



**Cal Poly Pomona
Foundation**

Cal Poly Pomona Foundation, Inc.

BOARD ORIENTATION

Who & What We Are

- ◆ 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

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 we are a supporting organization with CPP under law, regulations, policies and by agreements.

CSU Auxiliary Organization

- ◆ IRS Tax Exemption
- ◆ 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 Board approved 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 federal and 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



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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



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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
 - Long Term Cash Plan

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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

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◆ 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)



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Program and Services

◆ Enterprise 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

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Written Agreements required to Use Campus (State) Facilities

- [Master Operating Agreements](#)
- Ground and Facility Lease Agreements
- Use of Campus Facilities for Sponsored Programs

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



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- ◆ Overview of Financial Status
 - Sources of Funds
 - Uses of Funds
 - Annual Audit Information
 - Budget and Forecast
 - Long Term Cash Plan
 - Reserves

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◆ 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 concerns and perceptions that governing board and committee meetings lack transparency, contrary to the law and intentions.
- ◆ 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>
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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](#) and Procedures
- ◆ [AOA Roles & Responsibilities of Auxiliary Governing Boards](#)
- ◆ [CSU Overview of what an Auxiliary is](#)



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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: Aldrich CPA& Advisors
Andy Maffia (760) 268-0228
 - Insurance Broker: Alliant Insurance
Dan Howell (415) 309-1243



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◆ Questions?

◆ Staff Contacts:

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