

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX D
Reverence

Topic

APPENDIX D 09/02

Resolutions of the Board of Trustees

RGPA 63-12

Subject: Food Service Restrictions

RESOLVED, By the Board of Trustees of the California State Colleges, that it is the policy of the Trustees that cafeterias and other Food service operations on State College campuses be open, and their services available only to students, faculty and staff and their bona fide guests, and to persons participating in State College sponsored functions such as meetings and conferences; and be it further

RESOLVED, that all such food service facilities be posted to restrict their use in accordance with this resolution.

RFIN 65-022

Subject: Student Store Restrictions

RESOLVED, By the Board of Trustees of the California State Colleges, that this Board hereby reiterates and reaffirms the policy which has governed the operation of student stores since their inception in the California State Colleges, that they be open, and their services be available, only to students, faculty and staff of the college, and persons participating in State College sponsored educational functions such as meetings and conferences.

RFIN 66-13

Subject: Off-Campus Housing

RESOLVED, By the Board of Trustees of the California State Colleges, that the following principles are adopted by this Board to guide the relationships of the Colleges with private developers of off-campus student housing:

1. The construction and operation of quality student housing by private developers shall be encouraged.
2. The educational principles and architectural and operational standards enunciated in the resolution on student housing adopted by this Board on April 30, 1965, and in the Development Guide for Campus Housing, shall be paramount in all on-campus or off-campus student housing programs.
3. The development of property immediately adjacent to, or property within the reasonable environ of the campus, is of vital concern to the Colleges. It is to the mutual benefit of the institution, private property owners, and civic bodies that such development be compatible with the character of the college and with the colleges' master plan.
4. Each State College shall develop a written statement of criteria concerning the involvement of the college with off-campus housing. This statement shall be in conformance with the policies established by the Board of Trustees and shall be submitted to the Chancellor for approval. It should convey to all interested developers the position of the college as to information that will be provided by the college.
5. The statements of criteria should reflect circumstances and factors applicable to the individual college. However, all colleges shall include the following criteria:

A the State College or any of its auxiliary organizations will not:

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX D
Reverence

Topic

1. guarantee a specific number or any student occupants for any development;
2. underwrite, pledge, encumber, subsidize or in any way guarantee a specific monetary sum to developers or to any financing agent;
3. obligate the State of California to the expenditure of time, money, or labor in promoting, managing or supporting any off-campus housing; nothing in this sub-division, however, is intended to preclude the provision of services to college students, such as the establishment and maintenance of standards listing of approved housing and the like;
 - B. the off-campus student housing project shall not use the name of the State College or California State Colleges or the term "State College" as all or any part of its title;
 - C. off-campus housing developers shall cooperate with the California State Colleges in preserving and protecting the goodwill of the State of California and the Board of Trustees of the California State Colleges;
 - D. off-campus housing that meets such criteria established by the State Colleges as to quality of educational and social programming, student leadership training through self-government or supervision may be designated as "approved" off-campus housing.
6. Criteria applicable to off-campus housing may be changed from time to time. The California State Colleges reserve the right to revise plans for on-campus housing and provide additional facilities.
7. Neither the California State Colleges nor any of its representatives shall endorse, sponsor or otherwise become a party to any application to zoning authorities by any private individual or organization or any combination thereof for approval of a zoning variance, special zoning ordinance, special use permit or similar authorization.

College representatives should present relevant information to zoning authorities with respect to matters being considered when requested to do so or when the college feels such information would be helpful to an appropriate determination. In the event the college determines an application for action by a zoning authority would, if granted, be inimical to the environment or program of the college, it may oppose approval of such application.
8. If a State College auxiliary organization is to be involved in the operation or ownership of off-campus housing, the following conditions must be met prior to consummation of a legal commitment or amendment of an existing commitment by the organization:
 - A. proposals must be submitted to the Chancellor's Office for review and approval prior to consummation of any agreement.
 - B. the general credit of the organization will not be used to secure any obligation of the off-campus housing operation and the future assets or earnings of other auxiliary organizations or auxiliary organization activities other than the particular off-campus housing operation will not be pledged, assigned, encumbered or transferred for the benefit of or subsidy of the off-campus housing program and any agreement entered into shall so state. In the event the organization becomes lessee of an off-campus housing operation, its rental obligation under the lease may not exceed the net income realized from the operation.
 - C. a statement must be provided that in event of default the debt is not a lien, charge or liability as to either principal or interest, against the State of California, the Board of Trustees of the

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX D
Reverence

Topic

California State Colleges, or against any officers or employees of the State, or members of the Board, or against their property or funds. No lender or obligee shall ever have the right to compel any exercise of the taxing power of the State of California for debt or interest payment.

D. neither the organization nor any of its officers, agents, or employees shall be liable for any claims by the owners of the off-campus development, or any party financing all or any part of the facility, on account of any discretionary action on the part of the organization, or of its officers, agents or employees.

E. an auxiliary organization may present any agreements with respect to operation of off-campus housing which it has entered into prior to adoption of this resolution to the Office of the Chancellor for purpose of reviewing such agreement in order to determine whether it is in accord with this resolution. The Chancellor may in such case authorize exemptions from this resolution where necessary in order to permit the organization to honor its prior agreement.

9. All developers who propose projects which meet the approved written criteria developed by the college for off-campus housing, shall be treated in a fair and equal manner. State College officials shall not favor or promote one particular developer or project. Any position presented by the institution shall be in terms of general principles and guidelines applicable to all proposals in a fair and equitable manner.

10. State College employees, State College auxiliary organization employees, and any person providing services to a State College under contract, shall avoid any conflict of interest with developers of off-campus student housing.

11. To assist in developing appropriate off-campus housing that would be economically advantageous to California State College students and obtain land and improvements for the California State Colleges at no cost to the State, the Board of Trustees will consider proposals for a proposed program which satisfy the requirements for tax exemption as stated in Ruling 63-20, (I.R.B. 1963-1, p.24) under the following conditions:

A. there will be no pledge of the name or credit of the State of California, the Board of Trustees of the California State Colleges, or their officers and employees.

B. the proposed program logically could be an extension of the college campus Master Plan.

C. the developer possesses sound and substantial evidence of ability to perform, as well as a high degree of fiscal integrity.

D. appropriate local support is evidenced (including compliance with zoning, building, fire and safety codes).

RFIN 68-22

Subject: Off-campus Housing

RESOLVED, By the Board of Trustees of the California State Colleges, that the Resolution of the Board on the subject of the development of facilities for off-campus housing, adopted June 2, 1966 (Minute Book, pages 1316 to 1320), is amended by the addition of Subparagraph F to Paragraph 8 thereof, as follows:

F. In addition to the other provisions of this Resolution relating to the operation or ownership of off-campus housing by state college auxiliary organizations, the following requirements shall also be applicable to any commitment with respect to any off-campus housing

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX D

Reverence

Topic

which is entered into on or after June 28, 1968, as well as any action taken on or after June 28, 1968, to renew or exercise an option to continue any commitment which was originally made prior to that date:

1. State College auxiliary organizations shall not own or lease such facilities; provided, however, that the Chancellor may approve the temporary utilization for off-campus housing of property owned or leased by a State College auxiliary organization which property is held for other permanent use;

2. State College auxiliary organizations may manage or provide services, such as food operations, to such facilities only if;

a. The owner thereof is a nonprofit organization, contributions to which are deductible for federal income tax purposes, pursuant to Section 170 of the Internal Revenue Code, and which organization is exempt from the payment of federal income tax pursuant to Section 501 subdivision (c)(3) of that Code;

b. The management or other service agreement does not obligate the State College auxiliary organization for any period in excess of three years.

For purposes of this Subparagraph 8F(2)(b), an agreement which gives the State College auxiliary organization an option to renew for a period not exceeding three years, exercisable during an original or successive three year period, is permissible. Such renewals shall be subject to the approval requirement of Subparagraph 8A, as are all other proposals for involvement of State College auxiliary organizations in the operation of off-campus housing. Also authorized are provisions permitting the State College auxiliary organizations to continue activities in connection with the management of the facility, which are limited to concluding the business of its management or other service activities.

c. Neither an officer or employee of the State College or its auxiliary organization who has any duties in connection with college housing, nor any other officer or employee of the State College or its auxiliary organization, in his capacity as an officer or employee, shall be a member of the nonprofit organization or of its board of directors, or of any body having a reporting or advisory responsibility to such nonprofit organization.

3. The provisions of this Subparagraph 8F are not intended to prevent any of the normal operations of the State College in connection with the approval or listing of such facilities, as provided in Paragraph 5, Subparagraph A(3).

RFIN 9-73-19

Subject: Banking Services

RESOLVED, By the Board of Trustees of The California State University and Colleges, that when requested by a campus president, the Chancellor may grant permission for the establishment and operation of banking services on campus. Permission may be given when the criteria approved by the Board of Trustees have been met for operation of banking services on campus.

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX D
Reverence

Topic

RFIN 9-73-20

Subject: Banking Services

RESOLVED, By the Board of Trustees of The California State University and Colleges, that the following criteria for the operation of banking services on campus are approved:

1. The campus president may request permission of the Chancellor after he determines there is a need for such services in appraising the adequacy of banking facilities available in the general area of the college.
2. Adequate non-state funded facilities should be available to house the banking program. State funded and constructed facilities should not be utilized for banks, even if they have been declared temporarily in excess of the needs of the college. This should not preclude, however, available vacant land being leased for banking purposes on a temporary basis while non-state funded facilities are being constructed.
3. Banking services provided on campus should be available for all students, staff and organizations of the college community.
4. The interested bank must apply for and receive the necessary approval of the appropriate bank regulatory authority. Any approval granted will be on the basis of the criteria normally used by the Regional Comptroller of the Currency or the State Superintendent of Banks, whichever is applicable, for establishing banks.
5. The campus desiring banking services on campus must be agreeable to accept the specific bank receiving approval of the appropriate regulatory authority if that bank will agree to operating terms established by the campus.

RFIN 7-78-6

Subject: Social Responsibility and Investments

WHEREAS, The boards of California State University and Colleges auxiliary organizations may from time to time make investments in corporations which do business abroad; and

WHEREAS, The policies of such corporations may have significant impact on the societies of the countries in which they do business; now, therefore, be it

RESOLVED, That the Board of Trustees of The California State University and Colleges urges auxiliary organization boards which make corporate investments to issue statements of social responsibility and to follow those precepts in examining past and considering future investment policies.

RFSA 7-80-14

Subject: Statement on Nondiscrimination and Affirmative Action in Employment

RESOLVED, That the Board of Trustees of The California State University and Colleges adopt the following revised policy for nondiscrimination and affirmative action in employment.

THE CALIFORNIA STATE UNIVERSITY AND COLLEGES
POLICY STATEMENT OF NONDISCRIMINATION AND
AFFIRMATIVE ACTION IN EMPLOYMENT

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX D
Reverence

Topic

Preamble

The commitment of the CSUC to the advancement of knowledge and to the provision of quality higher education to all eligible students, and to the laws of California and the United States that guarantee to all persons the right of equal employment opportunity obliges each campus and the Office of the Chancellor to treat all employees without regard to their race, color, religion, national origin, sex, sexual preference, marital status, pregnancy, age, disability, disabled veteran's or Vietnam era veteran's status. Such commitment further obliges each campus and the Office of the Chancellor to make positive efforts to increase the opportunities for the employment and advancement of women, members of minority groups, the disabled, disabled veterans and veterans of the Vietnam era, and to strive toward achieving a faculty and staff that reflects the diverse society served by the OSUC.

To this end the Trustees of the OSUC adopt this Policy Statement on Nondiscrimination and Affirmative Action in Employment.

I. Policy

Nondiscrimination

It is the policy of the CSUC to provide equal employment opportunities to all applicants and employees regardless of race, color, religion, national origin, sex, sexual preference, marital status, pregnancy, age, disability, disabled veteran's or Vietnam era veteran's status.

Employment, retention and advancement of employees shall be based on merit and be responsible to the needs of the CSUC for quality and excellence.

Affirmative Action

It is the policy of the CSUC to promote employment opportunities for women, members of minority groups, the disabled, disabled veterans and veterans of the Vietnam era. In accordance with EO 11246, minority group members are defined as Afro-Americans, Hispanic Americans, Native Americans, Asian-Americans. Executive Order 11375 added Women by amendment.

All employment decisions shall be based on a fair and equitable assessment of merit -- an assessment of the individual's talents, skills, knowledge, ability to do the work assigned, and potential -- and of the requirements of the CSUC for excellence. Those judged to be the best qualified on the basis of realistic and reasonable qualification requirements should be selected, retained and advanced.

Affirmative action requires that any barriers to equal employment opportunity be identified, and that positive measures be taken to remove them, and to eliminate underutilization of women, ethnic minorities, the disabled, disabled veterans and veterans of the Vietnam era in occupations, in organizational units and at certain salary levels. Affirmative action also requires opportunity for upward mobility and the provision of avenues for career advancement.

This policy is affirmed with the full expectation that it will result in a diverse work force of high quality through increased employment of women, ethnic minorities, Vietnam era veterans, and the disabled.

II. Scope of the Policy

This policy conforms to the requirements of Federal Executive Orders 11246 and 11375 as amended; the Civil Rights Act of 1964 as amended; Title IX of the Educational Act of 1972;

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX D
Reverence

Topic

Sections 503 and 504 of the Rehabilitation Act of 1973; Section 402 of the Vietnam Era Veterans Readjustment Assistance Act of 1974; Equal Pay Act of 1963 as amended; Age Discrimination Acts of 1967 and 1978; and other applicable federal statutes; as well as pertinent laws, regulations and executive directives of the State of California, including regulatory procedures set forth in Title 5 of the Administrative Code.

This policy shall apply to all executive, academic, administrative and nonacademic employees and those in academic-administrative assignments; to full-time, part-time, temporary, probationary and permanent employees as well as to those with appointments in continuing education and other self-support programs; and to all personnel procedures and practices including, but not limited to, recruitment, appointment, evaluation, promotion, demotion, classification, transfer, termination, compensation, training, leaves with and without pay, fringe benefits, layoff and return from layoff, grievance procedures and disciplinary actions.

Auxiliary organizations which are required to comply with the policies of the Board of Trustees are obliged to adopt similar employment procedures consistent with this policy and systemwide operational guidelines established by the Chancellor.

Affirmative action and equal employment opportunities shall be viewed as an integral part of the mission and management of the CSUC and shall be reflected in all relevant procedures and practices which contribute to the educational experiences of students and the employment conditions and opportunities of faculty, staff, and members of the administration. Demonstrated good faith efforts as well as progress in achieving goals and objectives shall be considered in the evaluation of performance of managers, supervisors and others involved in personnel processes, recommendations and decisions.

III. Policy Implementation

The authority and responsibility for assuring compliance with this policy shall rest with the Chancellor and the Presidents of the nineteen campuses. They shall exercise effective personal and professional leadership in promoting equal opportunity in every aspect of personnel policy and practice as well as in establishing, maintaining, and improving a continuing affirmative action program. Members of the faculty, staff and administration of The California State University and Colleges in carrying out their responsibilities shall adhere to the intent and letter of this policy statement.

Each campus and the Office of the Chancellor shall establish affirmative action plans and programs consistent with this policy statement as well as with relevant systemwide guidelines developed by the Chancellor. Each plan and any subsequent revisions shall be approved by the Chancellor. In addition, the Chancellor shall monitor affirmative action programs and progress, for program effectiveness and compliance with legal and policy requirements, and shall initiate with the Presidents corrective measures where necessary.

RFIN 7-81-4

Subject: Auxiliary Organization Policy, Amendment to Title 5, California Code of Regulations

RESOLVED, By the Board of Trustees of The California State University and Colleges, acting under the authority described herein, and pursuant to the Administrative Procedure Act, that this Board hereby amends its regulations in Title 5, Part V, Chapter 1, Subchapter 6, of the California Code of Regulations.

RESOLVED, That consistent with the effort to provide a comprehensive updating of policy affecting auxiliary organizations, the following Trustee Resolutions are hereby rescinded: October 11, 1963 (RFIN 63-11), Food Service Classifications; January 26, 1967 (RFIN 67-07), Federal Contracts and Grants; March 26, 1969 (RFIN 69-15), various items related to the 1969 amendments to the Administrative Code, Title 5; and November 2, 1973 (RFIN 11-73-30), various issues from a May

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX D
Reverence

Topic

1973 report on auxiliary organizations.

RGPA 01-88-02

Subject: Auxiliary Organization Policy, Amendment to Title 5, Section 42403(c)(I) California Code of Regulations--Political Activities

RESOLVED, By the Board of Trustees of The California State University, acting under the authority of Sections 89030 and 89900 of the Education Code and to implement, interpret, and make specific Sections 89302 and 89900 of the Education Code and, pursuant to the Administrative Procedure Act, that this Board hereby amends its regulation in Article 1 of Subchapter 6 of Chapter 1, Part V of Title 5, California Code of Regulations, as follows:

1. Subsection (c) of Section 42403 is amended to read:

(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.

2. The California State University has determined that the adoption of the proposed amendments will not impose a cost or savings on any State agency; will not impose a cost or savings on any local agency or school district that is required to be reimbursed under Section 17561 of the Government Code; will not result in any non-discretionary cost or savings to local agencies; will not result in any cost or savings in federal funding to the State; will not impose a mandate on local agencies or school districts; will not have any potential cost impact on private persons or businesses; will not affect housing costs; and will not have any significant economic impact on small businesses; and be it further

RESOLVED, That this Board delegates to the Chancellor of The California State University authority to further adopt, amend, or repeal this regulation pursuant to the Administrative Procedure Act if the further adoption, amendment, or repeal is required by the Office of Administrative Law and is non-substantial or solely grammatical in nature, or sufficiently related to the original text that the public was adequately placed on notice that the change could result from the originally proposed regulatory action (Government Code Section 11346.8(c)).

RFIN 03-89-05

Subject: Auxiliary Organization Policy, Amendment to Title 5, Section 42500(a)(12) California Code of Regulations -- List of Functions

RESOLVED, By the Board of Trustees of The California State University, acting under the authority prescribed herein and pursuant to the Administrative Procedure Act, that the Board hereby amends its regulations in subsection (a)(12) of Section 42500 of Article 2, Subchapter 6, Chapter 1, Part V of Title 5 of the California Code of Regulations as follows:

42500. Functions of Auxiliary Organizations

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX D
Reverence

Topic

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-Aid, 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
- (12) Acquisition and development of real property.

(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 not enter into any contract or other business arrangement involving real property, without prior approval of the campus president, and without prior notification and consultation with the Office of the Chancellor.

(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.

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

The California State University has determined that the adoption of the proposed amendment will not impose a cost or savings on any State agency; will not impose a cost or savings on any local agency or school district that is required to be reimbursed under Section 17561 of the Government Code; will not result in any cost or savings in federal funding to the State; will not impose a mandate on local agencies or school districts; and will not have any potential impact on small businesses; and be it further

RESOLVED, That this Board delegates to the Chancellor of The California State University authority to further adopt, amend, or repeal this regulation pursuant to the Administrative Procedure Act if the further adoption, amendment or repeal is required by the Office of Administrative Law and is non-substantial or solely grammatical in nature, or sufficiently related to the original text that the

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX D
Reverence

Topic

public was adequately placed on notice that the change could result from the originally proposed regulatory action (Government Code Section 11346.8(c)).

RFIN 09-96-08

Subject: Amendments to Title 5, California Code of Regulations for Auxiliary Organization Operations

RESOLVED, By the Board of Trustees of The California State University, acting under the authority prescribed herein and pursuant to the Administrative Procedure Act, that the board hereby amends its regulations in Article 1 and Article 2 of Subchapter 6, Chapter 1, Division 5 of Title 5 of the California Code of Regulations as follows:

§ 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 or designee on the date or dates designated by the Chancellor or designee.

(b) The annual fiscal audits shall be performed in accordance with standard systemwide procedures prescribed by the Chancellor.

(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 89030 and 89900, Education Code.
Reference: Sections 89900 and 89904, Education Code.

§ 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) Gifts, bequests, devises, endowments, trusts, and similar funds;
- (10) Public relations, fundraising, fund management, and similar development programs;
- (11) Acquisition, development, sale or transfer of real 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.

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX D
Reverence

Topic

(c) Auxiliary organizations may not enter into any contract or other business arrangement involving real property, without prior approval of the campus president, and without prior notification and consultation with the Office of the Chancellor.

(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 aid 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 aid 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.

And, be it further

RESOLVED, That the Board of Trustees has determined that the adoption of the proposed revision will not impose a cost or savings on any state agency; will not impose a cost or savings on any local agency or school district that is required to be reimbursed under Section 17561 of the Government Code; will not result in any cost or savings in federal funding to the state; will not impose a mandate on local agencies or school districts; and will not have any impact on small businesses; and, be it further

RESOLVED, That the Board of Trustees delegates to the chancellor of The California State University authority to further adopt, amend, or repeal this revision pursuant to the Administrative Procedure Act if the further adoption, amendment or repeal is non-substantial or solely grammatical in nature, or sufficiently related to the original text that the public was adequately placed on notice that the change could result from the originally proposed regulatory action [Government Code, Section 11345.8(c)].

RFIN 11-08-18

~~Subject: Delineating and Consolidating CSU Policy for Financing Activities and a Related Notice of Intent to Change Title 5, California Code of Regulations~~

~~CSU Policy for Financing Activities~~

~~WHEREAS, The Board of Trustees of The California State University ("the Board" or "the Trustees") finds it appropriate and necessary to use various debt financing programs afforded to it through the methods statutorily established by the legislature, and to use to its advantage those programs available to it through debt financing by recognized auxiliary organizations of the California State University; and~~

~~WHEREAS, The Board wishes to establish and maintain policies that provide a framework for the approval of financing transactions for the various programs that enable appropriate oversight and approval by the Trustees; and~~

~~WHEREAS, Within a policy framework the Board desires to establish appropriate delegations that enable the efficient and timely execution of financing transactions for the CSU and its recognized auxiliary organizations in good standing; and~~

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX D
Reverence

Topic

WHEREAS, The Board recognizes that there is a need from time to time to take advantage of rapidly changing market conditions by implementing refinancings that will lower the cost of debt financing for the CSU and its auxiliary organizations and that such refinancings could be better implemented by reducing the time required to authorize such refinancings; and

WHEREAS, The Board finds it appropriate and necessary to review significant auxiliary organization financing transactions; and

WHEREAS, There are certain aspects of the tax law for the reimbursement of up front expenses from tax-exempt financing proceeds that would be more appropriately satisfied through a delegation to the Chancellor without affecting the Trustees' ultimate approval process for such financings; now, therefore be it

RESOLVED, By the Board of Trustees of The California State University as follows:

Section 1. State Public Works Board Lease Revenue Financing Program

1.1 The authorizations set forth in this section shall be in full force and effect with respect to any State Public Works Board project which has been duly authorized by the Legislature in a budget act or other legislation and duly signed by the Governor and which is then in full force and effect.

1.2 The chancellor, the executive vice chancellor, the senior vice chancellor for business and finance, and the director of financing and risk management, and each of them (collectively, "Authorized Representatives of the Trustees") are hereby authorized and directed, for and in the name and on behalf of the trustees, to execute, acknowledge and deliver, and to prepare and review, as each of them deems appropriate, any and all construction agreements, equipment agreements, equipment leases, site leases, facility leases and other documents and agreements with such insertions and changes therein as such Authorized Representatives of the Trustees, with the advice of the General Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof, in order to provide for the planning, design, acquisition, construction, improvement, financing, and refinancing of the projects.

1.3 All Authorized Representatives of the Trustees are authorized and directed, for and in the name and on behalf of the Trustees, to do any and all things, take any and all actions and execute and deliver any and all certificates, agreements and documents which they, or any of them, may deem necessary or advisable in order to facilitate any interim loan of the Board and the lawful issuance and delivery of the obligations of the Board.

Section 2. California State University Bond Act of 1947 Financing Programs

2.1 The chancellor, the executive vice chancellor, the senior vice chancellor for business and finance, and the director of financing and risk management, and each of them (collectively, "Authorized Representatives of the Trustees"), are hereby authorized and directed, for and in the name and on behalf of the trustees, to take any and all actions necessary to refinance any existing bonds issued pursuant to the Bond Act of 1947 if the refinancing transaction will result in net present value savings, as determined by an Authorized Representative of the Trustees and which determination shall be final and conclusive. Authorized Representatives of the Trustees are authorized to execute, acknowledge and deliver, and to prepare and review, as each of them deems appropriate, all bond resolutions, official statements and all other documents, certificates, agreements and information necessary to accomplish such refinancing transactions.

Section 3. Auxiliary Organization Debt Issuance Programs

3.1 Title 5, California Code of Regulations, Section 42500 (d) is being amended to restate and

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX D
Reverence

Topic

make it clear that auxiliary organizations may issue debt instruments to finance or refinance projects. For purposes of this section, "debt instruments" means, loans, notes, bonds, finance leases, installment purchase or sale agreements, and certificates of participation.

3.2 The chancellor shall provide the Trustees with information prior to auxiliary organizations issuing debt instruments except for certain transactions as further described in this section. Upon the Trustees being provided with information about the transaction, the chancellor, the executive vice chancellor, the senior vice chancellor for business and finance, and the director of financing and risk management, and each of them (collectively, "Authorized Representatives of the Trustees") may execute documents, attest to statements of fact and take all actions necessary on behalf of the Trustees to approve the financing and to assist the recognized auxiliary organization to complete and to qualify such financing transactions as tax exempt, unless one or more of the Trustees ask that the transaction be held for further review.

3.3 For auxiliary organization transactions that are only for the purpose of refinancing existing debt on real property projects, a special processing rule may apply. If the chancellor determines that (1) the primary purpose for such a refinancing is to produce net debt service savings and (2) the structure of the refinancing will result in net debt service savings, then the chancellor, the executive vice chancellor, the senior vice chancellor for business and finance, the director of financing and risk management, and each of them, without special notice to the Trustees, may execute documents, attest to statements of fact, and take all actions necessary on behalf of the Trustees to approve the refinancing and to assist any recognized auxiliary organization to complete and to qualify the refinancing transaction as tax exempt. If the primary purpose of the refinancing transaction as determined by the chancellor, is for reasons other than to produce net debt service savings or the structure does not result in net debt service savings, then the transaction is subject to the procedures described in Section 3.2.

3.4 The chancellor shall require campus presidents to establish campus procedures applicable to campus auxiliary organizations for the issuance of debt instruments to finance or to refinance personal property with lease purchase or other tax exempt financing methods. The procedures issued by the chancellor need not contain a requirement for presentation of such financings to the Trustees. Campus presidents shall be authorized to take all actions to assist the auxiliary organization on behalf of the Trustees to complete and qualify such financing transactions as tax exempt.

3.5 The delegations conferred by the subsections of this resolution are limited and do not authorize the chancellor or other Authorized Representatives of the Trustees to establish any indebtedness of the State of California, the Board of Trustees, any CSU campus, or any officers or employees of any of them. Lending or pledging the credit of any of these entities is not intended or authorized by this resolution.

Section 4. Tax Law Requirement for Reimbursement of Project Costs

4.1—For those projects which may be financed under the authority of the Trustees, the chancellor, the executive vice chancellor, the senior vice chancellor for business and finance, and the director of financing and risk management, and each of them (collectively, "Authorized Representatives of the Trustees"), are hereby authorized to make declarations on behalf of the Trustees solely for the purposes of establishing compliance with the requirements of Section 1.150-2 of the U.S. Treasury Regulations; provided, however that any such declaration:

4.1.1. Will not bind the Trustees to make any expenditure, incur any indebtedness, or proceed with the project or financing; and

4.1.2. Will establish the intent of the Trustees at the time of the declaration to use proceeds of future indebtedness, if subsequently authorized by the Trustees, to reimburse the Trustees for expenditures as permitted by the U.S. Treasury Regulations.

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX D
Reverence

Topic

~~Section 5. Effective Date and Implementation~~

~~5.1 Within the scope of this financing policy, the chancellor is authorized to further define, clarify and otherwise make and issue additional interpretations and directives as needed to implement the provisions of this policy.~~

~~5.2 This resolution supercedes RFIN 01-94-01 and shall take effect immediately.~~

RFIN 01-99-01

Subject: Proposed Revision of Title 5 Regulations—Functions of Auxiliary Organizations

RESOLVED, By the Board of Trustees of the California State University, acting under the authority prescribed herein and pursuant to Section 89030.1 of the Education Code, that the board hereby amends its regulations in Article 2 of Subchapter 6, Chapter 1, Division 5 of Title 5 of the California Code of Regulations, as follows:

§42500. Function of Auxiliary Organization.

Auxiliary organizations are formed to provide essential functions which are an integral part of the education 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, devises, endowments, trusts, and similar funds;
- (11) Public relations, fundraising, fund management, and similar development programs;
- (12) Acquisition, development, sale, and transfer of real 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 the 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.

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX D
Reverence

Topic

(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 aid 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 aid 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 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.

RESOLVED, That the Board of Trustees has determined that the adoption of the proposed revisions will not impose a cost or savings on any state agency; will not impose a cost or savings on any local agency or school district that is required to be reimbursed under Section 17561 of the Government Code; will not result in any cost or savings in federal funding to the state; and will not impose a mandate on local agencies or school districts; and, be it further

RESOLVED, That the Board of Trustees delegates to the chancellor of The California State University authority to further adopt, amend, or repeal these revisions if the further adoption, amendment, or repeal is required and is non-substantial or solely grammatical in nature, or sufficiently related to the original text that the public was adequately placed on notice that the change could result from the originally proposed regulatory action.

RFIN 03-04-00

California State University Student Fee Policy

RESOLVED, By the board of Trustees of the California State University, that Attachment 1 to Agenda Item 2 of the March 14-15, 2000, meeting of the trustees' Committee on Finance, titled "The California State University Student Fee Policy" is approved and shall take effect immediately; and be it further

RESOLVED, That the chancellor is directed to take all necessary action to implement the student fee policy in a manner consistent with existing statutes and provisions of bond indentures.

California State University Student Fee Policy

I. Definitions

- A. Category I fees – Fees that must be paid to apply to, enroll in, or attend the university.
- B. Category II fees – Fees to pay the full cost of instruction required of some students by statute.
- C. Category III fees – Fees, other than Category 1 fees, paid to receive materials, services, or for the use of facilities provided by the university, or to enroll in a course offered through a self-support instructional program.
- D. Category IV fees – Fees or deposits to reimburse the university for additional costs resulting from dishonored payments, late submissions, or misuse of property or as a security or guaranty.

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX D
Reverence

Topic

II. Authority

- A. The Board of Trustees provides policy guidance for all matters pertaining to student fees.
- B. The board retains authority to establish, increase, decrease, or abolish systemwide fees.
- C. The chancellor is delegated authority to establish new campus fees. The chancellor is not delegated authority to establish new systemwide fees.
- D. The president is delegated authority to increase, decrease, or abolish campus fees. The president is not delegated authority to adjust systemwide fees.

III. Responsibility

- A. The president is responsible for assuring that appropriate consultation occurs prior to adjusting any fee and before requesting requirements described below in Section IV.
 - 1. The president shall establish a fee advisory committee comprised of student, faculty, staff, and administrative representatives to provide advice to the campus president.
 - 2. The president shall consult with the committee before adjusting any fee and before requesting the chancellor to establish a new fee including a consolidation of existing fees.
 - 3. A statement of revenues and expenditures including a minimum of one year of actual costs and two years of projected revenue and expenditures for the fee revenue supported activity shall be developed by the campus chief financial officer and considered by the campus fee advisory committee prior to the campus president adjusting fees or requesting the chancellor to establish a new fee.
 - 4. Membership of the advisory committee shall be established in consultation with the campus student body association and the campus faculty senate and shall include the president of the campus student body association and the chair of the campus faculty senate or their designees.
 - 5. Students appointed by the campus student body association shall constitute a majority of the voting members of the committee.
 - 6. The campus president shall appoint members to the committee excluding the student representatives who shall be appointed by the campus student body association. Faculty members shall be appointed consistent with normal campus processes for selecting faculty members to serve on similar committees.
 - 7. The president shall appoint the chair of the committee.
- B. Appropriate consultation with campus constituencies regarding charging fees and allocating fee revenue is critical to assure that the delegated authority is exercised in a manner that is consistent with policies adopted by the board.
 - 1. Appropriate and meaningful consultation includes consultation with bodies such as the campus faculty senate, the campus student body association and, to adjust or establish Category I fees, an advisory student referendum.

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX D
Reverence

Topic

2. The policy presumes that a student referendum will be conducted before adjusting or establishing Category I fees. However, the president may waive the referendum requirement if the president determines that a referendum is not the best mechanism to achieve appropriate and meaningful consultation. If a referendum is not conducted prior to adjusting Category I fees or requesting the chancellor to establish a new Category I fee, the president must demonstrate to the chancellor why alternative consultation methods selected were more effective in complying with this policy.

C. An advisory student referendum is required prior to adjusting a campus Category I fee or requesting the chancellor to establish a new campus Category I fee and subject to the exception described in 8-2 above. The referendum may be conducted by the campus or the student body association. For referenda conducted by the campus, the following shall apply.

1. The campus shall fund costs associated with the referendum.
2. The results of the referendum shall be advisory to the committee and the president.
3. The president in consultation with the student body association and the faculty senate shall develop guidelines applicable to the student fee referendum process designed to assure that the referendum is open, fair, and objective.
4. The results of a student fee referendum shall be considered favorable when a majority of students voting approve the fee action.
5. The committee shall issue a voter pamphlet providing objective analysis of the proposed fee action and statements solicited by the committee for and against the proposed fee action.
6. The committee shall determine the specific statements that shall be included in the pamphlet.
7. Copies of the voter pamphlet and ballot and information regarding the dates, times, and polling locations shall be available to students and published in the campus newspaper at least thirty days prior to the referendum.

IV. Accountability

A. Total annual Category I fees may not exceed one-third of the systemwide cost of education. The systemwide cost of education is defined as total support expenditures (State University Fee revenue and General Fund support appropriations) divided by the number of full-time equivalent students.

B. Each campus shall report to the chancellor for the most recently completed fiscal year a complete inventory of all fees charged to students, and the total revenue collected for each fee. The fee report will be presented to the board by the chancellor to allow the board to consider the level and range of fees charged to students.

Category I Fees

Fees that must be paid to apply to, enroll in, or attend the university.

Examples

Application Fee (systemwide fee)
Campus Service (ID) Card Fee
Freshman Orientation Training Fee
Health Facilities Fee
Health Services Fee
Instructionally Related Activities Fee (Category I, for example, if required campus wide)

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX D
Reverence

Topic

Materials, Services, and Facilities Fee (Category I, for example, if required campus wide)
Miscellaneous Course Fee (Category I, for example, if required campus wide)
State University Fee (systemwide fee)
Student Body Association Fee
Student Body Center Fee

Authority to establish and adjust

The Board of Trustees may establish and adjust Category I systemwide fees.

The chancellor may establish Category I campus fees.

The president may adjust Category I campus fees.

Process to establish Category I campus fees

Consideration by the campus fee advisory committee is required.

A student referendum is required. The president may use alternative consultation mechanisms if the president determines that a referendum is not the best mechanism to achieve appropriate and meaningful consultation. However, a student body association fee must be established upon favorable vote of two-thirds of students voting in an election held for the purpose of establishing a student body organization (Education Code §89300). A student body center fee may be established only after a fee referendum is held which approves by a two-thirds favorable vote the establishment of the fee (Education Code §89304).

Results of the referendum and the fee committee review are advisory to the campus president except as provided in Education Code §89300 and §89304, when establishing a student body association fee or a student body center fee.

Upon consideration by the campus fee advisory committee and the completion of a student referendum, the president may request the chancellor to establish the Category I fee.

Process to adjust Category I campus fees

Consideration by the campus fee advisory committee is required.

A student referendum is required. The president may use alternative consultation mechanisms if the president determines that a referendum is not the best mechanism to achieve appropriate and meaningful consultation. However, the campus president may increase the student body association fee only after the fee increase has been approved by a majority of students voting in a referendum established for that purpose (Education Code §89300).

Results of the referendum and the fee committee review are advisory to the campus president. After consideration by the campus fee advisory committee and the completion of a student referendum, the president may adjust the fee.

Category II Fees

Fees to pay the full cost of instruction required of some student by statute.

Example

Non-resident Tuition

Authority to establish and adjust

The Board of Trustees may establish and adjust Category II fees.

Process to establish

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX D
Reverence

Topic

Resolution by the Board of Trustees.

Process to adjust

Resolution by the Board of Trustees.

Category III Fees

Fees, other than Category I fees, paid to receive materials, services, or for the use of facilities provided by the university, or to enroll in a course offered through a self-support instructional program.

Examples

Alumni Placement Fee
American Dietetics Association Transcript Evaluation Fee
Anthropology 140, Irish Travel Study Fee
Assessment of Body Composition and Physical Fitness Fee
Conference, Short Course Institution Fee
Dietetic Internship Evaluations
Diploma Fee
Distance Learning Fees
Evaluation for Credential Candidate Fee
Extension Course Fee
External Degree Fee
Fingerprinting Services Fee
Freshman Orientation Lodging & Food Service
Graduate Student Orientation Program Fee Graduation Fee
Housing Fee
Installment Fee
Laptop Rental Fee
Letter of Reference Collection Service Fee
Lock and Locker Fee
Materials, Services and Facilities Fee (if not required to apply to, enroll in, or attend the university)
Miscellaneous Course Fees (if not required to apply to, enroll in, or attend the university)
Music Studio Course (Extension/Summer) Fee
Musical Instrument Repair and Insurance Fee Off-campus Study Program Fees (travel/field trip fees)
Organ Practice Fee
Parking Fee
Recreation Facilities Fee
Rodeo Program -Pen Rental & Practice Fees
Service Enabling Device
Software Rental Fee
Special Examination Fee
Special Session Fee
Student Academic Services Fee
Summer Session Health Facilities Fee
Summer Session Fee
Telephone Fee
Test Materials Fee
Thesis Binding Fee
Transcript of Record Fee
Uniform Fee
University One-Card Services Fee

Authority to establish and adjust

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX D
Reverence

Topic

The chancellor may establish new Category III fees.

The president may adjust Category III fees.

Process to establish

Consideration by the campus fee advisory committee is required. Results of the fee committee review are advisory to the campus president.

After consideration by the campus fee advisory committee, the president may request the chancellor to establish the Category III fee. Some Category III fees, such as continuing education fees, may be established due to changing market conditions in advance of consultation with the campus fee advisory committee, however, consultation must follow.

Process to adjust

Consideration by the campus fee advisory committee is required. Results of the fee committee review are advisory to the campus president.

After consideration by the campus fee advisory committee, the president may adjust the fee. Some Category III fees require frequent adjustment to accommodate changing market conditions (e.g., continuing education fees) which may not permit consideration in advance by the committee, however, consultation must follow.

Category IV Fees

Fees or deposits to reimburse the university for additional costs resulting from dishonored payments, late submissions, or misuse of property or as a security or guaranty.

Examples

Career Center Resource Library Fines
Check Return Fee
Credential Late Fee
Credit Card Transaction Voucher Dishonored Fee
Damage Deposit Fee
Delayed Transmittal Fee
Enrollment Confirmation Deposit
Failure to Meet Administrative Appointment Fee
Identification Card Replacement Fee
Item Lost or Broken Fee
Laptop Penalty Fee
Late Registration Fee
Library Fee
Literacy Resource Lab Fines
Music Department Library Fee
Replacement of Lost Parking Permit Fee
Residence Room Lockout Charge
Software Deposit
Software Damage Fee

Authority to establish and adjust

The chancellor may establish new Category IV fees.

The president may adjust Category IV fees.

Process to establish

Consideration by the campus fee advisory committee is required. Results of the fee committee review are advisory to the campus president.

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX D
Reverence

Topic

After consideration by the campus advisory committee, the president may request the chancellor to establish the Category IV fee.

Process to adjust

Consideration by the campus fee advisory committee is required. Results of the fee committee review are advisory to the campus president.

After consideration by the campus fee advisory committee, the president may adjust the fee.

RFIN-05-08-00

Real Property Development Projects (see EO 747)

RFIN 03-02-02

CSU Policy for Financing Activities

WHEREAS, The Board of Trustees of The California State University (“the Board” or “the Trustees”) finds it appropriate and necessary to use various debt financing programs afforded to it through the methods statutorily established by the legislature, and to use to its advantage those programs available to it through debt financing by recognized auxiliary organizations of the California State University; and

WHEREAS, The Board wishes to establish and maintain policies that provide a framework for the approval of financing transactions for the various programs that enable appropriate oversight and approval by the Trustees; and

WHEREAS, Within a policy framework the Board desires to establish appropriate delegations that enable the efficient and timely execution of financing transactions for the CSU and its recognized auxiliary organizations in good standing; and

WHEREAS, The Board recognizes that there is a need from time to time to take advantage of rapidly changing market conditions by implementing refinancings that will lower the cost of debt financing for the CSU and its auxiliary organizations and that such refinancings could be better implemented by reducing the time required to authorize such refinancings; and

WHEREAS, The Board finds it appropriate to establish the lowest cost debt financing programs for the CSU, and to use the limited debt capacity of the CSU in the most prudent manner; and

WHEREAS, There are certain aspects of the tax law related to the reimbursement of up-front expenses from tax-exempt financing proceeds that would be more appropriately satisfied through a delegation to the Chancellor without affecting the Trustees’ ultimate approval process for such financings; now, therefore be it

RESOLVED, by the Board of Trustees of The California State University as follows:

Section 1. General Financing Policies

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX D
Reverence

Topic

1.1 The State University Revenue Bond Act of 1947 (Bond Act) provides the Board of Trustees with the ability to acquire, construct, or refinance projects funded with debt instruments repaid from various revenue sources.

1.2 The long-term debt programs of the Board of Trustees established pursuant to the Bond Act shall be managed by the Chancellor to credit rating standards in the "A" category.

1.3 The intrinsic rating of any debt issued by the Trustees shall be at investment grade or better.

1.4 The Trustees debt programs should include the prudent use of variable rate debt and commercial paper to assist with lowering the overall cost of debt.

1.5 The Trustees programs shall be designed to improve efficiency of access to the capital markets by consolidating revenue bond programs where possible.

1.6 The Chancellor shall develop a program to control, set priorities and plan the issuance of all long-term debt consistent with the five-year non-state capital outlay program.

1.7 The Chancellor shall annually report to the Trustees on the activity related to the issuance of long-term debt.

Section 2. Financing Program Structure of the CSU's Debt Program

2.1 To use the limited debt capacity of CSU in the most cost effective and prudent manner, all on-campus student, faculty and staff rental housing, parking, student union, health center, and continuing education capital projects will be financed by the Trustees using a broad systemwide multi-source revenue pledge under the authority of the Bond Act in conjunction with the respective authority of the Trustees to collect and pledge revenues.

Other revenue-based on-campus and off-campus projects will also be financed through this program and the Bond Act unless there are compelling reasons why a project could not or should not be financed through this program (See Section 3 below).

2.2 The Chancellor shall establish minimum debt service coverage and other requirements for Bond Act financing transactions and/or for the related campus programs, which shall be used for implementation of the Trustees' debt programs. The Chancellor shall also define and describe the respective campus program categories.

2.3 The Chancellor, the Executive Vice Chancellor and Chief Financial Officer, the Assistant Vice Chancellor Financial Services, the Senior Director of Financing and Treasury, and each of them (collectively, "Authorized Representatives of the Trustees"), are hereby authorized and directed, for and in the name and on behalf of the trustees, to

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX D
Reverence

Topic

take any and all actions necessary to refinance any existing bonds issued pursuant to the Bond Act of 1947 if the refinancing transaction will result in net present value savings, as determined by an Authorized Representative of the Trustees and which determination shall be final and conclusive. Authorized Representatives of the Trustees are authorized to execute, acknowledge and deliver, and to prepare and review, as each of them deems appropriate, all bond resolutions, bond indentures, official statements and all other documents, certificates, agreements and information necessary to accomplish such refinancing transactions.

Section 3. Other Financing Programs

3.1 The Board recognizes that there may be projects, or components of projects, that a campus wishes to construct that are not advantaged by, or financing is not possible, or is inappropriate for the Bond Act financing program. A campus president may propose that such a project be financed as an auxiliary organization or third party entity financing if there is reason to believe that it is more advantageous for the transaction to be financed in this manner than through the Bond Act financing program.

3.1.1 Such financings and projects must be presented to the Chancellor for approval early in the project's conceptual stage in order to proceed. The approval shall be obtained prior to any commitments to other entities.

3.1.2 These projects must have an intrinsic investment grade credit rating, and shall be presented to the Trustees to obtain approval before the financing transaction is undertaken by the auxiliary organization or other third party entity.

3.1.3 If a project is approved by the Trustees, the Chancellor, the Executive Vice Chancellor and Chief Financial Officer, the Assistant Vice Chancellor Financial Services, the Senior Director of Financing and Treasury, and each of them (collectively, "Authorized Representatives of the Trustees") are hereby authorized and directed, for and in the name and on behalf of the Trustees, to execute, acknowledge and deliver, and to prepare and review, as each of them deems appropriate, any and all documents and agreements with such insertions and changes therein as such Authorized Representatives of the Trustees, with the advice of the General Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof, in order to assist with the planning, design, acquisition, construction, improvement, financing, and refinancing of the projects.

3.2 The Chancellor may require campus presidents to establish campus procedures applicable to campus auxiliary organizations for the issuance of debt instruments to finance or to refinance personal property with lease purchase, line-of-credit, or other tax-exempt financing methods. The procedures issued by the Chancellor need not contain a requirement for approval of the Trustees or the Chancellor but may include authority for campus presidents to take all actions to assist the auxiliary organization on behalf of the Trustees to complete and qualify such financing transactions as tax-exempt.

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX D
Reverence

Topic

Section 4. State Public Works Board Lease Revenue Financing Program

4.1 The authorizations set forth in this section shall be in full force and effect with respect to any State Public Works Board project which has been duly authorized by the Legislature in a budget act or other legislation and duly signed by the Governor and which is then in full force and effect.

4.2 The Chancellor, the Executive Vice Chancellor and Chief Financial Officer, the Assistant Vice Chancellor Financial Services, the Senior Director of Financing and Treasury, and each of them (collectively, "Authorized Representatives of the Trustees") are hereby authorized and directed, for and in the name and on behalf of the Trustees, to execute, acknowledge and deliver, and to prepare and review, as each of them deems appropriate, any and all construction agreements, equipment agreements, equipment leases, site leases, facility leases and other documents and agreements with such insertions and changes therein as such Authorized Representatives of the Trustees, with the advice of the General Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof, in order to provide for the planning, design, acquisition, construction, improvement, financing, and refinancing of the projects.

Section 5. Credit of the State of California

5.1. The delegations conferred by this resolution are limited and do not authorize the Chancellor or other Authorized Representatives of the Trustees to establish any indebtedness of the State of California, the Board of Trustees, any CSU campus, or any officers or employees of any of them. Lending, pledging or otherwise using the credit established by a stream of payments to be paid from funds appropriated from the State of California for the purpose of facilitating a financing transaction associated with a capital project is permitted only if specifically authorized by a bond act or otherwise authorized by the legislature.

Section 6. Tax Law Requirement for Reimbursement of Project Costs

6.1 For those projects which may be financed under the authority of the Trustees, the Chancellor, the Executive Vice Chancellor and Chief Financial Officer, the Assistant Vice Chancellor Financial Services, the Senior Director of Financing and Treasury, and each of them (collectively, "Authorized Representatives of the Trustees"), are hereby authorized to make declarations on behalf of the Trustees solely for the purposes of establishing compliance with the requirements of Section 1.150-2 of the U.S. Treasury Regulations; provided, however that any such declaration:

6.1.1 Will not bind the Trustees to make any expenditure, incur any indebtedness, or proceed with the project or financing; and

6.1.2 Will establish the intent of the Trustees at the time of the declaration to use proceeds of future indebtedness, if subsequently authorized by the Trustees, to reimburse the Trustees for expenditures as permitted by the U.S. Treasury Regulations.

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX D
Reverence

Topic

Section 7. Effective Date and Implementation

7.1 Within the scope of this financing policy, the Chancellor is authorized to further define, clarify and otherwise make and issue additional interpretations and directives as needed to implement the provisions of this policy.

7.2 This resolution supercedes RFIN 11-98-18 and shall take effect immediately. However, the Chancellor shall have the authority to authorize on a individual basis, auxiliary organization projects that are in the planning stage as of the adoption of this policy to proceed under the previous policy in order to prevent situations that would result in additional project costs or additional time-to-completion.