

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX C
Reference

Section

Topic

APPENDIX C 10/01

Title 5
California Code
of Regulations

Title 5, California Code of Regulations

(Register 86, No. 17-4-26-86)

SUBCHAPTER 4. STUDENT AFFAIRS

Article 3. Student Body Organizations

41401 41401. Calling of Election.

The president of a campus in which a student body organization has been established may call an election which shall be called, held and conducted pursuant to this article, to determine whether a student body membership fee shall be fixed which shall be required of all regular, limited and special session students attending the campus.

NOTE: Authority cited: Sections 66600, 89030, 89035 and 89300, Education Code. Reference: Sections 66600, 89030, 89300-89302, Education Code.

HISTORY

1. Amendment filed 9-22-65; effective thirtieth day thereafter (Register 65, No. 18).
2. Refiled 10-29-65 (Register 65, No. 20).
3. Amendment filed 8-22-72; effective thirtieth day thereafter (Register 72, No. 35)
4. Amendment filed 3-19-82; effective thirtieth day thereafter (Register 82, No. 12).

41402 41402. Notice.

The election shall be called by posting notices in three public places on the campus at least two weeks before the election and by publishing the notice once a week for two weeks in the campus newspaper published by the student body organization, if there be such a newspaper. The notice shall set forth the time and place of the election, the purpose of the election, the location of the polls, and the hours during which the polls will be open. If more than one polling place established, the notice shall also designate the group eligible to vote at each polling place.

Authority cited: Sections 66600, 89030, 89035 and 89300, Education Code. Reference: Sections 66600, 89030, 89300-89302, Education Code

HISTORY

1. Amendment filed 8-22-72; effective thirtieth day thereafter (Register 72, No. 35).
2. Amendment of NOTE filed 3-19-82; effective thirtieth day thereafter (Register 82, No. 12).

41403 41403. Polling Places.

The president of the campus shall fix the number of polling places. If more than one polling place is established, the regular students of the campus shall be divided into as many groups alphabetically, according to their surnames, as there are polling places, and each group shall be required to vote at the polling place assigned to it.

NOTE: Authority cited: Sections 66600, 89030, 89035 and 89300, Education Code. Reference: Sections 66600, 89030, 89300-89302, Education Code.

HISTORY

1. Amendment filed 8-22-72; effective thirtieth day thereafter (Register 72, No. 35).
2. Amendment of NOTE filed 3-19-82; effective thirtieth day thereafter (Register 82, No. 12).

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX C
Reference

Section

Topic

41404	<p>41404. Conduct.</p> <p>The election shall be held on the campus and may be held on any day during the regular academic year the campus is in session except Saturday and Sunday. The polls shall be open from not later than 8 a.m. to at least 4 p.m. Only regular students of the campus shall be entitled to vote at the election.</p> <p>No electioneering shall be carried on by signs or otherwise within 100 feet of any polling place.</p> <p>NOTE: Authority cited: Sections 66600, 89030, 89035 and 89300, Education Code. Reference: Sections 66600, 89030, 89300-89302, Education Code.</p> <p>HISTORY</p> <ol style="list-style-type: none"> 1. Amendment filed 8-22-72; effective thirtieth day thereafter (Register 72, No. 35). 2. Amendment of NOTE filed 3-19-82; effective thirtieth day thereafter (Register 82, No. 12).
41405	<p>41405. Supervision.</p> <p>Such election shall be held and conducted under the direct supervision of such members of the faculty of the campus as the president shall designate. Voting shall be by secret ballot.</p> <p>At least one faculty member shall be present at each of the polls during the time the polls are open and during the time the votes are counted. Such faculty member or members shall supervise the conduct of the election at the polling place.</p> <p>NOTE: Authority cited: Sections 66600, 89030, 89035 and 89300, Education Code. Reference: Sections 66600, 89030, 89300-89302, Education Code.</p> <p>HISTORY</p> <ol style="list-style-type: none"> 1. Amendment filed 8-22-72; effective thirtieth day thereafter (Register 72, No. 35). 2. Amendment of NOTE filed 3-19-82; effective thirtieth day thereafter (Register 82, No. 12).
41406	<p>41406. Ballot.</p> <p>The ballot used at such elections shall be in the following form:</p> <p>“Shall a membership fee in the student body organization of (Insert Name of Institution) be fixed which shall be required of all regular, limited and special session students enrolled at the campus? Yes__ No__ (The voter shall mark a cross after the answer he desires to give.)”</p> <p>Only one ballot shall be allowed each eligible voter. If a voter marks a ballot in error, the voter may return such ballot and receive another.</p> <p>NOTE: Authority cited: Sections 66600, 89030, 89035 and 89300, Education Code. Reference: Sections 66600, 89030, 89300-89302, Education Code.</p> <p>HISTORY</p> <ol style="list-style-type: none"> 1. Amendment filed 9-22-65; effective thirtieth day thereafter (Register 65, No. 18). 2. Amendment filed 10-29-65; effective thirtieth day thereafter (Register 65, No. 20). 3. Amendment filed 8-22-72; effective thirtieth day thereafter (Register 72, No. 35). 4. Amendment filed 3-19-82; effective thirtieth day thereafter (Register 82, No. 12).
41407	<p>41407. Results.</p>

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX C
Reference

Section

Topic

Immediately after the closing of the polls, the ballots cast at each polling place shall be counted by, or under the direction of, the faculty member or members assigned to such polling place. The number of "Yes" votes and the number of "No" votes cast at the polling place shall be certified to the president of the campus by a faculty member assigned to the polling place. The president of the campus shall total the votes and certify the result of the election to the Board of Trustees.

NOTE: Authority cited: Sections 66600, 89030, 89035 and 89300, Education Code. Reference: Sections 66600, 89030, 89300-89302, Education Code.

HISTORY

1. Amendment filed 8-22-72; effective thirtieth day thereafter (Register 72, No. 35).
2. Amendment of NOTE filed 3-19-82; effective thirtieth day thereafter (Register 82, No. 12)

41408 41408. Fixing of Fees.

If two-thirds of the votes cast at the election are "Yes" votes, the Chancellor shall fix the membership fee to be required of all regular, limited and special session students attending the campus and shall notify the president of the campus of the fee fixed.

NOTE: Authority cited: Sections 66600, 89030, 89035 and 89300, Education Code. Reference: Sections 66600, 89030, 89300-89302, Education Code.

HISTORY

1. Amendment filed 9-22-65; effective thirtieth day thereafter (Register 65, No. 18).
2. Refiled 10-29-65 (Register 65, No. 20).
3. Amendment filed 8-22-72; effective thirtieth day thereafter (Register 72, No. 35).
4. Amendment filed 3-19-82; effective thirtieth day thereafter (Register 82, No. 12).

41409 41409. Collection of Fees.

The required membership fee shall, pursuant to Education Code Section 89301, be collected by the campus of a regular student, limited student, and special session student unless the student chooses to work off the amount of the fee as provided in Education Code Section 89301. Fees so collected shall be deposited with the chief fiscal officer or designee of the campus and transmitted by that officer to the treasurer of the student body organization.

NOTE: Authority cited: Sections 66600, 89030, 89035 and 89300, Education Code. Reference: Sections 66600, 89030, 89300-89302, Education Code.

HISTORY

1. Amendment filed 8-22-72; effective thirtieth day thereafter (Register 72, No. 35).
2. Amendment filed 2-18-77; effective thirtieth day thereafter (Register 77, No. 8).
3. Amendment filed 4-29-77; effective thirtieth day thereafter (Register 77, No. 18).
4. Amendment filed 3-19-82; effective thirtieth day thereafter (Register 82, No. 12).

41409.5 41409.5. Time of Collection of Fees.

5

The required membership fee shall be collected at the time of each registration except:

- (a) When a student loan or other financial assistance from a student aid program or a training program recognized by the campus has been delayed and there is reasonable proof acceptable to the chief fiscal officer of the campus or designee that the funds will be forthcoming; or
- (b) When changes are made during the change of program period which result in a higher fee category than paid at the time of registration, in which case the additional fee required shall, subject to (a) above, be paid immediately upon demand by the campus.

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX C
Reference

Section

Topic

NOTE: Authority cited: Sections 66600, 89030, 89035 and 89300, Education Code. Reference: Sections 66600, 89030, 89300-89302, Education Code.

HISTORY

1. New section filed 2-18-77; effective thirtieth day thereafter (Register 77, No. 8).
2. Amendment of NOTE filed 3-19-82; effective thirtieth day thereafter (Register 82, No. 12).

41410 41410. Referendum.

The required membership fee shall be subject to referendum as provided in Education Code Section 89300. The referendum election shall be called, held, and conducted, and the results thereof certified in the same manner as the election at which the required membership fees were authorized except for necessary changes made in phrasing notices, ballots, propositions, and similar election material, in order to provide for a referendum; provided that a referendum shall not be successful unless at least two-thirds of the students voting at the election called therefor approve it.

NOTE: Authority cited: Sections 66600, 89030, 89035 and 89300, Education Code. Reference: Sections 66600, 89030, 89300-89302, Education Code.

HISTORY

1. Amendment filed 6-1-66; effective thirtieth day thereafter (Register 66, No. 16).
2. Amendment of section and NOTE filed 4-29-77; effective thirtieth day thereafter (Register 77, No. 18).
3. Amendment of NOTE filed 3-19-82; effective thirtieth day thereafter (Register 82, No. 12).

41411 41411. Resubmission of Proposals.

If a proposal submitted at an election held under this article fails to receive the number of votes required for its adoption, subsequent elections may be called and held under this article, at which the proposal may be submitted but no such election shall be held within 90 days of any prior election at which such proposal was submitted.

NOTE: Authority cited: Sections 66600, 89030, 89035 and 89300, Education Code. Reference: Sections 66600, 89030, 89300-89302, Education Code.

HISTORY

1. Amendment of NOTE filed 3-19-82; effective thirtieth day thereafter (Register 82, No. 12).

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX C
Reference

Section

Topic

TITLE 5 CALIFORNIA STATE UNIVERSITY (Register 88, No. 23-6-4-88)

SUBCHAPTER 6. AUXILIARY ORGANIZATIONS

Article 1. General

42400 42400. Definition.

As used in this Subchapter 6, a campus auxiliary organization, hereinafter called an "auxiliary" organization, is an organization which is (a) included in the list of auxiliary organizations in good standing maintained by the Chancellor pursuant to Section 42406, *infra* and/or (b) which is an organization specified in Education Code Section 89900, which is any organization using the name of the State or a campus, or representing an official relationship with a campus, or in which any campus official participates as a director as part of his official position. The term, "auxiliary organization" as used herein, includes student body organizations and other student groups which are subject to the provisions of Education Code Section 89900; provided, that other than student body organizations, all student clubs, societies, sororities, fraternities and similar student groups not operating any commercial activity at the campus, are not subject to the further provisions of this Article, and may represent an official relationship to the campus and may use its facilities, subject to such policies and conditions as the Board of Trustees and the campus president may from time to time establish.

NOTE: Authority cited for Subchapter 5: Sections 66600, 66606, 89030, 89300, 89301, 89302 and 89900, Education Code.

HISTORY:

1. Amendment filed 4-1-69; effective thirtieth day thereafter (Register 69, No 14).
2. Amendment filed 8-22-72; effective thirtieth day thereafter (Register 72, No.35).
3. Amendment of section and NOTE filed 4-29-77; effective thirtieth day thereafter (Register 77, No. 18).

42401 42401. Declaration of Policy.

Auxiliary organization activities are essential to the educational program of a campus, including service functions, and are an integral part of the campus program and shall be so operated. The objectives of the auxiliary organizations are as follows:

- (a) To provide for student self—government, and
- (b) To provide the fiscal means and the management procedures that allow the campus to carry on activities providing those instructional and service aids not normally furnished by the State budget, and
- (c) To provide effective operation and to eliminate the undue difficulty which would otherwise arise under the usual governmental budgetary, purchasing, and other fiscal controls, and
- (d) To provide fiscal procedures and management systems that allow effective coordination of the auxiliary activities with the campus in accordance with sound business practices.

NOTE: Authority cited: Sections 66600, 66606, 89030, and 89900, Education Code. Reference: Sections 89300 and 89900, Education Code.

HISTORY:

1. Amendment filed 4-1-69; effective thirtieth day thereafter (Register 69, No. 14).
2. Amendment filed 8-22-72; effective thirtieth day thereafter (Register 72, No 35).

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX C
Reference

Section

Topic

3. Amendment filed 9-15-81; effective thirtieth day thereafter (Register 81, No. 38).

42402 42402. Authority of Campus President.

The president of each campus is responsible for the educational effectiveness, academic excellence, and general welfare of the campus, over which he presides. As stated, auxiliary organizations operate as an integral part of the overall campus program. Therefore, for the president to exercise his responsibility over the entire campus program, he shall require that auxiliary organizations operate in conformity with policy of the Board of Trustees and the campus.

To execute this authority, the president shall require that each auxiliary organization submit its programs and budgets for review at a time and in a manner specified by the president. Should the president determine that any program or appropriation planned by an auxiliary organization is not consistent with policy of the Board of Trustees and the campus, the program or appropriation shall not be implemented. Further, should a program or appropriation which had received approval, upon review, be determined by the president to be operating outside the acceptable policy of the Board of Trustees and the campus, then that program or appropriation shall be discontinued by direction of the president until further review is accomplished and an appropriate adjustment is made.

HISTORY:

1. Amendment filed 4-1-69; effective thirtieth day thereafter (Register 69, No. 14).
2. Amendment filed 8-22-72; effective thirtieth day thereafter (Register 72, No. 35).

42403 42403. Funds.

(a) All funds and money collected by or on behalf of a student body organization except funds and money collected from commercial services as provided in Education Code Section 89905, shall be deposited in trust by the chief fiscal officer of the campus in accordance with procedures approved by an appropriate officer of the student body organization. Such funds and money shall, subject to the approval of the campus president or designee, be deposited or invested in any one or more of the ways specified in Section 89301 of the Education Code.

The chief fiscal officer of the campus shall be custodian of all funds and money collected by or on behalf of a student body organization and shall provide the necessary accounting records and controls for such funds. These funds may be expended by the custodian only upon the submission of an appropriate claim schedule by officers of the student body organization.

The student body organization shall reimburse the campus an amount to cover the cost of custodial and accounting services provided by the campus in connection with these funds.

(b) Trust funds shall be used specifically for the purpose designated in the instrument creating the trust.

(c) Funds of an auxiliary organization shall be used for purposes consistent with Board of Trustees and campus policy, and shall not be used:

(1) To support or oppose any candidate for public office, whether partisan or not, or to support or oppose any issue before the voters of this state or any subdivision thereof or any city, municipality, or local governmental entity of any kind except as may be permitted by Section 89300 of the Education Code. The prohibition of this subdivision shall not apply to:

(A) expressions published in the student press;

(B) support of a position taken by the Board of Trustees on an issue which the Board determines will significantly affect the California State University or any campus thereof.

(C) Paragraphs (A) and (B) of subdivision (c)(1) are exceptions to the prohibition of (c)(l) and shall not be construed as authorizing an expenditure of student body organization funds collected through mandatory fees not authorized by Section 42659.

(2) To make personal loans for non-educationally related purposes, except that such loans may be made when specifically authorized by a trust instrument under which the funds were

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX C
Reference

Section

Topic

received.

(d) Indemnity bonds shall be obtained by an auxiliary organization for officers and employees handling funds of the auxiliary organization.

(e) Donations and gifts to an auxiliary organization for research and other projects which are accepted, shall be accepted and maintained in accordance with policies and regulations established by the Board of Trustees.

NOTE: Authority cited: Sections 89030 and 89900, Education Code. Reference: Sections 89302 and 89900, Education Code.

HISTORY:

1. Amendment of subsections (a) and (c)(l) filed 4-29-77; effective thirtieth day thereafter (Register 77, No. 18). For prior history, see Register 74, No. 16.
2. Amendment of subsection (a) filed 1-30-79, effective thirtieth day thereafter (Register 79, No. 5).
3. Amendment filed 9-15-81; effective thirtieth day thereafter (Register 81, No. 38).
4. Amendment of subsection (c)(1) filed 6-1-88; operative 7-1-88 (Register 88, No. 23).

42404 42404. Records.

(a) An auxiliary organization shall maintain adequate records and shall prepare such periodic reports showing its operations and financial status as may be required by the Board of Trustees.

(b) All records of an auxiliary organization shall be open to the Board of Trustees and the Department of Finance for audits.

NOTE: Authority cited: Sections 66600, 99030, and 89900, Education Code. Reference: Sections 89930 and 89904, Education Code.

HISTORY:

1. Amendment of subsection (b) filed 4-29-77; effective thirtieth day thereafter (Register 77, No. 18). For prior history, see Register 72, No. 35.
2. Amendment filed 9-15-81; effective thirtieth day thereafter (Register 81, No. 38).

42405 42405. Employees.

(a) Except as otherwise provided in this Section, the governing board of each auxiliary organization shall provide salaries, working conditions and benefits for its full-time employees which are comparable to those provided campus employees performing substantially similar services. For those full-time employees who perform services that are not substantially similar to the services performed by campus employees, the salaries established shall be at least equal to the salaries prevailing in other educational institutions in the area or commercial operations of like nature.

(b) Notwithstanding anything in this Section to the contrary, the governing board of each auxiliary organization may withhold retirement benefits or permanent status benefits or both from temporary employees. For the purposes of this Section, a temporary employee is:

- (1) An employee employed for a research project, workshop, institute or other special project funded by any grant, contract or gift; or
- (2) An employee whose contract of employment is for a fixed term not exceeding three years.

(c) Notwithstanding anything in this Section to the contrary, the governing board of each auxiliary organization may withhold permanent status benefits from executive employees. For the purposes of this Section, an executive employee is any management employee with responsibility

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX C
Reference

Section

Topic

for the development and execution of auxiliary organization policy and includes, but is not limited to, general managers, managers, directors, and the like, as determined by the governing board of each auxiliary organization.

(d) At least annually, the Chancellor shall determine which of the auxiliary organizations included on the list prepared pursuant to Section 42406 is an auxiliary organization funded primarily by mandatory student fees collected by the Trustees. Notwithstanding anything in this Section to the contrary, the governing board of any auxiliary organization designated by the Chancellor as an auxiliary organization that is primarily funded by mandatory student fees collected by the Trustees may withhold retirement benefits from its employees.

(e) Notwithstanding anything in this Section to the contrary, the Chancellor may exempt the governing board of any newly created auxiliary organization from the requirement of providing retirement benefits for a period not to exceed three years from the date on which the Chancellor approves the establishment of the auxiliary organization pursuant to Section 42407.

(f) The Chancellor shall provide, and may from time to time revise, rules and procedures for the administration of this Section.

NOTE: Authority cited: Section 89900, Education Code.

HISTORY:

1. Amendment of NOTE filed 4-29-77; effective thirtieth day thereafter (Register 77, No.18). For prior history, see Register 72, No. 35.
2. Amendment filed 12-13-77; effective thirtieth day thereafter (Register 77, No. 51).

42406 42406. List of Auxiliary Organizations in Good Standing.

The Chancellor shall prepare and keep current a list of organizations in good standing. All auxiliary organizations in compliance with rules and regulations of the Trustees, and provisions made thereunder, shall be included on the list. Where the Chancellor has reason to believe that a particular organization should be removed from said list, he will give the governing board of such organization, and the president of the campus, reasonable notice that a conference will be held to determine whether grounds for such removal do in fact exist, and representatives of said board shall be entitled to be present at such conference and to be heard. The Chancellor may make such provisions consistent with law as may in his judgment be appropriate with respect to further cooperation and agreements between any campus and an auxiliary organization not included on the said list.

HISTORY:

1. New section filed 9-4-63; effective thirtieth day thereafter (Register 63, No. 15).
2. Amendment filed 4-1-69; effective thirtieth day thereafter (Register 69, No. 14).
3. Amendment filed 8-22-72; effective thirtieth day thereafter (Register 72, No. 35).

42407 42407. Establishment of Auxiliary Organizations.

No new auxiliary organization shall be established unless a recommendation accompanied by a justification is submitted by the president of the campus and approval is given by the Chancellor.

NOTE: Authority cited: Sections 66600 and 89900, Education Code. Reference: Section 99900. Education Code.

HISTORY:

1. New section filed 4-1-69; effective thirtieth day thereafter (Register 69, No. 14).

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX C
Reference

Section

Topic

2. Amendment filed 8-22-72; effective thirtieth day thereafter (Register 72, No. 35).
3. Amendment filed 4-29-77; effective thirtieth day thereafter (Register 77, No 18).
4. Amendment filed 9-15-81; effective thirtieth day thereafter (Register 81, No. 38).

42408 42408. Fiscal Audits.

(a) Each auxiliary organization shall have an annual fiscal audit performed by a certified public accountant selected by the auxiliary organization. When completed, the audit shall be furnished to the Chancellor and or designee on the date or dates designated by the Chancellor.

(b) The annual fiscal audits shall be performed in accordance with standard systemwide procedures prescribed by the Chancellor, and in accordance with procedures as may be prescribed by the Department of Finance. The Chancellor shall distribute the standard systemwide procedures on a timely basis to the certified public accountants through campus or other appropriate distribution channels.

(c) Each auxiliary organization, in order to disseminate as widely as feasible the audited financial statements, shall:

- (1) Publish the audited financial statements in a campus newspaper; or
- (2) Publish a notice in a campus newspaper indicating the on-campus location where copies of the audited financial statements may be obtained or reviewed; or
- (3) Publish or notice the audited statements in accordance with subdivision (1) or (2) in a campus bulletin or other appropriate medium if a campus newspaper is unavailable.

NOTE: Authority cited: Sections 66600, 66606, 89030 and 89900, Education Code, Reference: Sections 89900 and 89904, Education Code.

HISTORY:

1. New section filed 9-15-81; effective thirtieth day thereafter (Register 81, No. 38).

Article 2. Functions of Auxiliary Organizations and Requirement for Written Agreements

42500 42500. Functions of Auxiliary Organizations

Auxiliary organizations are formed to provide essential functions which are an integral part of the educational mission of a campus and The California State University.

(a) The following functions have been determined by the Board to be appropriate for auxiliary organizations to perform in accordance with applicable policies, rules, and regulations:

- (1) Student Body Organization Programs;
- (2) Bookstores, Food Services, and Campus Services;
- (3) Housing;
- (4) Student Union Programs;
- (5) Supplementary Health Services;
- (6) Loans, Scholarships, Grants-in-Aids, Stipends, and Related Financial Assistance;
- (7) Externally Funded Projects Including Research, Workshops, Conferences, and Institutes;
- (8) Instructionally-related Programs, and activities, including Agriculture, Athletics, Radio and Television Stations, Newspapers, Films, Transportation, Printing, and other Instructionally Related Programs and Activities;
- (9) Alumni Programs;
- (10) Gifts, Bequests, Devices, Endowments, Trusts and Similar Funds;
- (11) Public Relations, Fundraising, Fund Management, and Similar Development Programs;

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX C
Reference

Section

Topic

(12) Acquisition, development sale and transfer of real property and personal property including financing transactions related to these activities.

(b) Gifts, grants, or other donations received by an auxiliary organization shall be accepted, maintained, and used in accordance with policies, rules, and regulations of the Board of Trustees.

(c) Auxiliary organizations may issue debt instruments to finance or refinance projects in connection with their mission upon prior approval of the campus president and pursuant to policies of the Board of Trustees as may be implemented by the Chancellor. For purposes of this section, "debt instruments" means loans, notes, bonds, finance leases, installment purchase or sale agreements, and certificates of participation.

(d) Student loans, scholarships, stipends and grants-in-aid shall only be given to currently admitted students. A record of such financial assistance shall be forwarded on a timely basis to the campus Financial Aids Office and shall be documented on student financial aid recipient records kept in that Office. All such financial assistance provided from student body organization funds shall be approved by the campus Financial Aids Office before such funds are expended, and shall not exceed amounts to be provided under regulations of federal and state financial aid programs, except as provided under Section 42403, subdivision (b).

(e) An auxiliary organization shall not engage in a function not listed in subdivision (a) of this section unless an appropriate amendment is made to subdivision (a) by the Board of Trustees, adding said function to the list of approved functions of auxiliary organizations, or unless such function is essential to satisfy the corporation laws of the State of California.

NOTE: Authority cited: Sections 89030 and 89900, Education Code. Reference: Section 89900, Education Code.

HISTORY:

1. Amendment filed 4-1-69; effective thirtieth day thereafter (Register 69, No. 14).
2. Amendment filed 8-22-72; effective thirtieth day thereafter (Register 72, No. 35).
3. Amendment filed 4-29-77; effective thirtieth day thereafter (Register 77, No. 18).
4. Amendment filed 9-15-81; effective thirtieth day thereafter (Register 81, No. 38).
5. Amendment of subsection (a) filed 7-13-89; operative 8-12-89 (Register 89, No. 28).

42501 42501. Requirement of Written Agreement.

A written agreement on behalf of the State of California by the Chancellor of The California State University, and the auxiliary organization is required for the performance by such auxiliary organization of any of the functions listed in Section 42500, except student body organization activities. If any auxiliary organization performs more than a single function, then the written agreement may cover any number of the functions it performs on the campus or a separate agreement may cover each function performed. Authority for agreements between the auxiliary organization and a student for student projects involving agricultural, vocational, or other instructional activities, is to be incorporated in the written agreement between the auxiliary and the State.

NOTE: Authority cited: Sections 66600, 89030, and 89900, Education Code. Reference: Section 89900, Education Code.

HISTORY:

1. New section filed 4-1-69; effective thirtieth day thereafter (Register 69, No. 14).
2. Amendment filed 8- 22-72; effective thirtieth day thereafter (Register 72, No 35).
3. Amendment filed 9-15-81; effective thirtieth day thereafter (Register 81, No. 38).

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX C
Reference

Section

Topic

42502 42502. Contents of Written Agreement.

The written agreement required by Section 42501 shall, among other things, specify the following:

- (a) The function or functions which the organization is to manage, operate or administer.
- (b) The necessity for administration of the functions by the auxiliary organization instead of by the campus under usual state procedures.
- (c) Service by any state officer or employee shall not be incompatible, inconsistent, or in conflict with his or her duties as a state officer or employee.
- (d) The facilities to be made available to permit the auxiliary organization to perform the functions specified in the written agreement.
- (e) The charge or rental to be paid for the facilities used in connection with the performance of its function. The charge or rental specified shall not require involved methods of computation, and should be identified in sufficient time before its incurrence so that the organization may determine to what extent it shall be liable therefor.
- (f) Full reimbursement to the State for services performed by state employees under the direction of the organization. Methods of proration where services are performed by state employees for the organization shall be simple and equitable.
- (g) A simple but equitable method of determining in advance to what extent the organization shall be liable for indirect costs.
- (h) The responsibility for maintenance and payment of operating expenses.
- (i) Proposed expenditures for public relations or other purposes which would serve to augment state appropriations for operation of the campus. With respect to expenditures for public relations or other purposes which would serve to augment state appropriations for operation of the campus, the auxiliary organization may expend funds in such amount and for such purposes as are approved by the governing body of the auxiliary organization. The President shall file with the Chancellor, a statement of such policy on accumulation and use of public relations funds for all auxiliary organizations. The statement will include the policy and procedure on solicitation of funds, source of funds amounts, and purpose for which the funds will be used, allowable expenditures and procedures of control.
- (j) The disposition to be made of net earnings derived from the operation of facilities owned or leased by the auxiliary organization and provisions for reserves.
- (k) The disposition to be made of net assets on dissolution of the auxiliary organization or cessation of the operations under the agreement.
- (l) The covenant of the auxiliary organization to maintain its organization and to operate in accordance with the regulations contained in this Subchapter 6, and Board resolutions.
- (m) The operations of auxiliary organizations shall be integrated with campus operations and so supervised as to comply with objectives stated in Section 42401.

NOTE: Authority cited: Sections 66000, 89030, and 89900, Education Code. Reference: Section 89900, Education Code.

HISTORY:

- 1. Renumbered from S4250I and amendment filed 4-1-69; effective thirtieth day thereafter (Register 69, No. 14).
- 2. Amendment filed 8-22-72; effective thirtieth day thereafter (Register 72, No 35).
- 1. Amendment filed 9-15-81; effective thirtieth day thereafter (Register 81, No. 38).

Article 3. Organization and Operation

42600 42600. Organization.

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX C
Reference

Section

Topic

- (a) An auxiliary organization which is not a corporation shall adopt a constitution and file a copy thereof with the Chancellor.
- (b) By July 1, 1982, the articles of incorporation or constitution of an auxiliary organization shall contain a provision that upon dissolution of the organization, net assets, other than trust funds, shall be distributed to a successor approved by the president of the campus and by the Board of Trustees.

NOTE: Authority cited: Sections 66600, 66606, 89030 and 89900, Education Code. Reference: Section 89900, Education Code.

HISTORY:

1. Amendment and new subsection (e)(4) filed 4-1-69; effective thirtieth day thereafter (Register 69, No. 14).
2. Amendment filed 12-29-70; effective thirtieth day thereafter (Register 71, No 1).
3. Amendment filed 8-22-72; effective thirtieth day thereafter (Register 72, No. 35).
4. Amendment filed 9-15-81; effective thirtieth day thereafter (Register 81, No. 38).

42601 42601. Operation.

All leasing of campus facilities shall be effected under provisions of Education Code, Section 89046 or other laws governing the leasing of state facilities.

NOTE: Authority cited: Sections 66600, 89030, and 89000, Education Code. Reference, Sections 89900 and 89046, Education Code.

HISTORY:

1. Amendment of section and NOTE filed 4-29-77; effective thirtieth day thereafter (Register 77, No. 18). For prior history, see Register 72, No. 35.
2. Amendment filed 9-15-81; effective thirtieth day thereafter (Register 81, No. 38).

42602 42602. Composition of Board of Directors.

The composition of the governing board of auxiliary organizations shall be as follows:

- (a) Student Body Organizations. The governing board of student body organizations shall consist primarily of students, with a representative of the campus president to advise on policy and to provide liaison between the student governing board and the president of the campus.
- (b) Other Auxiliary Organizations.
- (1) Approved auxiliary organizations, other than student body organizations, operating on April 1, 1969, may continue the composition of their governing boards of directors existing at that time.
- (2) Approved auxiliary organizations, other than student body organizations, operating on April 1, 1969, desiring to make a substantial change in their governing board's composition, and any auxiliary organization established after that date, shall have a governing board consisting of voting membership from the following categories:
- (A) Administration and staff
 - (B) Faculty
 - (C) Non-campus personnel
 - (D) Students

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX C
Reference

Section

Topic

(c) The size of the governing board of an auxiliary organization shall be at least large enough to accommodate the membership from the various categories which are required by this section.

NOTE: Authority cited: Sections 66600, 89030, and 89900, Education Code. Reference: Section 89903, Education Code.

HISTORY:

1. New section filed 1-2-70; effective thirtieth day thereafter (Register 70, No. 1).
2. Amendment of subsections (a) and (b) filed 8-22-72; effective thirtieth day thereafter (Register 72, No. 35).
3. Amendment of NOTE filed 4-29-77; effective thirtieth day thereafter (Register 77, No. 18).
4. Amendment filed 9-15-81; effective thirtieth day thereafter (Register 81, No. 38).

Article 4. Student Body Organization Funds

42659 42659. Approved Uses of Student Body Organization Funds.

The principle underlying the expenditure of student body organization funds collected through mandatory fees is that such expenditures shall be made in programs that reflect the broadest variety of student interests and that are open to all students who wish to participate. Student body organization funds obtained from mandatory fees may be expended for the following programs:

- (a) Programs of cultural and educational enrichment and community service.
- (b) Recreational and social activities.
- (c) Support of student unions.
- (d) Scholarships, stipends, and grants-in-aid for only currently admitted students in accordance with provisions of Section 42500, subdivision (d).
- (e) Tutorial programs.
- (f) Athletic programs, both intramural and intercollegiate.
- (g) Student publications.
- (h) Assistance to recognized student organizations.
- (i) Student travel insurance.
- (j) Administration of student fee program.
- (k) Student government-scholarship stipends, grants-in-aid, and reimbursements to student officers for service to student government. Before such scholarship stipends, grants-in-aid, and reimbursements are established by a student body association, the principle of establishing such payments shall be approved by a student referendum.
- (l) Student employment to provide payment for services in connection with the general administration of student fee.
- (m) Augmentation of counseling services, including draft information, to be performed by the campus. Such counseling may also include counseling on legal matters to the extent of helping the student to determine whether he should retain legal counsel, and of referring him to legal counsel through a bar association, legal aid foundation or similar body.
- (n) Transportation services.
- (o) Child day care centers for children of students and employees of the campus.
- (p) Augmentation of campus health services.

Additional programs may be added by appropriate amendment to this section by the Board.

NOTE: Authority cited: Sections 66600, 89030, and 89900, Education Code. Reference: Sections 89300 and 89302, Education Code.

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX C
Reference

Section

Topic

HISTORY:

1. Amendment filed 8-22-72; effective thirtieth day thereafter (Register 72, No. 35). For prior history, see Register 71, No. 51.
2. New subsection (q) filed 4-16-74; effective thirtieth day thereafter (Register 74, No. 16).
3. Amendment of subsection (p)(4) and repealer of subsection (q) filed 10-19-78; effective thirtieth day thereafter (Register 78, No. 42).
4. Amendment filed 9-15-81; effective thirtieth day thereafter (Register 81, No. 38).

42659. 42659.1. Governmental Affairs Representatives.

NOTE: Authority cited: Sections 66600, 66606, 89030, Education Code. 89035, 89300, 89302,
HISTORY:

1. New section filed 4-16-74; effective thirtieth day thereafter (Register 74, No. 16).
2. Repealer filed 4-29-77; effective thirtieth day thereafter (Register 77, No. 18).

42660 42660. Financial Aid.

NOTE: Authority cited: Sections 66600, 66606, 89030, 89300 and 89302, Education Code.
HISTORY:

1. New section filed 2-18-70; effective thirtieth day thereafter (Register 70, No. 8).
2. Amendment filed 8-22-72; effective thirtieth day thereafter (Register 72, No. 35).
3. Amendment of NOTE filed 4-29-77; effective thirtieth day thereafter (Register 77, No. 18).
4. Repealer filed 9-15-81; effective thirtieth day thereafter (Register 81, No. 38).

Article 5. Systemwide Auxiliary Organizations

42665 42665. Definition.

As used in this Article 5 a systemwide auxiliary organization is an auxiliary organization of the California State University (a) established pursuant to section 89900 et seq. of the Education Code; (b) included in the list of auxiliary organizations in good standing maintained by the chancellor pursuant to section 42406; (c) engaged in activities which are essential and integral to the mission and purpose of the California State University system; and (d) responsible to the chancellor who shall require that the systemwide auxiliary organization operate in conformity with the policy of the Board of Trustees and the policy of the chancellor.

NOTE: Authority cited: Sections 89030 and 89900, Education Code. Reference: Section 89900, et seq., Education Code.

HISTORY:

1. New article 5 and section filed 7-24-95; operative 8-23-95 (Register 95, No. 30).

42666 42666. Requirements.

A systemwide auxiliary organization shall comply with the policies of this Subchapter 6 as they may

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX C
Reference

Section

Topic

relate to a systemwide context: (a) where the terms "president" or "campus" are used they shall mean "chancellor" or "California State University system," as appropriate; (b) sections and subsections which address student body organizations shall not apply to systemwide auxiliary organizations; and (c) composition of the governing board of directors prescribed in Section 42602 shall not apply to systemwide auxiliary organizations. NOTE: Authority cited: Sections 89030 and 89900, Education Code. Reference: Section 89900, et seq., Education Code.

HISTORY

1. New section filed 7-24-95; operative 8-23-95 (Register 95, No.30).

§42667. For-Profit Subsidiaries.

Subject to the approval of the chancellor and the Board of Trustees, a systemwide auxiliary organization may establish for-profit subsidiary organizations as long as neither the purpose of the systemwide auxiliary organization nor the nonprofit status of the systemwide auxiliary organization is compromised by the subsidiaries. The systemwide auxiliary organization shall cause a subsidiary organization to engage only in those activities which further the purposes of the systemwide auxiliary organization and which have been approved by the chancellor. NOTE: Authority cited: Sections 89030 and 89900, Education Code. Reference: Section 89900, et seq., Education Code.

HISTORY

1. New section filed 7-24-95; operative 8-23-95 (Register 95, No.30).