that the communication is by and from Auxiliary and not by or from CSU or Campus.

Auxiliary shall use the name of Campus, logo, seal or other symbols or marks of Campus only in connection with services rendered for the benefit of Campus and in accordance with Campus guidance and direction furnished to Auxiliary by Campus and only if the nature and quality of the services with which the Campus name, logo, seal or other symbol or mark are used are satisfactory to the Campus or as specified by Campus.

Campus shall exercise control over and shall be the sole judge of whether Auxiliary has met or is meeting the standards of quality of the Campus for use of its name, logo, seal or other symbol or mark.

Auxiliary shall not delegate the authority to use the Campus name, logo, seal or other symbol or mark to any person or entity without the prior written approval of the Campus President or designee. Auxiliary shall cease using the Campus name, logo, seal or other symbol or mark upon expiration or termination of this agreement, or if Auxiliary ceases to be a CSU auxiliary organization in good standing, dissolves or disappears in a merger.

9. CHANGE OR MODIFICATION OF CORPORATE STATUS

Auxiliary shall provide notice to the CSU upon any change in Auxiliary's legal, operational or tax status including but not limited to changes in its Articles of Incorporation, bylaws, tax status, bankruptcy, dissolution, merger, or change in name.

10. FAIR EMPLOYMENT PRACTICES

In the performance of this agreement, and in accordance with California Government Code §12900 et. seq., Auxiliary shall not deny employment opportunities to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, military and veteran status. Auxiliary shall adopt employment procedures consistent with the policy statement on nondiscrimination and affirmative action in employment adopted by the CSU.

11. BACKGROUND CHECK POLICY COMPLIANCE

In compliance with governing laws and CSU policy, Auxiliary shall confirm that background checks are completed for all new hires and for those independent contractors, consultants, outside entities, volunteers and existing employees in positions requiring background checks as set forth in CSU systemwide policy. Auxiliary will provide confirmation of completed and cleared background checks to the University President/Chancellor upon request, or as established by campus policy. (See HR 2016-08).

12. DISPOSITION OF ASSETS

Attached hereto as **Attachment 3** is a copy of Auxiliary's Constitution or Articles of Incorporation (as applicable) which, in accordance with CCR tit.5, §42600, establishes that upon dissolution of Auxiliary, the net assets other than trust funds shall be distributed to a successor approved by the president of the Campus and by the Chancellor of the CSU. Auxiliary agrees to maintain this provision as part of its Constitution or Articles of

Incorporation. In the event Auxiliary should change this provision to make other dispositions possible, this agreement shall terminate as of the date immediately preceding the date such change becomes effective.

13. USE OF CAMPUS FACILITIES

Auxiliary may use those facilities identified for its use in a lease agreement executed between Campus and Auxiliary. If this Operating Agreement terminates or expires and is not renewed within 30 days of the expiration, the lease automatically terminates, unless extended in writing by the parties.

Auxiliary and Campus may agree that Auxiliary may use specified Campus facilities and resources for research projects and for institutes, workshops, and conferences only when such use does not interfere with the instructional program of Campus and upon the written approval from appropriate Campus administrators with such specific delegated authority. Auxiliary shall reimburse Campus for costs of any such use.

14. CONTRACTS FOR CAMPUS SERVICES

Auxiliary may contract with Campus for services to be performed by state employees for the benefit of Auxiliary. Any agreement must be documented in a written memorandum of understanding between Auxiliary and Campus. The memorandum of understanding shall among other things, specify the following: (a) full reimbursement to Campus for services performed by a state employee in accord with CCR tit.5, §42502(f); (b) Auxiliary must clearly identify the specific services to be provided by state employee, (c) Auxiliary must specify any performance measures used by Auxiliary to measure or evaluate the level of service; (d) Auxiliary must explicitly acknowledge that Auxiliary does not retain the right to hire, supervise or otherwise determine how to fulfill the obligations of the Campus to provide the specified services to Auxiliary.

15. DISPOSITION OF NET EARNINGS

Auxiliary agrees to comply with CSU and Campus policy on expenditure of funds including, but not limited to, CSU guidelines for the disposition of revenues in excess of expenses and CSU policies on maintaining appropriate reserves. Cal. Educ. Code §89904; Executive Order 1059.

16. FINANCIAL CONTROLS

Recovery of allowable and allocable indirect costs and maintenance and payment of operating expenses must comply with ICSUAM §13680. CCR tit. 5, §42502(g) and (h).

17. ACCEPTANCE, ADMINISTRATION, AND USE OF GIFTS

Auxiliary agrees, if authorized to do so in Section 2 above, that it will accept and administer gifts, grants, contracts, scholarships, loan funds, fellowships, bequests, and devises in accordance with policies of CSU and Campus.

A. Authority to Accept Gifts

If authorized, Auxiliary may evaluate and accept gifts, bequests and personal property on behalf of CSU. In acting pursuant to this delegation, due diligence shall be performed to ensure that all gifts accepted will aid in carrying out the CSU mission as specified in Education Code §§89720 and 66010.4(b).

Auxiliary agrees, before accepting gifts of real estate or gifts with any restrictive terms or conditions that impose an obligation on CSU or the State of California to expend resources in addition to the gift, to obtain written approval from the appropriate campus authority. Auxiliary agrees that it will not accept a gift that has any restriction that is unlawful.

B. Reporting Standards

Gifts shall be recorded in compliance with the Council for Advancement and Support of Education and California State University reporting standards and shall be reported to the Chancellor's Office on an annual basis in accordance with Education Code §89720.

18. INDEMNIFICATION

Auxiliary agrees to indemnify, defend and save harmless the CSU, its officers, agents, employees and constituent campuses and the State of California, collectively "CSU indemnified parties" from any and all loss, damage, or liability that may be suffered or incurred by CSU indemnified parties, caused by, arising out of, or in any way connected with the operation of Auxiliary as an auxiliary organization.

19. INSURANCE

Auxiliary shall maintain insurance protecting the CSU and Campus as provided in this section. CSU's Systemwide Office of Risk Management shall establish minimum insurance requirements for auxiliaries, based on the insurance requirements in the California State University Insurance Requirements policy. Auxiliary agrees to maintain at least these minimum insurance requirements.

Auxiliary's participation in a coverage program of the California State University Risk Management Authority (CSURMA) shall fully comply with the insurance requirement for each type of required coverage (which may include but not be limited to, general liability, auto liability, directors and officers liability, fiduciary liability, professional liability, employer's liability, pollution liability, workers' compensation, fidelity, property and any other coverage necessary based on Auxiliary's operations). Auxiliary shall ensure that CSU and Campus are named as additional insured or loss payee as its interests may appear.

20. NOTICES

All notices required to be given, or which may be given by either party to the other, shall be deemed to have been fully given when made in writing and deposited in the United States mail, certified and postage prepaid and addressed to all parties as provided below.

Notice to Auxiliary shall be addressed as follows:

Associated Students of California State University Channel Islands, Inc.
One University Drive
Camarillo, CA 93012

Notice to the CSU shall be addressed to:

Trustees of the California State University
401 Golden Shore
Long Beach, California 90802
Attention: Director, Contract Services & Procurement

Notice to the Campus shall be addressed as follows:

Office of the President
California State University Channel Islands
One University Drive
Camarillo, CA 93012

21. AMENDMENT

This agreement may be amended only in writing signed by an authorized representative of all parties.

22. RECORDS

Auxiliary shall maintain adequate records and shall submit periodic reports as required by CSU showing the operation and financial status of Auxiliary. The records and reports shall cover all activities of Auxiliary whether pursuant to this agreement or otherwise.

23. TERMINATION

CSU may terminate this agreement upon Auxiliary's breach of or failure to comply with any term of this agreement by providing Auxiliary with a minimum of ninety (90) days advance written notice. Auxiliary may use the ninety-day advance notice period to cure the breach. If, in the judgment of CSU, the breach has been cured, the termination notice will be cancelled.

24. REMEDIES UPON TERMINATION

Termination by CSU of this agreement pursuant to Section 23, *Termination*, may result in Auxiliary's removal, suspension or probation as a CSU auxiliary in good standing, and loss of any right for Auxiliary to use the name, resources or facilities of CSU or any of its campuses.

Upon expiration of the term of this agreement, the parties shall have 30 days to enter into a new operating agreement which period may be extended by written mutual agreement.

25. SEVERABILITY

If any section or provision of this Agreement is held illegal, unenforceable or in conflict with any law by a court of competent jurisdiction, such section or provision shall be deemed severed and the validity of the remainder of this Agreement shall not be affected thereby.

26. LEASE OF PREMISES

The premises include 24,920 sq. feet of building space referred to as the Student Union Building located at 54 Los Angeles Ave., on campus of CSU Channel Islands, One University Dr., Camarillo, CA. Building uses include: a large programmable area for student gatherings, food services, lounges, a game room and student organization offices. The lease of the premises is subject to:

A. The use of the property for civil defense purposes or in the event of a State, CSU or national emergency.

B. Unanticipated need to meet the demands of the educational objectives of the CSU. The right to the use of any property included in this lease shall cease upon written notice by the CSU to Auxiliary that the property is needed for its exclusive use.

27. USE OF PREMISES

A. Auxiliary may occupy, operate, and use the leased property only in connection with the following functions and activities in accordance with the terms of this agreement:

1) Operating and maintaining a student union facility for the students, faculty, staff, alumni, and guests of the campus.

B. Auxiliary shall use the leased property only for functions and activities that are consistent with the Functions established in Section 2 and guidelines and policies that have been or may hereafter be adopted by CSU.

28. CONSIDERATION

A. Auxiliary shall operate as an auxiliary organization as set forth in this agreement.

B. Auxiliary shall manage and operate the student union facilities in accordance with the bond indenture, the policies of the CSU, Campus, this agreement, and for the benefit of Campus.

29. APPLICATION OF STUDENT UNION FEES

A. Pursuant to the CSU Systemwide Revenue Bond program, retirement of the debt incurred by CSU for the construction of the student union is to come from a mandatory student union fee to be paid by all enrolled students. After required funds have been set aside for debt service and all reserves, CSU agrees to make available to Auxiliary a portion of any remaining funds, as authorized by Education Code, Section 90076. CSU agrees to transfer such funds, if any, in the Student Union Net Revenue Fund account and/or applicable Trust Fund account, in the following circumstances:

1) Auxiliary shall be entitled to a transfer of funds as required for operating purposes. The transfer for operating purposes will be based on needs as shown in the operating budget and approved by the campus' Chief Financial Officer or designated staff subject to the availability of such funds.

2) Additional transfers of revenue may be made for extraordinary expenses as requested by Auxiliary and approved by the campus' Chief Financial Officer or designated staff, subject to the availability of funds.

B. This Section shall be subject to and construed in conformity with the Indenture of the Trustees of the CSU adopted April 1, 2002, authorizing the issuance of Systemwide Revenue Bonds and made a part of this agreement.

30. BUILDINGS, SIGNS, FIXTURES, AND EQUIPMENT

During the term of this Agreement, Auxiliary shall have the right to erect, place, and attach buildings, fixtures, signs, and equipment in and upon the leased property. Plans and working drawings for buildings to be placed on the leased land shall have prior approval of CSU. The number, size, and location of signs are subject to prior written approval of the Campus. Fixtures, signs, and equipment so erected, placed, or attached by the Auxiliary shall be and remain the property of the Auxiliary and may be removed there from by the Auxiliary prior to the termination of this lease.

31. ALTERATIONS

The leased premises shall not be altered or changed in any manner or respect without the written consent of the Campus, and changes that may be authorized shall be made under the direction of the Campus and at the expense of Auxiliary. Permanent alterations shall have prior approval of Campus.

32. RIGHT OF ENTRY

It is understood and agreed that at any time CSU and its agents shall have the right to enter the leased premises or any part thereof for the purpose of examination or supervision.

Care, maintenance, and repair of the leased property shall be provided as follows:

A. Care and Maintenance: Auxiliary agrees to keep and maintain the leased property in a clean and orderly condition and shall at its own expense, at reasonably frequent intervals, and in a lawful manner dispose of all waste from the leased property.

B. Repairs: Auxiliary agrees to keep the leased premises in good repair.

33. RESTORATION OF PREMISES

Upon termination of this lease, CSU shall have the option to require Auxiliary, at its own expense and risk, to restore the demised premises as nearly as possible to the condition existing prior to the execution of the lease, with the exception of normal wear and tear.

But, if Auxiliary shall fail to do so within 90 days after CSU's option, CSU may restore the property at the risk of the Auxiliary and all costs and expenses of such removal or restoration shall be paid by Auxiliary upon demand of State. CSU shall have the right to exercise this option within 30 days after the expiration of this lease, but not thereafter.

34. MORTGAGES

Auxiliary shall not have the right to subject this lease to any mortgage, trust deed, or other security device without the written consent of CSU.

35. POSSESSORY INTEREST

The County Assessor may value the possessory interest created by this lease, or any subleases. Under California Revenue and Taxation Code section 107, a property interest tax may be levied on that possessory interest. The lessee is obligated to pay this property tax, and failure to do so may be considered a material breach of the lease.

36. ASSIGNMENTS OR SUBLEASE

Auxiliary shall not assign or sublease any part of the premises covered by this lease without the written permission of CSU.

CSU agrees, however, that Auxiliary may sublease any portion of the premises with the approval of the Campus. Substantial deviation from CSU's policy and model sub-leases requires the approval of the Campus.

Subleases may be written with terms in excess of this agreement: however, the continuation of the sublease past the term of this Agreement is contingent on this Agreement's renewal.

IN WITNESS WHEREOF, this agreement has been executed by the parties hereto.

Approved on: 05/28/2024

California State University Channel Islands

By Richard Yao (May 28, 2024 15:10 PDT)

Richard Yao., Ph.D.
President

Executed on: 05/15/2024

Associated Students of California State University Channel Islands, Inc.

By Dorothy Patten
Dorothy Patten (May 15, 2024 09:31 PDT)

Dorothy Patten, Assistant Vice President for Strategic Operations and ASI on behalf of the ASI Executive Director

Executed on: 5/29/2024

California State University
Office of the Chancellor

By Bradley Wells

Bradley Wells, Associate Vice Chancellor

ASSOCIATED STUDENTS INC.
California State University
CHANNEL ISLANDS

Attachment 1

CSU CHANNEL ISLANDS
ASSOCIATED STUDENTS INC.

Policy: **Conflict of Interest Policy**
Effective Date: **August 9, 2012**

Purpose

To provide that Associated Students of California State University Channel Islands, Inc. (ASI) operates in accordance with applicable regulations and policies of the CSU Board of Trustees, California Education Code and CI policies. Board of Directors and officers of ASI serve the public trust and have a clear obligation to fulfill their responsibilities in a manner consistent with this fact. All decisions of the Board and officers are to be made solely on the basis of a desire to promote the best interest of ASI, CSU Channel Islands and the public good. The integrity of ASI and CSU Channel Islands must be protected and advanced at all times.

Consequently, there exist between ASI board members, officers and professional staff a fiduciary duty, which carries with it a broad and unyielding duty of loyalty and fidelity. Board members, officers and professional staff have the responsibility of administering ASI's affairs honestly and prudently, and of exercising their best care, skill and judgment for the benefit of ASI and CSU Channel Islands. Those persons shall exercise good faith in all transactions involved in their duties and they shall not use their positions with ASI or knowledge gained there from for their personal benefit.

Background

ASI is a legal entity under State law and subject to specific statues, regulations, and policies of State, Federal, and some time local governments. To the extent that non-State funded activities occur on a campus, the campus President is directly responsible by State statue for ascertaining that all expenditures by ASI are in accordance with policies of the trustees, and to require that the ASI operates in conformity with policies and regulations of the Board of Trustees, the California Education Code and CI campus policies. Even though auxiliary organization may be organized as corporation, they are first and foremost auxiliary organization of the CSU and must therefore operate pursuant to the specific statues and regulation applicable to auxiliary organizations.

Based upon the authority cited above, ASI is required to adopt a conflict of interest policy for members of their governing boards and employees.

Authority

- California Education Code, Section 89906: No member of the governing board of an auxiliary organization shall be financially interested in any contract or other transaction entered into the board of which he is a member, and any contract or transaction entered into in violation of the section is void.
- California Education Code, Section 89907: No contract or other transaction entered into by the governing board of an auxiliary organization is void under the provision of Sections 89906, nor shall any member of such board be disqualified or deemed guilty of misconduct in office under said provisions, if the circumstances specified in the following subdivisions exist: (a) the fact of such financial interest is disclosed or known to the governing board and noted in the minutes, and the governing board thereafter authorizes, approves, or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such financially interested member or members, and (b) the contract or transaction is just and reasonable as to the auxiliary organization at the time it is authorized or approved.
- California Education Code, Section 89908: The provisions of Section 89907 shall not be applicable if the circumstances specified in any of the following subdivisions exist:
    - The contract or transaction is between an auxiliary organization and a member of the governing board of that auxiliary organization.
    - The contract or transaction is between an auxiliary organization and a partnership or unincorporated association of which any member of the governing board of that auxiliary organization is a partner or in which he is the owner or holder, directly or indirectly, of a proprietorship interest.
    - The contact or transaction is between an auxiliary organization and a corporation in which any member of the governing board of that auxiliary organization is the owner or holder, directly or indirectly, of 5 percent or more of the outstanding common stock.
    - A member of the governing board of an auxiliary organization is interested in a contract or transaction within the meaning of Section 89906, and without first disclosing such interest to the governing board at a public meeting of the board, influences or attempts to influence another member or members of the board to enter into the contract or transaction.
- California Education Code, Section 89909: It is unlawful for any person to utilize any information, not a matter of public record, which is received by him by reason of his membership on the governing board of an auxiliary organization, for personal pecuniary gain, regardless of whether he is or is not a member of the governing board at the time such gain is realized.

Accountability - Who Should Know This Policy

- [x] ASI Board of Directors
- [ ] Student Union Student Employees
- [ ] ASI Entity Organization Members
- [x] ASI Professional Staff
- [x] Budget Support Staff
- [ ] ASI Entity Advisors
- [ ] ASI Student Employees
- [ ] ASI Entity Leaders

Applicability - Who Does the Policy Apply To

- [x] Board Members
- [ ] Students
- [ ] University Clubs/Orgs
- [x] ASI Professional Staff
- [ ] Staff
- [ ] Student Employees
- [ ] University Administrators

Definitions

- *Business Relationship* – one in which a director, officer, professional staff member, family member is an officer, director, employee, partner, trustee, controlling stockholder, or the actual or beneficial owner of more than 5% of the voting interest of an organization.
- *Conflict of Interest* – participating in or making decisions which could reasonably affect a person's economic interests in a material way and that such participation would impact the person's economic interest differently than other persons with the same association with the auxiliary organization.
- *Family Member* – a spouse, parents, siblings, children or any other relative of a director, officer or professional staff member if the latter resides in the same household as the director or officer.
- *Substantive Relationship* – one in which a director, officer or family member, or an organization with which the director, officer, or family member has a business relationship, (1) does substantial business with ASI, CSU Channel Islands, or any related or affiliated organization or (2) has other direct or indirect dealing with ASI, CSU Channel Islands, or any related or affiliated organization from which the director, officer, professional staff member or family member benefits directly, indirectly or potentially from cash or property receipts totaling $10,000 or more annually.
- *Statement of Compliance* – The annual statement signed by each ASI Board Director and ASI professional staff member, which signifies that they have read and understood the provisions set forth in Education Code Sections 89906-89906 and are not financially interested in any contract or other transaction entered into by ASI.

Policy Regulations

1. *Disclosure*
   No ASI Board member or ASI professional staff member shall be financially interested in any contract or other transaction entered into by the ASI Board that is not in accordance with the conflict of interest provisions set forth in Education Code, 89906-89909. To avoid contracts or transactions entered into by the ASI Board from being voided, a board member/staff member must disclose a financial interest which could be impacted by the action of ASI Board. Under these circumstances, the board member must refrain from any action to influence or approve such a transaction.

2. *Acknowledgement and Agreement*
   Although most potential conflicts are and will be deemed to be inconsequential, it is everyone's responsibility to ensure the ASI Board is made aware of situations that involve, personal, familiar, or business relationships that may be troublesome for ASI or CSU Channel Islands. Thus, the Board requires each director, officer and professional staff member annually (1) to review this policy; (2) to disclose any possible personal, familiar, or business relationship that reasonably could give rise to a conflict of interest involving ASI or CSU Channel Islands; and (3) to acknowledge by his or her signature that he or she is in accordance with the letter and spirit of this policy.

3. *Reporting*
   ASI shall provide the campus Associate Vice President for Human Resources with a report of compliance with this policy annually before the second quarter of the fiscal year. The report should include the names, positions, terms of office and the date compliance statements were signed. Violations of the conflict of interest policy shall be reported to the campus AVP for HR upon discovery. All ASI Board members and professional staff are requested to disclose only those substantive relationships that they maintain (or members of their family maintain) with organizations that do business with ASI, CSU Channel Islands or any related or affiliated organization, or which otherwise could be construed to potentially affect their independent, unbiased judgment in light of their decision-making authority or responsibility. Any uncertainties as to the appropriateness of listing a particular relationship may be resolved by consultation with the ASI Executive Director, who in turn may consult with legal counsel or Board of Directors in executive session. Information disclosed or provided by any person pursuant to this policy shall be held in confidence except when, after consultation with that person, the best interests of ASI or CSU Channel Islands would be served by disclosure.

4. *Restraint on Participation*
   Directors or professional staff members who have declared or have found to have a conflict of interest shall refrain from consideration of proposed transaction, unless for special reasons the Board or administration requests information or interpretation. Persons with conflicts shall not vote, participate in discussion, nor be present at the time of the vote. Any proposed transaction in which a conflict of interest has been declared or found to exist must be approved by a majority of the disinterested members of the Board or the appropriate committee of the Board after disclosure of the conflict of interest.

ASI Budget Allocation and Spending

Procedure: ASI Budget Allocation and Spending
Effective Date: TBD

I. Purpose

The Associated Student Incorporated (ASI) has developed a budget allocation process for campus entities seeking ASI funds. These entities include but are not limited to ASI Administration, ASI Entities, the Division of Student Affairs, registered student organizations and other special requests. A written process increases efficiency, creates a consistent ASI funding process, maintains oversight of ASI allocated money, and allows for the opportunity to request funding in a manner that is consistent with the campus.

II. Accountability

X	ASI Board of Directors	X	ASI Professional Staff	X	ASI Entity Leaders
X	Student Union Student Employees	X	Budget Support Staff	X	ASI Entity Advisors
X	Budget Allocation Spending Committee		ASI Student Employees		
	ASI Entity Organization Members				

III. Applicability

X	Board Members	X	ASI Professional Staff		Student Employees
	Students	X	Staff	X	University Administrators
X	Student Organizations				

The ASI Board of Directors oversees financial management of the Student Body Association Fee. Any campus recognized organization may request funding through ASI. ASI is committed to providing funding on a fair, equitable, and transparent basis. Funding is limited; therefore, allocations are made based on the following criteria:

- Enhances the ASI Statement of Purpose.
- Accessible to the entire student body and reaches as many students as possible.
- Enhances significant out-of-classroom cultural, social, educational, or recreational opportunities.

- Improves student life at CI.
- ASI funding for student organizations is insufficient to meet 100% of the needs and requests for all CI student organizations. Budget requests should reflect effort to obtain funding through other means such as fundraising, participation fees, or donations. Efforts made to secure other funds will be considered in the allocation process.

IV. Definitions

Award – an item bestowed upon an individual, group or entity in recognition of service to the university or achievement benefiting the university.

Prize – an item given at a campus event through either a drawing or participation in a competition.

Honoraria – a payment in recognition of professional services that are rendered nominally without charge. Honorariums are typically arranged in advance and are set by the host, as opposed to the speaker/performer charging a pre-set fee for services.

Equipment/Other Assets – an item that can be reused and remains an asset from year to year (i.e., camera, electronics, pop up tent, machinery, costumes, etc.).

Ineligible Organizations – an organization which, under these guidelines is ineligible for general operational funds, which may not request funds from the BASC.

V. Procedure

A. Composition of the Budget Allocation and Spending Committee:

1. The ASI Board designates the funding allocation process to the ASI Budget Allocation and Spending Committee (BASC).
2. This Committee will be comprised of six ASI Board Members with the majority being students the ASI Vice Chair, and the ASI Treasurer and one non-student Board Member must sit on the committee. All committee members obtain their position on the BASC by a recommendation of the ASI Chair and approval by the ASI Board. For informational purposes one ex-officio ASI and Business and Financial Affairs employee will sit on the BASC and will be non-voting. The ASI Vice Chair will serve as the BASC Chair.
3. If vacancies occur, the member will be replaced according to the original placement of said position.

B. Internal Controls:

1. The ASI Board has a number of controls in place which allow for oversight and management of the ASI budget. The ASI Board is comprised of nine students and five Presidential appointments (three university administrators, one faculty member and one community member). The ASI Board hires an outside auditor on an annual basis to ensure ASI is practicing good financial management and has solid internal controls.

2. The BASC is empowered to make all decisions regarding the recommendations of budget allocations. However, if an organization believes procedural protocol is not followed, this organization may submit a written appeal noting alleged procedural violation to the ASI Chair.
3. All members of the BASC must sign a Committee Member Agreement denoting the expectations of the members to act in the best interest of the University and ASI.

C. Funding Eligibility:

1. General Requirements: All student organizations seeking funding must be recognized by the University via Student Organizations & Involvement. Student organizations seeking funding must be open to membership to all CI students who are charged the Associated Student Fee regardless of race, color, religion, nationality, gender, national origin, age, disability, sexual orientation, economic status, marital status, veteran status, GPA or parenthood. ASI provides funding for programs, initiatives and services that seek to benefit the CI student body.
2. Athletic Organizations: The BASC shall not fund any sports club, as they may receive funding from the recreation and athletic fee.
3. Academic Departmental Organizations: An academic departmental organization may be considered for funding unless any of the following apply:
    i. Students receive academic credit for membership.
    ii. Membership is limited to students from specific departments.
    iii. The organization's primary purpose is to help students attain professional degree status.
    iv. The organization's primary purpose is to help students attain an internship, scholarship or employment.
    v. The organization has selective membership.
4. ASI funds cannot be used for events/requests connected to academic course requirements.
5. Political Organizations: Organizations will not be considered for funding to advance any candidate or ballot issue in an off-campus election, or to finance off-campus lobbying or political activities of non-students.
6. Priority Funding: ASI is pleased to provide funding to eligible organizations. Please note that ASI prioritizes funding to ASI operations, ASI Entities and Student Organizations as these groups derive primary funding from the Student Body Association Fee.
7. Awards and Honoraria:
    i. The BASC will fund awards/honoraria that are open for receipt to the entire student body.
    ii. Items that the IRS considers cash or a cash equivalent or those that are considered taxable income cannot be paid for or reimbursed by ASI. Cash and cash equivalent includes items such as gift certificates or gift cards, cash, or checks. Items that are valued at more than $50 are not considered de minimis, and under IRS code are considered taxable income.

8. Food: Food may NOT be purchased with ASI funds when used as a promotional tool. Food may ONLY be purchased with ASI funds in the following situations:
    i. It is part of contractual obligations.
    ii. It is a critical part of the program (the critical factors of programs are assessed by the BASC on an individual basis).
        a. It is open and advertised to all CI students.
    iii. It is an important aspect of the co-curricular education of the program/event and enhances the mission of the University.
        a. It is open and advertised to all CI students.
    iv. Meetings or retreats scheduled to last four consecutive hours or more and overlaps the normal breakfast/lunch/dinner hour.
    v. It is open and advertised to all CI students.
9. Collaboration:
    i. Collaboration between ASI entities, student organizations, and/or campus areas is strongly encouraged.
    ii. All areas involved should be in agreement about how funds will be spent.
    iii. All areas involved should divide up the costs for the event or program prior to submitting a budget request. Separate budget requests must be submitted for each area's portion of the total costs noting the collaboration information on the request.

D. Ineligible Funding:

1. ASI will not fund a request that does not enhance the mission of the University and ASI, as well as tie directly to the purpose of the organization.
2. ASI will not fund events that are not open, advertised, and accessible to the entire student body.
3. ASI will not fund any expenditure in violation of the Operating Agreement between the Board of Trustees and ASI.
4. ASI will not fund partisan political events, campaigns, or ballot issues.
5. ASI will not fund material that is slanderous, libelous, or discriminatory.
6. ASI will not fund the purchase or distribution of illegal substances, alcohol, tobacco products, or weapons.

E. Spending Parameters:

1. Expenditures:
    i. When making requests to use funds, proper request processes are required. If processes are not used properly, use of funding will be denied.
2. Reimbursements:
    i. Reimbursement will not be provided for expenses that exceed the amount of funding available in the student organization's budget.
    ii. Individuals seeking reimbursement are responsible for getting approval from budget managers and/or treasurers before incurring expenses.

iii. Budget managers and treasurers are responsible for verifying there are sufficient funds to reimburse expenses.

F. Funding Timeline:

1. Annual Budgets:
   i. Campus organizations must request their annual ASI budget during the fall semester (for the upcoming fiscal year starting July 1st). At the start of the spring semester, the ASI Office will provide a detailed timeline which includes mandatory meetings, form deadlines, presentation schedules and BASC meetings.
2. Special Requests:
   i. Campus organizations can make special requests during the fiscal year by contacting the ASI Vice Chair/BASC Chair. All requests must adhere to BASC procedure guidelines.

G. Annual Report:

1. On the Friday before pre-finals week of the spring semester, each ASI funded organization will be expected to provide the BASC with an annual report via CI Sync noting how their ASI funds were utilized and an assessment of each event/initiative including attendance, learning outcomes, suggestions for future similar events, and how their events/initiatives met the University and their organization mission statements.
2. In order to maintain accurate records, ASI has the right to verify all funded organizations' account activity which includes but is not limited to profit and loss statements, price quotes, receipts, check requests and invoices.
3. Organizations who fail to meet this expectation will be ineligible for future funding allocations for the upcoming fiscal year.

H. Violation of Funds:

1. All funds must be spent in accordance with written policies and procedures of ASI and the University. It is the responsibility of those Individuals given authority to spend to use the proper purchasing methods, submit receipts timely and ensure that funds are not over-expended. Reviews will be done quarterly to ensure that expenses are recorded appropriately and timely.
2. A funding violation occurs when an organization uses funds allocated by the BASC for ineligible spending described in Article V. Violations of this procedure shall be determined by the BASC. The BASC Chair will notify the organization if it is determined that a violation of the ASI Budget Allocation and Spending process has occurred. The BASC may place sanctions on current and/or future funds (e.g. freezing current funds, suspending future funds, and/or reimbursement to ASI). An organization may appeal the BASC decision using the appeals process described in Section B.2.

I. Fiscal Year:

1. Funds enter the organization's account at the beginning of the fiscal year, which begins July 1st and remain in the account until June 30th of the following year; student organizations may access their funds once registered with CI Student Leadership Programs.

J. **Year End Balances:**

1. ASI funding that is not utilized in the fiscal year will revert back to ASI reserves.
2. If an organization goes over their allotted ASI budget, the discrepant funds will be deducted from the organization's other source of funds and/or their allocation for the following fiscal year.

ASI Operations and ASI Entities

A. Funding Guidelines:

1. Funding Request: ASI Operations and ASI Entities will request new funds in addition to their base budget. All significant changes to their budget must be requested in the annual budget process.
   - i. Each request will be considered individually. Funds for on-campus programs will be given priority over off-campus programs. The purpose of this provision is to enhance CI student involvement on campus.
   - ii. ASI Operations may request morale funds.

Student Organizations

A. Funding Guidelines:

1. Funding Requests: No organization shall assume that because the BASC financially supported their activity/event in the past that they are entitled to future financial support.
   - i. Each request will be considered individually. Funds for on-campus programs will be given priority over off-campus programs. The purpose of this provision is to enhance CI student involvement on campus.
   - ii. Student Organizations may request up to $3,000 for the fiscal year.
2. Prizes:
   - i. Prizes will not be funded through ASI. Money for prizes must be fundraised.
3. Travel and Registration:
   - i. Per the ASI Risk Management Policy, the BASC will not fund travel nor individual registration for student organizations.
   - ii. ASI may fund group registration on a case-by-case basis.
4. Membership in Local, Regional, and National organizations:
   - i. ASI may fund membership in local, regional, or national organizations or associations on a case-by-case basis.
5. Equipment:
   - i. ASI will not fund equipment which can be borrowed or obtained through University resources.
   - ii. All equipment or other assets must remain with the student organization. The treasurer is responsible for transferring all equipment to the incoming student organization president whenever there is a change of leadership.

iii. Any equipment or other assets must be recorded in the ASI student organization equipment inventory list. The treasurer must provide ASI with proof at the time of transfer. Any items with an original purchase price of $250 or more must be presented to ASI office for verification at the time of transfer.

iv. If a student organization dissolves, all equipment or other assets purchased with ASI fees must be transferred back to ASI.

6. Reallocation of Funds:

    i. Funds allocated for events or programs must be spent on events or programs and may not be reallocated.

    ii. Funds allocated for non-event related equipment or promotional items may be reallocated toward an event.

    iii. Reallocated funds must be recorded in the organization's annual budget report.

B. Ineligible Funding:

1. ASI will not fund student organizations that infringe upon students' rights or well-being.
2. Student organization officers, officials, or members may not personally derive any benefit or gain, or receive preferential treatment related to the purchase of equipment, supplies, or services for their student organization. This includes the purchase of graduation regalia.

C. New Student Organization Funding:

1. New student organizations, those that were not in existence during the prior year's budget process, may request up to $250 from ASI Administrative Support Coordinator without the approval of BASC. The student organization must be registered in order to obtain funds and must provide a budget for how the $250 will be spent. The ASI Executive Director will approve funding these requests if funds are available.
2. New student organizations may also request an additional $750 if all the terms above are satisfied.

    i. The club must develop and present a budget request to BASC for consideration.

    ii. The BASC may approve the request for additional funding if the request falls within these procedures and if there are available funds in the ASI budget to cover the requested amount.

D. Fundraising:

1. Student organizations are encouraged to fundraise to support their fiscal budget as well as purchase items ASI cannot fund.

    i. Student organizations that engage in fundraising must follow CI and ASI policies and procedures.

Campus Requests

A. Funding Guidelines:

1. Funding Requests: No organization shall assume that because the BASC financially supported their activity/event in the past that they are entitled to future financial support.
    i. Each request will be considered individually. Funds for on-campus programs will be given priority over off-campus programs. The purpose of this provision is to enhance CI student involvement on campus.

(Tear here and turn in with Budget Packet)

By signing below, I acknowledge that I read and understand the procedures set forth in the BASC process.

____

Area/Organization Name

____________________ ____________________ ________

Requester Name (Signature) (Date)

____________________ ____________________ ________

Approver Name (Signature) (Date)

(Supervisor or Advisor)

Attachment 3

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FILED

Secretary of State
State of California

MAR 07 2013

IPC

RESTATED ARTICLES OF INCORPORATION OF ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS, INC.

The undersigned certify that:

1. They are the Chair of the Board and Secretary, respectively, of ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS, INC., a California nonprofit public benefit corporation.

2. The Articles of Incorporation are hereby amended and restated to read as follows:

<u>ONE</u>: The name of the Corporation is ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS, INC.

<u>TWO</u>: This Corporation is a Nonprofit Public Benefit Corporation and is not organized for the private gain of any person. It is organized under the nonprofit Public Benefit Corporation Law for charitable purposes.

<u>THREE</u>: This Corporation is organized exclusively for charitable, scientific, literary, or educational purposes, within the meaning of Section 501 (c) (3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States internal revenue law. Notwithstanding any other provision of these Articles, this Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of this Corporation, and the Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501 (c) (3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States internal revenue law, or (b) by a corporation, contributions to which are deductible under Section 170 (c) (2) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States internal revenue law.

<u>FOUR</u>: The Corporation shall have no members as that term is defined in Section 5056 of the California Corporations Code, or in any successor statute thereto. Any Corporate action which would otherwise require approval by a majority of all members or approval by the members of the Corporation shall require only approval of the Board of Directors.

<u>FIVE</u>: a) No substantial part of the activities of this Corporation shall consist of lobbying or propaganda, or otherwise attempting to influence legislation, except as provided in Section 501 (h) of the Internal Revenue Code of 1986, and this Corporation shall not participate in or intervene in (including publishing or distributing statements) ~~any political campaign on behalf of any candidate for public office except as otherwise~~ provided in Section 501 (h) of the Internal Revenue Code of 1986.

b) All Corporate property is irrevocably dedicated to the purposes set forth in Article THREE, above. No part of the net earnings of this Corporation shall inure to the benefit of any of its directors, trustees, officers, private shareholders, or to individuals.

c) Upon the winding up and dissolution of the Corporation after paying or adequately providing for the debts, obligations, and liabilities of the Corporation, all net assets, other than trust funds, shall be distributed to a successor approved by the President of California State University, Channel Islands, and by the Chancellor of The California State University. Such successor shall have tax-exempt status under Section 501 (c) (3) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States internal revenue law) and under Section 23701d of the California Revenue and Taxation Code, or the corresponding section of any future California revenue and tax law.

3. The foregoing amendment and restatement of Articles of Incorporation has been duly approved by the Board of Directors.

4. The corporation has no members.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

DATE: 2-27-13

Spencer Keaster, Chair of the Board

Christine Porter, Secretary