OPERATING AGREEMENT
BETWEEN CALIFORNIA STATE UNIVERSITY
AND ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, NORTHRIDGE, INC.

This agreement is made and entered into by and between the Chancellor of the California State University on behalf of the Board of Trustees (CSU) and Associated Students, California State University, Northridge, Inc. (hereinafter referred to as Associated Students). The term of this agreement shall be July 1, 2013 through June 30, 2018 unless sooner terminated as herein provided.

1. PURPOSE

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

2. PRIMARY FUNCTION OF THE AUXILIARY

In consideration of receiving recognition as an official auxiliary organization of the CSU, Associated Students agrees, for the period covered by this agreement, that its primary activity generally can be classified as:

- Student Body Organization

In carrying out this activity, the Associated Students engages in the following functions authorized by Section 42500, Title 5, CCR, which are activities essential and integral to the educational mission of the University:

1. Student Body Organization Programs
2. Bookstores, Food Services, and Campus Services, including but not limited to: infant, toddler and childcare programs; ticketing and box office services; recycling programs and services; transportation, and interpretive and other access services
5. Supplementary Health Services (i.e., health promotion programming; student health insurance; recreation sports program, to include support of sport clubs and offering of CPR, first and other similar training and Athletic Training)
7. Externally Funded Projects Including Research, Workshops, Conferences,

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and Institutes, including but not limited to academically-related student initiatives, and academic, career, leadership and student development workshops, conferences, and services.

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/ae Programs

10. Gifts, bequests, devises, endowments, trusts and similar funds, in support of student-initiated and student organization-initiated projects, programs and services, which are consistent with the student organization’s purpose and the Associated Students mission.

11. Public relations, fundraising, fund management, and similar development programs

Associated Students further agrees to receive and apply exclusively the funds and properties coming into its possession toward furthering these purposes. Prior to initiating any additional functions, Associated Students agrees to amend the existing operating agreement.

3. CAMPUS OVERSIGHT AND OPERATIONAL REVIEW

The responsibility and authority of the campus president regarding auxiliary organizations is outlined in Title 5 Section 42402, which in part requires that auxiliary organizations operate in conformity with policy of the Board of Trustees and the campus. The campus President has been delegated authority by the CSU Board of Trustees (Standing Orders Section IV) to carry out all necessary functions for the operation of the campus. The operations and activities of Associated Students under this agreement shall be integrated with campus operations and policies established by the President and shall be overseen by the campus Chief Financial Officer or designee so as to assure compliance with objectives stated in Title 5 Section 42401.

Associated Students agrees to assist the Chief Financial Officer and his or her designee in carrying out the compliance and operational reviews required by applicable Executive Orders and related policies.

4. OPERATIONAL COMPLIANCE

Associated Students agrees to maintain and operate its organization in accordance with all applicable laws, regulations and policies proglamuted by the Federal Government, the State, Chancellor and Campus on which the Associated Students operates. Failure of Associated Students to comply with any term of this agreement may result in the removal, suspension or placing on probation of Associated Students as an auxiliary organization in good standing. Such action by CSU may involve the limitation or removal

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of Associated Students’ right to utilize the resources and facilities of Campus (ref. Title 5, CCR, 42406).

5. CONFLICT OF INTEREST

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

6. EXPENDITURES AUGMENTING CSU APPROPRIATIONS

With respect to expenditures for public relations or other purposes which would serve to augment appropriations for CSU operations, Associated Students may expend funds in such amount and for such purposes as are approved by Associated Students’ governing body. Associated Students shall file, as Attachment 1 to this Agreement, a statement of Associated Students’ policy on accumulation and use of public relations funds. The statement shall include the policy and procedures for solicitation of funds, the purposes for which the funds may be used, the allowable expenditures and procedures of control.

7. FISCAL AUDITS

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

The campus Chief Financial Officer shall submit to the Chancellor’s Office (see Notices below) the written evaluation of the external audit firm selected by the Associated Students. This review must be conducted annually and prior to entering into an engagement letter with an external audit firm. If the Associated Students has not changed auditor and the audit firm was previously subjected to this review only a limited review need be submitted.

9. CHANGE OR MODIFICATION OF CORPORATE STATUS

Associated Students shall provide notice to the CSU upon any change in Associated Students’ legal, operational or tax status including but not limited to changes in Articles of Incorporation, bylaws, tax status, bankruptcy, dissolution or change in name.

10. FAIR EMPLOYMENT PRACTICES

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

11. **DISPOSITION OF ASSETS**

Attached hereto as Attachment 2 is a copy of Associated Students’ Constitution or Articles of Incorporation (as applicable) which establishes that upon dissolution of Associated Students, the net assets other than trust funds shall be distributed in accord with Section 42600, Title 5, CCR. For the period covered by this agreement, Associated Students agrees to maintain this provision as part of its Constitution or Articles of Incorporation. In the event Associated Students should change this provision to make other dispositions possible, this agreement shall terminate as of the date immediately preceding the date such change becomes effective and all net assets shall become the property of CSU.

Alternatively, upon termination or breach of this agreement, CSU, at its sole discretion, may require Associated Students to transfer all assets in its possession to a successor nonprofit corporation qualifying as an auxiliary organization. This remedy shall be in addition to any other remedies available to CSU upon termination or breach of this agreement.

12. **USE OF CAMPUS FACILITIES**

Auxiliary may use those facilities identified for its use in a lease agreement executed between Campus or another Auxiliary and Associated Students.

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

13. **DISPOSITION OF NET EARNINGS**

Associated Students agrees to comply with CSU and Campus policy on expenditure of funds including, but not limited to, CSU guidelines for the disposition of revenues in excess of expenses and CSU policies on maintaining appropriate reserves.

14. **ACCEPTANCE, ADMINISTRATION, AND USE OF GIFTS**

**Requires campus input. italicized instructions to authors may be deleted.**
Associated Students agrees, if authorized to do so in Section 2 above, that it will accept and administer gifts, grants, contracts, scholarships, loan funds, fellowships, bequests, and devises in accordance with policies of CSU and Campus.

A. Delegation of Authority to Accept Gifts

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

B. Reporting Standards

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

C. Donor Rights

All donors of gifts, bequests and personal property shall be treated openly and fairly in accordance with the “Donor Bill of Rights” found at: http://www.calstate.edu/foundation/donor.shtml.

15. INDEMNIFICATION

Associated Students agrees to indemnify, defend and save harmless the CSU, its officers, agents, employees and constituent campuses (all of which are hereafter referred to as “CSU”) from any and all loss, damage, or liability that may be suffered or incurred by CSU, caused by, arising out of, or in any way connected with the operation of Associated Students as an auxiliary organization.

16. INSURANCE

Associated Students shall maintain insurance protecting the CSU and Campus as provided in this section. CSU’s Systemwide Office of Risk Management shall establish minimum insurance requirements for Auxiliaries, based on the insurance requirements described in Technical Letter RM “RM 2011-04” or its successor then in effect. Associated Students agrees to maintain at least these minimum insurance requirements.

Associated Students’ participation in a coverage program of the California State University Risk Management Authority (CSURMA) shall fully comply with the insurance requirements.

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requirement for each type of required coverage (which may include but not be limited to, general liability, auto liability, directors and officers liability, fiduciary liability, professional liability, employer's liability, pollution liability, workers' compensation, fidelity, property and any other coverage necessary based on Associated Students' operations). Associated Students shall ensure that CSU and campus are scheduled as additional insured or loss payee as its interests may appear.

17. NOTICES

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

Notice to Associated Students shall be addressed as follows:

General Manager
Associated Students, California State University, Northridge, Inc.
18111 Nordhoff Street
Northridge, CA 91330-8260

Notice to the CSU shall be addressed to:

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

Notice to the Campus shall be addressed as follows:

Office of the President
California State University, Northridge
18111 Nordhoff Street
Northridge, CA 91330-8230

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

Approved on June 13, 2013 for California State University, Northridge

By Diane F. Harrison, President

** Requires campus input, italicized instructions to authors may be deleted.**
Executed on May 10, 2013 for Associated Students, California State University, Northridge, Inc.
By
David Crandall, General Manager

Executed on 6/25/13 for California State University
Office of the Chancellor
Contract Services and Procurement
By
The Associated Students (AS) Board of Directors (Senate) has approved the following policy regarding the acquisition and management of grants and donations:

The purpose of the AS Grants and Donations program is to obtain funds from external sources to assist the AS in advancing its mission. Grant and donation funds may directly enhance projects, programs and services (hereafter referred to as project), and indirectly enhance support for those projects that may not be possible using the AS fee or participant fees alone.

The AS delegates authority to the General Manager to oversee all grant and donation acquisition-related efforts and – through the General Manager – to the AS Controller to oversee all grant and donation management-related efforts.

The General Manager shall provide a report on all grant and donation activities to the Senate on a semi-annual basis (typically, in June and December).

The General Manager will oversee the development and updating of a grant and donation procedures manual which will detail the following activities:

Administrative structure for grant/donation acquisition and management
Identification of external funding sources
Authority and procedure for seeking a grant or donation
Solicitation of donations and grants
  Writing the proposal
  Preparing the budget
  Attending to any needed certifications or external (to the AS) approvals
Acceptance and management of donations
Compliance with AS policy on conflict of interest
Compliance with any restrictions and guidelines of the grantor/donor
Acknowledgement that a grant/donation may bring with it a requirement (for example, for staff time to administer the grant/donation funding) that is not covered by the grant/donation funding.
ASSOCIATED STUDENTS, CALIFORNIA STATE UNIVERSITY, NORTHRIDGE, INC.
PROCEDURES ON THE ACQUISITION AND MANAGEMENT OF GRANTS AND DONATIONS

ADMINISTRATIVE STRUCTURE

The AS Administration and AS Accounting and Financial Services departments share responsibility for the administration of externally funded activities, projects or programs (hereafter referred to as project). Often, a particular program or service department where the funded project resides (e.g., Children’s Center) shall also share this responsibility. All AS staff connected to the funded project shall conform to the AS Conflict of Interest policy and other policies that may arise.

Administration

The General Manager is responsible for the activities of the Project Managers, Accounting and Financial Services and any other AS personnel involved in acquiring and managing a grant or donation. Pre-award activities are coordinated by the Assistant to the General Manager. With the General Manager and, as needed, the Human Resources Coordinator, AS Administration oversees pre-award and post-award programmatic and budgetary matters, including issuance of subcontracts. Requests for budgetary or programmatic amendments must be approved by the General Manager and the funding agency when required by award terms and conditions. Major office responsibilities include assisting staff with proposal development and submission, compliance with AS and University and grantor/donor policies and guidelines. The General Manager shall be responsible for providing oversight of the conduct of the project funded to ensure progress toward fulfillment of donation or grant requirements.

Accounting and Financial Services

The AS Accounting and Financial Services staff provides financial administration, accounting and reporting administration, expenditure processing and review, and pre-award budget preparation assistance. The AS Accounting and Financial Services staff will also determine the indirect costs to the AS if the project were to be undertaken and will track those costs over the life of the project.

Grant/Donation Project Manager

The senior staff employee responsible for the project supported by the grant or donation has direct responsibility for the proper administration of the funded project and expenditure of funds. In general, this Project Manager deals with the donor or grantor through the Assistant to the General Manager with regard to the original grant/donation proposal, project content, and budget. The Project Manager works with the AS Accounting and Financial Services office with regard to the expenditure of funds and effort for the program. The Project Manager is responsible for submitting required reports to the sponsor except for financial reports, which are submitted by the Accounting and Financial Services office. If more than one staff employee is involved in a program, the Assistant to the General Manager will develop and monitor written specification of the distribution of responsibilities among the Project Managers. The General Manager will assign the Project Manager(s) to the effort and make any changes in those assignments as needed (and as permitted by the donor/grantor).

GRANT AND DONATION APPLICATIONS OR SOLICITATIONS

Authorship of Grant Applications and Donation Solicitations. Any staff employee, student employee, or member of the Board of Directors (Senate) may wish to apply in the name of the AS to agencies of the Federal, State and local government, private industry, private and public foundations, individuals or corporations for grants and donations.

Approval of Grant/Donation Applications. All applications must be submitted to AS Administration for
review so that the AS can:

- avoid competing requests to the same source;
- determine that the goals of the project (hereafter referred to as project) can be achieved with the resources sought;
- ensure sufficient and proper infrastructure support for the management of the project or program and of the donation or grant itself, and
- determine that the program is consonant with the mission and strategic plan of the organization.

The General Manager will conduct this review in consultation with the other Corporate officers, the Controller and the Office of the Vice President for Student Affairs.

REVIEW OF APPLICATIONS

A Grant or Donation Request Form containing the signatures of the Project Manager must accompany all proposals submitted for internal review. The signors attest to the items listed below. The Project Manager, in so doing, attests that the proposed project can be achieved in accordance with the narrative and budget of the application and will allow time for the Project Manager to complete her or his other duties as assigned.

COSTS

There are two types of costs associated with projects: those directly assignable to the specific project and those indirectly incurred for the general support and management of the project. These two types of costs are commonly referred to as direct and indirect costs.

Direct costs are those expenses that have been incurred solely for work on the project or activity and that can be identified specifically with such. Typical costs include salaries, fringe benefits, supplies, travel, and equipment. Indirect costs are incurred primarily for necessary supporting administrative and service functions related to the project. Indirect costs are often computed as a percentage of a project’s total direct costs, or as some component of the direct costs (referred to as modified total direct costs).

The AS shall be cognizant in its review of proposals that a realistic and acceptable level of indirect costs can be accommodated either as external-to-the-project overhead (funded or unfunded) or through explicit funding within the proposal. The AS shall always strive to keep indirect costs as low as is financially and managerially feasible, recognizing that some donors and grantor will not permit funding of indirect costs.

USES OF FUNDING

Except where the terms and conditions of a grant or donation differ from the AS Budget Language (Finance Policy), all regulations and procedures of the AS Budget Language and the Accounting Manual will govern all transactions of the funded program. Where the language of the donation or grant differs from or conflicts with AS policy and procedures, the General Manager will make the determination as to how to interpret the extant decision, in consultation with the other Officers, the Controller and the Project Manager.

The AS shall provide fiscal and other reports of expenditures to the granting agency, the Project Manager and, if required by law, to governmental agencies. Fiscal information and reports may be provided to other persons only as required by law, regulation or policy. All expenditures must be properly documented. The AS monitors expenditures to insure compliance with funding agency, University, State and AS policies.

PROPERTY PURCHASED WITH GRANT OR DONATION FUNDS

Established procedures for tracking and managing fixed assets which are funded through grants, or
donations are outlined in the AS Asset Management procedure.

POLICY ON INTELLECTUAL AND WORK PROPERTY

The AS shall apply its Work and Intellectual Property policy to any activities funded through a grant or donation.

RECORD RETENTION

AS maintains grant and donation records in consonance with its Record Retention policy, typically four years beyond the expiration of the project unless otherwise required by the funding agency.
APPENDIX ONE. GRANT OR DONATION REQUEST FORM

Date:

Program Area:

Primary Project Manager:

Portion of time of Project Manager required to execute the funded program:

Portion of time of the Project Manager required to administer the grant or donation (including grantor/donor relations):

Secondary Project Manager:

Portion of time of Secondary Project Manager required to execute the funded program:

Portion of time of the Secondary Project Manager required to administer the grant or donation (including grantor/donor relations):

Deadline for submission of proposal:

Name, address and contact information for grantor/donor:

Outcome of proposed project:

Brief description of proposed project:

Duration of project:

Are there any conditions attached to this grant/donation offer (e.g., acknowledgement, restrictions on use, cost matching, etc.):

Source(s) of funding after completion of project (if applicable):

Estimated costs to AS in administering the grant/donation and project in terms of staff time, use of equipment or other physical resources, and actual expenditures:

Project Manager's proposal for what activity will be altered, postponed or forfeited if the project is funded (What will be have to be let go of, if we do this instead?):
Restated Articles of Incorporation
Of
Associated Students,
California State University, Northridge, Inc.

FIRST:

(a) The name of this corporation is: Associate Students, California State University, Northridge, Inc.
(b) This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public purposes.

SECOND: The purposes for which this corporation is formed are as follows:

(a) The Associated Students is the primary advocate for students at California State University, Northridge and provides excellent and meaningful programs and services designed to create and enhance a spirited, learning-focused campus environment.
(b) To further engage in any activity, undertaking business, or venture as shall assist or be pertinent to the carrying out of the mission of this corporation.
(c) To own, hold, possess, purchase, acquire, rent, lease, install, maintain, and operate, and from time to time to sell, dispose of, exchange, and replace such equipment, facilities and other personal property as may be required for the mission aforesaid.
(d) To engage, employ, retain, and/or discharge, subject to the approval of the Executive Board of Directors, such personnel as may be necessary for the proper conduct of the business for which this corporation is organized.
(e) To receive and hold by gift, devise, bequest or grant donations or contributions for scientific, educational and charitable purchases, or for the benefit or endowment of any of the activities of this corporation.
(f) To receive any donation or bequest made for particular purposes accordant with the objects and purposes of this corporation and in such case or cases to receive such donations or devises and to hold and use the same in conformity with the express conditions of the donors or devisors.
(g) To act as Trustee under any trust created to furnish funds for the principal objects of the corporation and to receive, hold, administer and expand funds and property subject to such trust.
(h) To purchase, lease, acquire and operate property, including real estate, buildings and equipment and to sell, convey, exchange, lease, transfer upon trust, give liens by way of mortgage and/or trust deeds, lease and otherwise dispose of all real estate, personal estate, property, buildings and equipment.
(i) To conduct a bureau of bureaus for disseminating information pertaining to the activities of this corporation, and to obtain, and to publish, sell and distribute such literature as may be advisable to promote the main object and purpose for which this corporation is formed and to contract for the employment of persons and writers to compile literature pertaining thereto and to conduct clinics, lectures and programs in connection therewith.
(j) To improve, manage, develop, sell, assign, transfer, lease, mortgage, pledge or otherwise dispose of or turn to account or deal will all or any part of the property of the corporation and from time to time to vary any investment or employment of capital of the corporation.

(k) To borrow money and to make and issue notes, bonds, debentures, obligations and evidences of indebtedness of all kinds, whether secured by mortgage, pledge or otherwise, without limit as to amount and to secure the same by mortgage, pledge or otherwise; and generally to make and perform agreements and contracts of every kind of description.

(l) To make contracts; to purchase or otherwise acquire, operate, control, sell or otherwise dispose of, lease, hold, own, let, sublet, rent, hypothecate, manage, improve, develop and generally to deal in and deal with lands and other property, improved and unimproved, construct buildings thereon, and to change and generally improve the same.

(m) To apply for, obtain, register, purchase, lease, or otherwise to acquire and to hold, own, use, develop, operate, and introduce, and otherwise to turn to account or dispose of, any copyrights, trade-marks, trade names, brands, labels, patent rights, letters patent of the United States or of any other country or government, inventions, improvements and processes, whether used in connection with or secured under letters patents or otherwise.

(n) To do all and everything necessary, suitable, and proper for the accomplishment of any of the purposes or the attainment of any of the objects or the furtherance of any of the powers hereinbefore set forth, either alone or in association with other corporations, firms or individuals, and to do every other act or acts, connected with the aforesaid business or powers or any part or parts thereof, provided the same be not inconsistent with the laws under which this corporation is organized.

(o) The business or purpose of the corporation is from time to time to do any one or more of any of the acts and things hereinabove set forth and to do all things and every and anything that a non-profit corporation organized under the aforesaid title may lawfully do and generally to do all things requisite, necessary and expedient for the administration and attainment of the purposes of this corporation.

(p) To conduct and carry on the said business or any part thereof and to have one or more offices and to exercise any or all of its corporate powers and rights as a non-profit corporation in the State of California, or in any of the states, districts, territories or colonies of the United States and in any and all foreign countries, subject to the laws of such state, district, territory, colony or country.

(q) The Subparagraphs (a) through (p), both inclusive of this paragraph, as hereinabove set forth, shall be construed as both statements of purposes and powers, and the statements contained in each clause of said subparagraphs shall not be limited or restricted by reference from, the provisions of any other clause.

THIRD: The county in the State of California where the principal office for the transaction of the business of the corporation is located is Los Angeles County.

FIFTH: The authorized number and qualifications of directors of this corporation shall be as set forth in the Bylaws.
SIXTH: No member, officer or director of this corporation shall have any personal, proprietary or beneficial interest in the property of this corporation, either during its corporate existence or upon its dissolution, it being hereby expressly provided that all property acquired by the corporation, real or personal, and all increments, interests or earnings therefor are and shall be devoted in perpetuity and irrevocably dedicated to charitable purposes, and in the event of the liquidation, dissolution or abandonment of this corporation, its property will not inure to the benefit of any private person.

Seventh: This corporation irrevocably dedicates its assets for the benefit of California State University, Northridge. Upon the dissolution of this corporation, net assets other than trust funds shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code (or corresponding section of any future federal tax code) or to a government for public purposes, as approved by the President of California State University, Northridge and by the Chancellor of the California State University. Trust funds shall be distributed consistent with the terms of the trust instruments and section 501(c)(3) of the Internal Revenue Code (or corresponding section of any future federal tax code).

EIGHTH: The Corporation reserves the right to amend, alter, change or repeal any provision contained in these Articles of Incorporation in the manner now or hereafter prescribed by law, and all rights and powers conferred herein on members, directors and officers are subject to this reserved power.

NINTH: The Corporation elects to be governed by all the provisions of the new law not otherwise applicable to it under Part 5 of Division 2 of Title 1 of the California Corporations Code.

IN WITNESS WHEREOF, we, the undersigned President and Secretary-Treasurer of the incorporated association affirm that the Board of Directors have amended these Articles on the 22nd day of March, 2013 and that we have executed these Articles of Incorporation on the 22nd day of March, 2013.

________________________
Sydni Powell
President

________________________
David Crandall
Secretary-Treasurer and General Manager