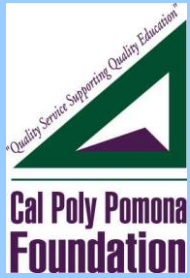




**Cal Poly Pomona
Foundation**

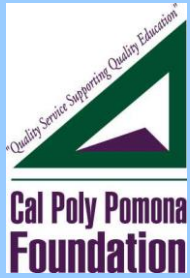
Cal Poly Pomona Foundation Inc.

BOARD ORIENTATION



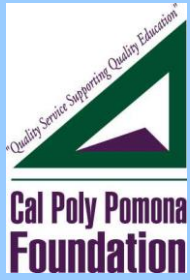
Topics

- ◆ What is a CSU Auxiliary Organization?
- ◆ Bylaws and Articles of Incorporation
- ◆ Programs and Services
- ◆ Financial Standards/Fiscal Viability
- ◆ Operating Agreements/Ground Leases
- ◆ Business Plans
- ◆ Strategic Plans
- ◆ Organization
- ◆ D&O Insurance



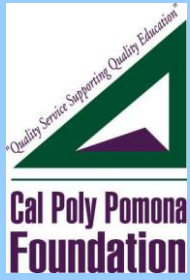
Topics– Continued:

- ◆ Legal Counsel
 - ◆ Tax Returns
 - ◆ Conflict of Interest
 - ◆ Future
 - ◆ Questions?
-
- Much of the information is located on the Foundation website: <http://www.foundation.cpp.edu/default.aspx>



CSU Auxiliary Organization

- ◆ The Cal Poly Pomona Foundation has been formed as a separate legal entity under California Corporation law and authorized to function as an auxiliary under the Education Code and CSU Regulations and Policy. The Foundation is not a campus department although we have a relationship with CPP under law, regulations, policies and by agreements.



CSU Auxiliary Organization

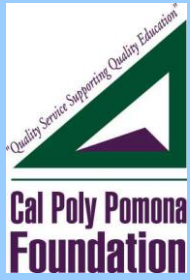
- ◆ Non-profit organization
- ◆ Conducts activities essential to the campus
- ◆ Meets requirements of CSU Board of Trustees



CSU Auxiliary Organization

Administered within the following hierarchy:

- ◆ California Statutes (Gov. Code and Ed. Code)
- ◆ Trustee Regulations (Title 5)
- ◆ Standing BOT Orders
- ◆ Trustee Resolutions
- ◆ Executive Orders of the Chancellor
- ◆ Procedural Directives from Chancellor's Office
- ◆ Cal Poly Pomona Policies and Regulations
- ◆ Foundation Policies and Regulations



CSU Auxiliary Organization

- ◆ Operations are carried out under the direction of the governing board (Board of Directors) of the organization and its management structure
- ◆ The Board of Directors is responsible for the organization meeting all state requirements as articulated by:
 - CSU Board of Trustees
 - Chancellor's Office
 - Campus Administration



CSU Auxiliary Organization

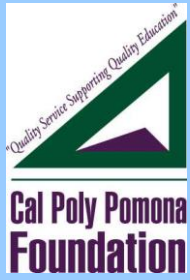
- ◆ Title 5, provides that the CSU BOT have overall responsibility for administering activities of the CSU
- ◆ President is directly responsible by state statute for ascertaining that all expenditures by auxiliary organizations are in accordance with policies of the Trustees
- ◆ Chancellor has required the President to designate a campus officer responsible for certain duties that in part involve auxiliary organizations, Vice President Administrative Affairs



Cal Poly Pomona Foundation

Board Roles and Responsibilities

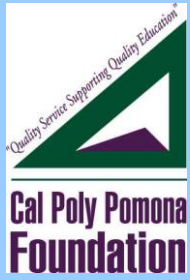
- ◆ Organizational Governance
 - Authority
 - Accountability
- ◆ Key Roles of the Board
 - Oversight
 - Ensure necessary resources – Approve annual budgets
 - Oversee financial management
 - Approve programs/services
 - Minimize exposure to risk



Cal Poly Pomona Foundation

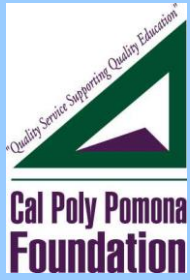
Board Members Responsibilities (continued);

- ◆ Participate in governance of the Foundation
- ◆ Work on committees
- ◆ Serve as ambassador for the Foundation to the campus community
- ◆ Act as a resource to the Foundation



CSU Auxiliary Organization

- ◆ **Financial Standards, Fiscal Viability and Records:**
Annually each board shall review the fiscal viability of the auxiliary organization to include:
 - Adequate Professional Management
 - Evaluation of Reserves
 - Annual Budget



Cal Poly Pomona Foundation

Individual Board Member Responsibilities;

- ◆ Act in Accordance with Legal Standards
 - Duty of Care
 - Stay informed
 - Competence expected
 - Prudent person test
 - Duty of Loyalty
 - Show allegiance
 - Foundation's welfare when making decisions
 - Personal interest can not be put above interests of organization
 - Duty of Obedience – Make sure Foundation is faithful to mission

Cal Poly Pomona Foundation

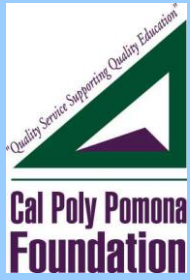
◆ Conflict of Interest Regulations

- Subject to provisions of the Nonprofit Corporation Law
- Subject to standard expressed in the California Education Code for AO Governing bodies
 - [Annual Conflict of Interest disclosure per Foundation Policy # 221](#)



CSU Auxiliary Organization

- ◆ Composition of Governing Board of Directors voting membership must consist of the following:
 - Administration and Staff
 - Faculty
 - Non-campus personnel
 - Students
- ◆ Each member of the Board must serve on one or more Subcommittees: Audit, Executive, Finance, Investment, Nominating, Personnel, Program



CSU Auxiliary Organization

- ◆ CSU BOT determines what functions are appropriate for auxiliary organizations to perform (i.e., housing, dining service, bookstores)



Cal Poly Pomona Foundation

Program and Services

◆ **Auxiliary Operations**

- Bookstores
- Dining Services
- Kellogg West
- Foundation Housing Service
- Real Estate Acquisition and development

◆ **Supplementary Programs**

- Research and Sponsored Programs
- Continuing Education Programs
- Agriculture Aid-To-Instruction Programs
- Foundation Programs Support
- Scholarships and Endowments

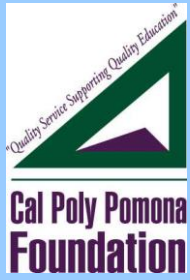


Cal Poly Pomona Foundation

Written Agreements required to Use Campus (State) Facilities

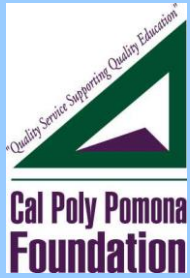
- [Operating Agreements](#)
- Ground Leases
- Use of Campus Facilities for Sponsored Projects

The CSU Trustees require that an AO enter into an appropriate operating agreement that include specified provisions if CSU property or facilities are to be used.



Cal Poly Pomona Foundation

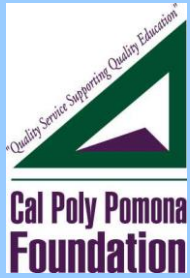
- ◆ Overview of Financial Status
 - Sources of Funds
 - Uses of Funds
 - Annual Audit Information



Cal Poly Pomona Foundation

◆ Open Meeting Procedures and Transparency

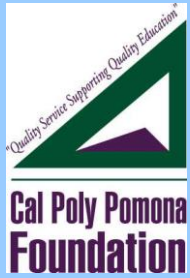
- ◆ AOA member organizations are subject to statutory open meeting requirements: Student body organizations under the Gloria Romero Open Meetings Act of 2000 (Education Code § 89305-307.4); and all others under Education Code §89920-28 (informally referred to as the *Seymour Act*).
- ◆ In many respects the Seymour Act standards are general in nature. This has led to situations and perceptions that governing board and committee meetings lack transparency the law intends.
- ◆ The AOA Executive Committee, in concert with CSSA, has developed a model set of governing board meeting guidelines. These model guidelines have been reviewed by the Office of General Counsel, and are published by AOA with the objective of increasing meeting openness through widespread volitional member-organization action. Such action will demonstrate the value of voluntary standards as an alternative to mandated requirements.
- ◆ Use this link for the Model Governing Board Meeting Procedures for Auxiliary Organizations Governed by Education Code §§ 89920-28:
- ◆ <http://csuaoa.org/docs/getdoc.asp?Key=%7bB069B081-9EBE-4C89-AE15-E8B269C8C0B7%7d:AOAModelOpenMeetingGuidelines.pdf>
- ◆ The management and officers of auxiliary organizations under the Seymour Act are urged to review these model guidelines, and to use them as a basis for establishing more comprehensive written meeting procedures. Direct any questions on the guidelines to Robert Griffin, AOA Legislative & Compliance Advisor, GRIFR@aol.com.
- ◆ The Cal Poly Pomona Foundation website has its Board Meeting Procedures available to the public using this link: <https://www.foundation.cpp.edu/content/d/bod/FoundationOpenMeetingGuidelines.pdf>
- ◆
- ◆



Cal Poly Pomona Foundation

Board of Directors Reading List

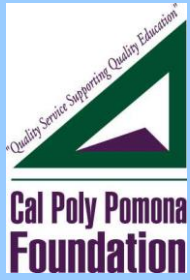
- ◆ [Business Plan and Budget](#)
- ◆ [Biennial Report](#)
- ◆ [Annual Single Audit](#)
- ◆ [Annual Financial Audit](#)
- ◆ [Compilation of Policy & Procedures for CSU Auxiliary Organizations](#)
- ◆ [Cal Poly Pomona Foundation Policies](#)
- ◆ [AOA Roles & Responsibilities of Auxiliary Governing Boards](#)
- ◆ [CSU Overview of what an Auxiliary is](#)



Cal Poly Pomona Foundation

About the Board

- ◆ **Board Officers** – Chair; Vice-Chair and Secretary/Treasurer
- ◆ **Board Committees** – Audit, Executive, Finance, Investment, Nominating, Personnel, Program
- ◆ **Board Consultants**
 - Legal Counsel: Littler Mendelson
Shannon Boyce (310) 712-7304
 - Financial Auditor: CliftonLarsonAllen (CLA)
Tina Henton (626) 857-7300
 - Insurance Broker: Alliant Insurance
Dan Howell (415) 309-1243



Cal Poly Pomona Foundation

◆ Questions?

◆ Staff Contacts:

- David Prenovost, CFO dfprenovost@cpp.edu
or x2948
- Anne McLoughlin amcloughlin@cpp.edu
or x5418