OPERATING AGREEMENT
BETWEEN CALIFORNIA STATE UNIVERSITY
AND ASSOCIATED STUDENTS OF SAN FRANCISCO STATE UNIVERSITY

This agreement is made and entered into by and between the Trustees of the California State
University, on behalf of San Francisco State University (Campus), and Associated Students
of San Francisco State University (AS). The term of this agreement shall be August 1, 2017
through July 31, 2024, unless sooner terminated as herein provided.

1. PURPOSE

The purpose of this agreement is to set forth the terms and conditions under which Auxiliary
may operate as an auxiliary organization pursuant to California Education Code §89900 et seq. and California Code of Regulations (CCR) Title 5, § 42400 et seq. 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 Campus under the
usual state procedures.

2. PRIMARY FUNCTION OF THE AUXILIARY

In consideration of receiving recognition as an official CSU auxiliary organization,
Auxiliary agrees, for the period covered by this agreement, that the primary function(s),
which the Auxiliary is to manage, operate or administer is/are (Check each category that
applies):

[X] Student Body Organization
[ ] Student Union
[ ] Housing
[X] Philanthropic
[X] Externally Funded Projects-Research, Workshops, Institutes, Conferences
[ ] Real Property Acquisition / Real Property Development
[ ] Commercial

In carrying out the above, the Auxiliary engages in the following functions authorized by,
CCR tit.5, §42500, which are activities essential and integral to the educational mission of
the University:

1. Student Body Organization Programs
   a. Operation of Student Government
   b. Operation and management of a child care center (Associated Students’
      Early Childhood Education Center);
   c. Support to recognized student organizations, including financial
      assistance for student programming and events.
   d. Student Body Support services

2. Externally Funded Projects Including Research, Workshops, Conferences, and Institutes
3. Loans, Scholarships, Grants-in-Aid, Stipends, and Related Financial Assistance
4. Public Relations, fundraising, fund management

Auxiliary agrees to receive and apply exclusively the funds and properties coming into its possession toward furthering these purposes for the benefit of CSU and the Campus. Auxiliary further agrees that it shall not perform any of the functions listed in CCR tit.5. §42500 unless the function has been specifically assigned in this operating agreement with the Campus. Prior to initiating any additional functions, Auxiliary understands and agrees that CSU and Auxiliary must amend this agreement in accordance with Section 19, Amendment.

3. CAMPUS OVERSIGHT AND OPERATIONAL REVIEW

The responsibility and authority of the Campus president regarding auxiliary organizations is set forth in CCR tit.5, §42402, which requires that auxiliary organizations operate in conformity with CSU and Campus policies. The Campus President has been delegated authority by the CSU Board of Trustees (Standing Orders §VI) to carry out all necessary functions for the operation of the Campus. The operations and activities of Auxiliary under this agreement shall be integrated with Campus operations and policies and shall be overseen by the campus Chief Financial Officer or designee so as to assure compliance with objectives stated in CCR tit.5, §42401.

The Campus shall review Auxiliary to ensure that the written operating agreement is current and that the activities of Auxiliary are in compliance with this agreement at least every five (5) years from the date the operating agreement is executed and at least every five years thereafter. Confirmation that this review has been conducted will consist of either an updated operating agreement, or a letter from the Campus Chief Financial Officer or designee to the Campus President with a copy to the Chancellor’s Office, certifying that the review has been conducted. As part of these periodic reviews, the Campus President should examine the need for each auxiliary and look at the efficiency of the auxiliary operation and administration.

Auxiliary agrees to assist the Campus CFO or designee in carrying out the compliance and operational reviews required by applicable CSU Executive Orders and related policies.

Auxiliary business functions are managed by the Executive Director who shall keep appropriate Campus Administrators fully informed regarding the activities and business functions of the Auxiliary and shall consult with the Campus at regular intervals for this purpose.

4. OPERATIONAL COMPLIANCE

Auxiliary agrees to maintain and operate its organization in accordance with all applicable laws, regulations and CSU and Campus rules, regulations and policies. Failure of Auxiliary to comply with any term of this agreement may result in the removal, suspension or
probation of Auxiliary as an auxiliary organization in good standing. Such action by CSU may result in the limitation or removal of Auxiliary's right to utilize the CSU or campus name, resources and facilities (CCR tit.5, §42406).

5. CONFLICT OF INTEREST

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

Auxiliary has established and will maintain a conflict of interest policy. The Auxiliary’s Conflict of Interest Policy is attached as Attachment 1.

6. EXPENDITURES AUGMENTING CSU APPROPRIATIONS

With respect to expenditures for public relations or other purposes which would serve to augment appropriations for CSU operations, Auxiliary may expend funds in such amount and for such purposes as are approved by Auxiliary's governing body. Auxiliary shall file, as Attachment 2 to this agreement, a statement of Auxiliary's 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

Auxiliary agrees to comply with CSU policy and the provisions of CCR tit.5, §42408, 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 (CFO) shall annually review, and submit a written evaluation to the Chancellor's Office in accordance with Section 1718, Notices, of the external audit firm selected by the Auxiliary. This review by the Campus CFO must be conducted prior to the Auxiliary engaging an external audit firm and annually thereafter. If the Auxiliary has not changed audit firms, and the audit firm was previously reviewed and received a satisfactory evaluation, a more limited review may be conducted and submitted.

8. USE OF NAME

Campus agrees that Auxiliary may, in connection with its designated functions as a CSU auxiliary organization in good standing and this agreement, use the name of the Campus, The Campus logo, seal or other symbols and marks of the Campus, provided that Auxiliary clearly communicates that it is conducting business in its own name for the benefit of Campus. All correspondence, advertisements, and other communications by Auxiliary must clearly indicate that the communication is by and from Auxiliary and not by or from CSU or Campus.

Auxiliary shall use the name of Campus, logo, seal or other symbols or marks of Campus only in connection with services rendered for the benefit of Campus and in accordance with Campus guidance and direction furnished to Auxiliary by Campus and only if the nature and
quality of the services with which the Campus name, logo, seal or other symbol or mark are used are satisfactory to the Campus or as specified by Campus.

Campus shall exercise control over and shall be the sole judge of whether Auxiliary has met or is meeting the standards of quality of the Campus for use of its name, logo, seal or other symbol or mark.

Auxiliary shall not delegate the authority to use the Campus name, logo, seal or other symbol or mark to any person or entity without the prior written approval of the Campus President or designee. Auxiliary shall cease using the Campus name, logo, seal or other symbol or mark upon expiration or termination of this agreement, or if Auxiliary ceases to be a CSU auxiliary organization in good standing, dissolves or disappears in a merger.

9. CHANGE OR MODIFICATION OF CORPORATE STATUS

Auxiliary shall provide notice to the CSU upon any change in Auxiliary's legal, operational or tax status including but not limited to changes in its 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 California Government Code §12900 et. seq., Auxiliary 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, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, military and veteran status. Auxiliary shall adopt employment procedures consistent with the policy statement on nondiscrimination and affirmative action in employment adopted by the CSU.

11. BACKGROUND CHECK POLICY COMPLIANCE

In compliance with governing laws and CSU policy, Auxiliary shall confirm that background checks are completed for all new hires and for those independent contractors, consultants, outside entities, volunteers and existing employees in positions requiring background checks as set forth in CSU systemwide policy. Auxiliary will provide confirmation of completed and cleared background checks to the University President/Chancellor upon request, or as established by campus policy. (See HR 2016-08).

12. DISPOSITION OF ASSETS

Attached hereto as Attachment 3 is a copy of Auxiliary's Constitution or Articles of Incorporation (as applicable) which establishes that upon dissolution of Auxiliary, the net assets other than trust funds shall be distributed in accord with, CCR tit.5, §42600. Auxiliary agrees to maintain this provision as part of its Constitution or Articles of Incorporation. In the event the Auxiliary 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.
Chavez Student Center building, with the exception of those areas identified as “common areas”. Campus “facilities” areas and the immediate environs, including plazas directly to the east, north, west and south of the building, and building attached exterior stairwells, as delineated by the closest paved path around the building site. The Campus maintains possession and control of these areas for the benefit of its two sub-leasees: Auxiliary and University Corporation, San Francisco State University.

27. USE OF PREMISES

A. Auxiliary may occupy, operate, and use the leased properties only in connection with the following functions and activities in accordance with the terms of this agreement and as more fully set forth in the lease agreements:

1) Operation of the Associated Students Auxiliary and its related programs, services and functions for the students, faculty, staff, alumni, and guests of the campus.

2) Operating a child care center for early childhood education.

B. Auxiliary shall use the leased properties only for functions and activities that are consistent with the Functions established in Section 2 and guidelines, policies, and facility leases that have been or may hereafter be adopted by CSU or entered into between the parties.

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

Approved: / 201__ San Francisco State University

By

Leslie E. Wong, President

Executed on / 201__ Associated Students of San Francisco State University

By

Horace Montgomery, Interim Executive Director

Executed on / 201__ California State University Office of the Chancellor Contract Services and Procurement

By
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Approved: 2/11/2019
San Francisco State University

By
Leslie Wong, President

Executed on 2/7/2019
Associated Students of San Francisco State University

By
Horace Montgomery, Interim Executive Director

Executed on 2/10/2019
California State University Office of the Chancellor
Contract Services and Procurement

By
