

OPERATING AGREEMENT  
BETWEEN CALIFORNIA STATE UNIVERSITY  
AND CALIFORNIA STATE UNIVERSITY, BAKERSFIELD  
**AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION**  
Campus Operating Agreement (COA) 1581

This agreement is made and entered into by and between the Trustees of the California State University (CSU) and California State University, Bakersfield Auxiliary for Sponsored Programs Administration (Auxiliary) serving California State University, Bakersfield (Campus). The term of this agreement shall be July 1, 2020 through June 30, 2030 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(S) 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 are:

- Student Body Organization
- Student Union
- Housing
- Philanthropic
- Externally Funded Projects
- 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:

- Externally Funded Projects Including Research, Workshops, Conferences, and Institutes

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 21, 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 (CFO) 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 CFO 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.

### **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 CFO shall annually review, and submit a written evaluation to the Chancellor's Office in accordance with Section 20, 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, merger, 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, in accordance with CCR tit.5, §42600, establishes that upon dissolution of Auxiliary, the net assets other than trust funds shall be distributed to the CSU or to another affiliated entity subject to financial accounting and reporting standards issued by the Government Accounting Standards Board. Auxiliary agrees to maintain this provision as part of its Constitution or Articles of Incorporation. In the event 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.

#### **13. USE OF CAMPUS FACILITIES**

Auxiliary may use those facilities identified in Section 26, Lease of Premises; for its use identified in Section 27, Use of Premises; and for consideration identified in Section 28, Consideration for Premises. If this Operating Agreement terminates or expires and is not

renewed within 30 days of the expiration, the lease automatically terminates, unless extended in writing by the parties.

Auxiliary and Campus may agree that Auxiliary may use specified 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. Auxiliary shall reimburse Campus for costs of any such use.

#### **14. CONTRACTS FOR CAMPUS SERVICES**

Auxiliary may contract with Campus for services to be performed by state employees for the benefit of Auxiliary. Any agreement must be documented in a written memorandum of understanding between Auxiliary and Campus. The memorandum of understanding shall among other things, specify the following: (a) full reimbursement to Campus for services performed by a state employee in accord with CCR tit.5, §42502(f); (b) Auxiliary must clearly identify the specific services to be provided by state employee, (c) Auxiliary must specify any performance measures used by Auxiliary to measure or evaluate the level of service; (d) Auxiliary must explicitly acknowledge that Auxiliary does not retain the right to hire, supervise or otherwise determine how to fulfill the obligations of the Campus to provide the specified services to Auxiliary.

#### **15. DISPOSITION OF NET EARNINGS**

Auxiliary 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. Cal. Educ. Code §89904; Executive Order 1059.

#### **16. FINANCIAL CONTROLS**

Recovery of allowable and allocable indirect costs and maintenance and payment of operating expenses must comply with ICSUAM §13680. CCR tit. 5, §42502(g) and (h).

#### **17. ACCEPTANCE, ADMINISTRATION, AND USE OF GIFTS**

Auxiliary 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. Authority to Accept Gifts**

If authorized, Auxiliary 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 §§89720 and 66010.4(b).

Auxiliary agrees, before accepting gifts of real estate or gifts with any restrictive terms or conditions that impose an obligation on CSU or the State of California to expend resources in addition to the gift, to obtain written approval from the appropriate campus authority. Auxiliary agrees that it will not accept a gift that has any restriction that is unlawful.

Campus Designation of Authority to Auxiliary regarding the Administration of Grants and Contracts is attached as **Attachment 4**.

#### 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 Education Code §89720.

### **18. INDEMNIFICATION**

Auxiliary agrees to indemnify, defend and save harmless the CSU, its officers, agents, employees and constituent campuses and the State of California, collectively "CSU indemnified parties" from any and all loss, damage, or liability that may be suffered or incurred by CSU indemnified parties, caused by, arising out of, or in any way connected with the operation of Auxiliary as an auxiliary organization.

### **19. INSURANCE**

Auxiliary 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 in [Technical Letter RM 2012-01](#) or its successor then in effect. Auxiliary agrees to maintain at least these minimum insurance requirements.

Auxiliary's participation in a coverage program of the Auxiliary Organizations Risk Management Authority (AORMA) shall fully comply with the insurance 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 Auxiliary's operations). Auxiliary shall ensure that CSU and Campus are named as additional insured or loss payee as its interests may appear.

### **20. 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 the **Auxiliary** shall be addressed as follows:

California State University, Bakersfield  
Auxiliary for Sponsored Programs Administration, 59 ADM  
9001 Stockdale Highway  
Bakersfield, CA 93311  
Attn: Executive Director

- Notice to the **Campus** shall be addressed as follows:

California State University, Bakersfield  
Business & Administrative Services, 38 ADM  
9001 Stockdale Highway  
Bakersfield, CA 93311  
Attn: Vice President & CFO

- 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

## **21. AMENDMENT**

This agreement may be amended only in writing signed by an authorized representative of all parties.

## **22. RECORDS**

Auxiliary shall maintain adequate records and shall submit periodic reports as required by CSU showing the operation and financial status of Auxiliary. The records and reports shall cover all activities of Auxiliary whether pursuant to this agreement or otherwise.

## **23. TERMINATION**

CSU may terminate this agreement upon Auxiliary's breach of or failure to comply with any term of this agreement by providing Auxiliary with a minimum of ninety (90) days advance written notice. Auxiliary may use the ninety-day advance notice period to cure the breach. If, in the judgment of CSU, the breach has been cured, the termination notice will be cancelled.

## **24. REMEDIES UPON TERMINATION**

Termination by CSU of this agreement pursuant to Section 23, Termination, may result in Auxiliary's removal, suspension or probation as a CSU auxiliary in good standing, and loss

of any right for Auxiliary to use the name, resources or facilities of CSU or any of its campuses.

Upon expiration of the term of this agreement, the parties shall have 30 days to enter into a new operating agreement which period may be extended by written mutual agreement.

**25. SEVERABILITY**

If any section or provision of this Agreement is held illegal, unenforceable or in conflict with any law by a court of competent jurisdiction, such section or provision shall be deemed severed and the validity of the remainder of this Agreement shall not be affected thereby.

**26. LEASE OF PREMISES**

- A. Auxiliary may lease the following premises in accordance with the terms of this agreement:
  - 1. Assigned space within Dobry Hall, Campus building #26
  - 2. Assigned space within Dorothy Donahoe Hall, Campus building #32
- B. Auxiliary lease of the premises is subject to:
  - 1. The use of the property for civil defense purposes or in the event of a State, CSU or national emergency
  - 2. Unanticipated need to meet the demands of the educational objectives of the CSU. The right to the use of any property included in this lease shall cease upon written notice by the CSU to Auxiliary that the property is needed for its exclusive use.

**27. USE OF PREMISES**

- A. Auxiliary may occupy, operate, and use the leased property only in connection with the following functions and activities in accordance with the terms of this agreement:
  - 1. Offices for Pre-Award and Post-Award operations

**28. CONSIDERATION FOR PREMISES**

- A. Auxiliary shall operate as an auxiliary organization as set forth in this agreement.



- B. Campus shall manage the facilities of the Dobry Hall and Dorothy Donahoe Hall buildings in accordance with the the policies of the CSU, Campus, this agreement, and for the benefit of Campus.

**29. APPLICATION OF FEES**

- A. Not Applicable

**30. BUILDINGS, SIGNS, FIXTURES, AND EQUIPMENT**

During the term of this Agreement, Auxiliary shall have the right to erect, place, and attach buildings, fixtures, signs, and equipment in and upon the leased property. Plans and working drawings for buildings to be placed on the leased land shall have prior approval of CSU. The number, size, and location of signs are subject to prior written approval of the Campus. Fixtures, signs, and equipment so erected, placed, or attached by the Auxiliary shall be and remain the property of the Auxiliary and may be removed there from by the Auxiliary prior to the termination of this lease.

**31. ALTERATIONS**

The leased premises shall not be altered or changed in any manner or respect without the written consent of the Campus, and changes that may be authorized shall be made under the direction of the Campus and at the expense of Auxiliary. Permanent alterations shall have prior approval of Campus.

**32. RIGHT OF ENTRY**

It is understood and agreed that at any time CSU and its agents shall have the right to enter the leased premises or any part thereof for the purpose of examination or supervision.

**33. RESTORATION OF PREMISES**

Upon termination of this lease, CSU shall have the option to require Auxiliary, at its own expense and risk, to restore the demised premises as nearly as possible to the condition existing prior to the execution of the lease, except for normal wear and tear.

But, if Auxiliary shall fail to do so within 90 days after CSU's option, CSU may restore the property at the risk of the Auxiliary and all costs and expenses of such removal or restoration shall be paid by Auxiliary upon demand of State. CSU shall have the right to exercise this option within 30 days after the expiration of this lease, but not thereafter.

**34. MORTGAGES**

Auxiliary shall not have the right to subject this lease to any mortgage, trust deed, or other security device without the written consent of CSU.

**35. POSSESSORY INTEREST**

The County Assessor may value the possessory interest created by this lease, or any subleases. Under California Revenue and Taxation Code section 107, a property interest tax may be levied on that possessory interest. The lessee is obligated to pay this property tax, and failure to do so may be considered a material breach of the lease.

**36. ASSIGNMENTS OR SUBLEASE**

Auxiliary shall not assign or sublease any part of the premises covered by this lease without the written permission of CSU.

CSU agrees, however, that Auxiliary may sublease any portion of the premises with the approval of the Campus. Substantial deviation from CSU's policy and model sub-leases requires the approval of the Campus.

Subleases may be written with terms in excess of this agreement: however, the continuation of the sublease past the term of this Agreement is contingent on this Agreement's renewal.

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

Approved: Dec 21, 2020

**Campus**  
California State University, Bakersfield  
Thom Davis  
By Thom Davis (Dec 21, 2020 09:17 PST)  
Thom Davis, Vice President & CFO

Approved: Dec 21, 2020

**Auxiliary**  
California State University, Bakersfield  
Auxiliary for Sponsored Programs Administration  
[Signature]  
By Vernon Harper (Dec 21, 2020 09:12 PST)  
Vernon B. Harper Ph.D., Executive Director

Executed on 12/20/20

**CSU**  
California State University  
Office of the Chancellor  
By Verna Ale Paniani  
Contract Services and Procurement

CSUB Auxiliary for Sponsored Programs Administration  
POLICY MANUAL

SECTION NO.  
DOCUMENT NO.

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SECTION: **POLICY STATEMENT – GOVERNANCE**

SUBJECT: **CONFLICT OF INTEREST POLICY**

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PURPOSE: To restate statutory conflict of interest standards applicable to the Board members, and to establish a policy framework of parallel standards for volunteers, employees, and other representatives of the organizations.

REFERENCE: Education Code Sections 89906-09; and Corporations Code Sections 5233.

NEW/REVISED: NEW

EFFECTIVE DATE: November 30, 2009

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I. Background

The CSUB Auxiliary for Sponsored Programs Administration is a nonprofit public Benefit Corporation and its Boards members, officers, employees, and others representing the organization have a fiduciary duty to exercise care, skill and sound judgment in all organization affairs.

There are "self-dealing transaction" standards that generally apply to the board members of such corporations. See *Cal Corps Code § 5233*.

However, as an auxiliary organization operating within the California State University system the CSUB, Auxiliary for Sponsored Programs Administration is subject to more stringent standards covering governing board transactions involving financially interested directors, as expressed in California Education Code §§89906-09. This policy statement restates the standards for Board members and establishes parallel standards for organization employees, volunteers and others having a business relationship with the organization.

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<sup>1</sup>Cal Ed Code Section 88906.

Some Board members may also be state employees or officers and are subject to statutory and Board of Trustees requirements distinct from requirements set forth in this statement. This policy applies to all Board members. Every Board member has an affirmative duty to know and understand the conflict of interests standards, and to disclose to the Board any real or perceived transaction conflict, and to step aside from Board deliberations and actions on the matter.

A. *Board of Transactions*

Except in certain circumstances, a Board member must avoid *transactions of the board* in which the Board member has a financial interest.<sup>1</sup> The term *transactions of the board* includes contracts approved by the Board of Directors. To do so is "misconduct in office" and the transaction breaching this prohibition is void, unless it meets a two-element circumstance test.<sup>2</sup>

- Is the transaction just and reasonable as to the organization *when approved*; and
- Was the financial interest disclosed or known to the Board and noted in the meetings minutes, followed by a favorable, good faith board vote sufficient for the action without including the interested director(s)?

There are several *circumstance exceptions* to the application of the above two-element test, any one of which revives the prohibition:

- The transaction is directly between the interested Board member(s) and the organization.<sup>3</sup>
- The transaction is between the organization and the partnership unincorporated association in which a Board member(s) holds an ownership, partnership or other proprietary interest.<sup>4</sup>
- The transaction is between the organization and a corporation in which the interested Board member(s) owns or directly or indirectly holds more than a five percent (5%) of the outstanding common stock.<sup>5</sup>
- The Board member(s) fails to disclose to the Board the financial interest in the transaction at a public meeting, then influences or attempts to influence one or more Board members in entering into the transaction.<sup>6</sup>

<sup>2</sup> *Ibid*, Section 88907.

<sup>3</sup> *Ibid*, Section 89908(a).

<sup>4</sup> *Ibid*, Section 89908(b).

<sup>5</sup> *Ibid*, Section 89908(c).

<sup>6</sup> *Ibid*, Section 89908(d).

Thus, in summary, the following transactions are specifically deemed *impermissible*.

- Any transaction, other than an employment, directly between the organization and a Board member.
- Any transactions between the organization and a partnership or unincorporated association in which a Board member is a partner, or owner, or holder, directly or indirectly, of a proprietorship interest.
- Any transactions between the organization and a for-profit corporation, in which the organization's Board member is the owner or holder, directly or indirectly, of 5 percent or more of the outstanding common stock.

On the other hand, the following transactions are *permissible* if the Board follows the procedure described in Section III (A) below:

- Transactions between the organization and a for-profit corporation on whose governing body a Board member serves as a director and owner or holder, directly or indirectly, of less than 5 percent of the outstanding common stock.
- Transactions between the organization and a for-profit corporation on whose governing body a Board member serves as a director and owner or holder, directly or indirectly, of less than 5 percent of the outstanding common stock.
- Transactions between the organization and a nonprofit corporation on whose governing body a Board member serves as a director.

*B. Other Actions or Transaction*

Organization directors, officers, employees, volunteers or designated agents or other representatives shall not engage in self-dealing actions or transactions in which they have a personal pecuniary interest. Examples include, acceptance of compensation, advances, discounts, loans, gifts, entertainment or other favors in actual or perceived exchange for, or to influence organization actions, judgments or transactions.

The organization encourages the prompt disclosure of any such conflict, real or perceived, to the AVP of GRaSP for review and determination. In the case of the AVP of GRaSP, disclosure shall be made to the Board Chair for review and determination consistent with this policy statement.

A. *Use of Information for Pecuniary Gain*

It is unlawful<sup>7</sup> and against the organization policy for any person, including Board members, employees, volunteers, or organization agents or other representatives to utilize any information, not a matter of public record, which is received by the person by reason of his or her membership on the Board of Directors organization employment, or relationship with the organization for personal pecuniary gain, regardless of where he or she is not a Board member, employee, or otherwise engaged with the organization at the time such gains is realized.

III. Procedures

A. *Board Deliberations and Actions Under Financial Interest Circumstances*

Any Board member with a financial interest in a *permissible* transaction before the Board of Directors shall promptly disclose to the Board the nature and scope of that interest, and thereupon be recused from participating in any deliberations or actions by the Board on that matter. The Board shall then make a determination whether or not the proposed transaction is just and reasonable for the organization at that time and under the circumstances of the disclosure. If so, the Board may then authorize, approve, or ratify the transaction in good faith by a vote sufficient for the purpose of the action without counting the vote(s) of such financially interested Board member(s).

Upon the disclosure by any Board member with a financial interest in an *impermissible* transaction before the Board, no action to approve, authorize or ratify the transaction shall be taken, and the meeting minutes shall note the circumstances attending the matter.

B. *Annual Board Member Certification*

Annually each Board member shall receive, review, complete, sign and return a *Related Party Questionnaire and Conflict of Interest Certification* in accordance with written procedures established by the AVP of GRaSP implementing this policy statement.

C. *Purchasing/Expenditure Authorization Certification*

Organization employees or others with purchasing and expenditure authority shall receive, review, sign and return the *Signature Authorization Certification*, in a form prescribed by written procedures, acknowledging the following prohibitions and certifying that they will avoid them:

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Attachment 1

- Engaging in or having any personal pecuniary interest in any business, transaction, or incurring any obligation which conflicts with or gives the appearance of conflicting with or impairing independent judgment in the discharge of duties owed the organization;

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<sup>7</sup> *Ibid.* Section 89909

- Self-referring organization clients, donors, or customers, or recommending others with which there is a personal pecuniary interest;
  - Accepting gifts, gratuities or other favors from those having a business relationship, or prospect of a relationship, with the organization; or
  - Disclosing organization information, not a matter of public record, without authority, or using such information for pecuniary gain.
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COA1581  
Attachment 2

INTRODUCTION

To provide policy guidance on the accumulation and use of funds by California State University, Bakersfield Auxiliary for Sponsored Programs Administration for public relations purposes.

POLICY STATEMENT

The California State University, Bakersfield Auxiliary for Sponsored Programs Administration does not solicit funds and does not annually budget for funds to be available for public relations purposes.



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FILED JRM  
Secretary of State  
State of California

DEC 20 2012

**CERTIFICATE OF RESTATED  
ARTICLES OF INCORPORATION OF  
CALIFORNIA STATE UNIVERSITY, BAKERSFIELD  
AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION**

Horace Mitchell and Soraya Coley certify that:

1. They are the Chairperson and Secretary, respectively, of the California State University, Bakersfield Auxiliary For Sponsored Programs Administration.
2. The following restated Articles of Incorporation of this corporation have been approved by the board of directors:

**ARTICLE I  
Name**

The name of this corporation is:

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION.

**ARTICLE II  
Corporate Status**

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.

**ARTICLE III  
Purposes**

This Corporation is organized and operated solely for the benefit of California State University, Bakersfield. This corporation is organized as an auxiliary organization under Section 89900, et seq. of the California Education Code, exclusively for educational and charitable purposes within the

meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 as amended and for the following purposes:

(a) To operate exclusively for purposes within the meaning of the California Revenue and Taxation Code, Section 23701(d) (or corresponding provisions of any future California Revenue Law).

(b) Subject to the direction and approval of the University President or designee, to administer externally sponsored programs and research projects on behalf of the University, or other authorized auxiliary functions at California State University, Bakersfield, for the benefit of students, faculty, staff, and alumni in order to promote and assist the educational program of the University operating as an integrated part of the overall University campus program, and to apply the funds and properties coming into its control toward furthering the educational program carried on or approved by the University President or a designee.

(c) Subject to the direction and approval of the University President or designee, to purchase, own, sell and encumber and otherwise deal in and with such real and personal property as the Board of Directors or members of this corporation may find or consider to be suited to the primary purpose of advancing the welfare of California State University, Bakersfield and for promoting the common educational interests of California State University, Bakersfield as approved by the University President or a designee.

(d) To do or refrain from doing any lawful act or thing which at anytime may be authorized by the Board of Directors or members of this corporation, so long as the doing or refraining from doing the lawful act will advance the welfare of California State University, Bakersfield.

#### ARTICLE IV Conformity with Law

The corporation shall be an auxiliary organization to California State University, Bakersfield, and shall conduct its operations in conformity with the California statutes governing such organizations (Chapter 7, commencing with Section 89900, of

Part 55, Division 8, Title 3 of the Education Code) and the Regulations adopted by the Board of Trustees of California State University (Subchapter 6, commencing with Section 42400, of Chapter 1, Division 5 of Title 5 of the California Code of Regulations) as required by the Education Code, Section 89900(c).

**ARTICLE V**  
**Exempt Status**

No part of the net earnings of this corporation shall inure to the benefit of or be distributable to its members, directors, officers, or other private persons, except that this corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article III hereof.

**ARTICLE VI**  
**Limitation on Activities**

No substantial part of the activities of this corporation shall be the carrying on of propoganda, or otherwise attempting to influence legislation, and this corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.

**ARTICLE VII**  
**Irrevocable Dedication and Dissolution**

This corporation irrevocably dedicates its assets for the benefit of California State University, Bakersfield. 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, Bakersfield 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).

**ARTICLE VIII**  
**Officers and Directors**

The Officers and number of Directors, their qualifications, powers, duties, terms of office, manner of removal and filling vacancies on the Board, and the manner of calling and holding meetings of Directors, shall be as stated in the Bylaws.

**ARTICLE IX**  
**Members**

This corporation shall have no members other than the persons constituting its Board of Directors. The Board of Directors shall, under any statute or rule of law, be the members of this corporation and shall have all the rights and powers members would otherwise have.

**ARTICLE X**  
**Voting**

Each voting member of the Board of Directors shall have one vote. There shall be no proxy voting permitted for the transaction of any of the business of this corporation.

**ARTICLE XI**  
**Amendment**

The Articles of Incorporation of this corporation may be amended only by resolution of the Board of Directors adopted by the majority vote of the Board of Directors.

3. The foregoing restated Articles of Incorporation, amending Article VII, have been approved by a resolution duly adopted by the Board of Directors, as required by Article XI.

4. The corporation has no members other than the persons constituting its board of directors.

Verification

Each of the undersigned declares under penalty of perjury under the laws of the State of California that the statements in the foregoing certificate are true and correct of his or her own knowledge, and that this declaration was executed on the date below at Bakersfield, California.

Date: 12/7/2012



\_\_\_\_\_  
Horace Mitchell, Chairperson



\_\_\_\_\_  
Soraya Coley, Secretary



I hereby certify that the foregoing  
transcript of 62 page(s)  
is a full, true and correct copy of the  
original record in the custody of the  
California Secretary of State's office.

JAN 25 2013 (nt)

Date: \_\_\_\_\_

*Debra Bowen*  
DEBRA BOWEN, Secretary of State

Attachment 4

**Administration of Grants and Contracts**

This is an addendum to the Operating Agreement between the Trustees of the California State University (CSU) and California State University, Bakersfield **Auxiliary for Sponsored Programs Administration** (Auxiliary) serving California State University, Bakersfield (Campus), effective from July 1, 2020 through June 30, 2030, and authorizes the Auxiliary to perform the function “7. Externally Funded Projects Including Research, Workshops, Conferences and Institutes” as specified in 5 CCR (California Code of Regulations) 42500.

With this addendum, Campus designates Auxiliary as:

- The primary Sponsored Program Administrator (SPA) for the Campus;
- A SPA for specific types of grants and contracts for Auxiliary primary business purpose:

*i.e., oversight for any grant received by the Auxiliary consistent with the Operating Agreement.*

Auxiliary will ensure that all proposals for external funding are reviewed by the President or designees to provide programmatic and fiscal written approval in accordance with CSU systemwide policy, [ICSUAM 11002.01](#) (formerly [EO 890](#)).<sup>1</sup>

Auxiliary, when acting as SPA, agrees to provide grant and contract administration services in compliance with all CSU (see [ICSUAM](#), Section 11000), Campus and Auxiliary policies related to sponsored program administration, federal and state regulations and funding agency (sponsor) regulations and guidelines.

This addendum has been executed by the parties hereto.

Approved:                      Dec 21, 2020

**Campus**  
California State University, Bakersfield

Thom Davis  
By [Thom Davis \(Dec 21, 2020 09:17 PST\)](#)  
Thom Davis, Vice President & CFO

Approved:                      Dec 21, 2020

**Auxiliary**  
California State University, Bakersfield  
Auxiliary for Sponsored Programs Administration

Vernon Harper  
By [Vernon Harper \(Dec 21, 2020 09:12 PST\)](#)  
Vernon B. Harper Ph.D., Executive Director

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<sup>1</sup> ICSUAM Policy 11002.01 incorporates the relevant policy sections from EO890, including proposal review and approval requirements. EO890 is superseded by ICSUAM Section 11000 et al.

**LETTER OF INTENT  
BETWEEN  
CALIFORNIA STATE UNIVERSITY, BAKERSFIELD AND  
CALIFORNIA STATE UNIVERSITY, BAKERSFIELD AUXILIARY  
FOR SPONSORED PROGRAMS ADMINISTRATION**

This Letter of Intent (LOI) is entered into by and between the Trustees of the California State University by their duly qualified Chancellor (CSU) and California State University, Bakersfield Auxiliary for Sponsored Programs Administration (Auxiliary) serving California State University, Bakersfield (Campus) this 1<sup>st</sup> day of July of 2020.

The purpose of this LOI is to continue the terms and conditions of the Operating Agreement between Campus and Auxiliary (**Campus Agreement COA1581**) that expired on June 30, 2020.


It is the intent of both parties to renew this agreement incorporating additional required exhibits and services.

This LOI shall remain in effect until the new Operating Agreement is completed and executed.

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


California State University, Bakersfield Auxiliary  
for Sponsored Programs Administration

Executed on 8/13/2020

By   
Vernon B. Harper Jr., Ph.D.  
Provost & Vice President for Academic Affairs &  
Executive Director of Sponsored Programs  
Administration

California State University, Bakersfield

Executed on Aug 18, 2020

By   
Thom Davis (Aug 18, 2020 14:22 PDT)  
Thom Davis  
Vice President and Chief Financial Officer