

AGENDA

COMMITTEE ON INSTITUTIONAL ADVANCEMENT

Meeting: 3:30 p.m., Tuesday, September 17, 2002
Glenn S. Dumke Conference Center

Frederick W. Pierce, IV, Chair
Anthony M. Vitti, Vice Chair
Roberta Achtenberg
Martha Fallgatter
Harold Goldwhite
Shailesh J. Mehta
Dee Dee Myers
Erene S. Thomas

Consent Item

Approval of Minutes of Meeting of July 16, 2002

Discussion Item

1. Naming of Facility, California State University, Dominguez Hills, *Action*
2. Naming of Facility, California State University, San Marcos, *Action*
3. 2002/2003 University Advancement Campus Plans, *Information*
4. Article 15. Alumni Associations--A Proposed Revision to Title 5, California Code of Regulations, *Information*
5. University Advancement Update, *Information*

**MINUTES OF MEETING OF
COMMITTEE ON INSTITUTIONAL ADVANCEMENT**

**Trustees of The California State University
Office of the Chancellor
Glenn S. Dumke Conference Center
401 Golden Shore
Long Beach, California 90802**

July 16, 2002

Members Present

Frederick W. Pierce, IV, Chair
Martha C. Fallgatter
Debra S. Farar, Chair of the Board
Harold Goldwhite
Shailesh J. Mehta
Charles B. Reed, Chancellor
Erene S. Thomas

Members Absent

Roberta Achtenberg
Dee Dee Myers
Anthony M. Vitti

Other Trustees Present

Cruz M. Bustamante, Ex Officio
Robert Foster
Murray L. Galinson
William Hauck
Kyriakos Tsakopoulos

Chancellor's Office Staff

Richard P. West, Executive Vice Chancellor and Chief Financial Officer
David S. Spence, Executive Vice Chancellor and Chief Academic Officer
Jackie McClain, Vice Chancellor, Human Resources
Louis Caldera, Vice Chancellor, University Advancement
Christine Helwick, General Counsel

Call to Order

Chair Pierce called the meeting to order at 3:54 p.m.

Approval of Minutes

The May 14, 2002 minutes were approved as a consent item.

Naming of Facility – California State University, Channel Islands

Chair Pierce asked Vice Chancellor Louis Caldera to present information on the request to name the department of archives and special collections in the future John Spoor Broome Library at California State University, Channel Islands, the Robert J. and Norma M. Lagomarsino Department of Archives and Special Collections.

Vice Chancellor Caldera stated Mr. and Mrs. Lagomarsino have committed \$1 million toward the creation of the Archives and Special Collections Department that will house many of Congressman Robert Lagomarsino's papers from his long service to the citizens of California. Their gift will also establish an endowed fund for processing and preserving the California State University, Channel Islands' archival collection and will support other library programs as well.

Chair Pierce asked President Rush to comment on the naming. President Rush stated that the Lagomarsinos have been long-time supporters of their local community, and their gift will assist in developing the university's new library. He encouraged the Board's approval of this naming.

The Committee recommended approval by the Board of Trustees of the proposed resolution.
(RIA 07-02-05)

Naming of College – California State University, Northridge

Vice Chancellor Caldera presented a request to name the College of Education at California State University, Northridge, the Michael D. Eisner College of Education.

The Eisner Foundation committed \$7 million to establish the Center for Teaching and Learning at the College of Education at California State University, Northridge. The Center will develop innovative programs that recognize differences in learning among children and will prepare educators to help children with learning differences achieve success in school and in life. In addition to the creation and operation of the Center for Teaching and Learning, the Eisner gift will also endow the Eisner Chair in Teaching and Learning.

Chair Pierce asked President Koester to comment. She stated that the Eisner Foundation's \$7 million gift is a milestone for the university as it is the largest single donation in the university's history. It also is the largest single gift by the Eisner Foundation to date. President Koester introduced Dr. Philip Rusche, Dean of the College of Education, and Dr. Michael Spagna, the Eisner Chair designee at the college. President Koester recommended approval of this naming.

Chancellor Reed commented that the Eisner Foundation gift not only honors California State University, Northridge, but the entire CSU system as well. This gift and the \$5 million grant from the Carnegie Corporation of New York to California State University, Northridge for development of state-of-the-art schools of education, reinforces and validates the CSU's mission

of preparing teachers. These two gifts emphasize the importance of teacher preparation on a national level. Chair of the Board Farar commented that she is an alumnus of California State University, Northridge College of Education and is proud of the recent gifts to the college and the excellence of the programs these gifts support.

The Committee recommended approval by the Board of Trustees of the proposed resolution. (RIA 07-02-06)

University Advancement

Chair Pierce asked Vice Chancellor Caldera to present an update on University Advancement activities.

Vice Chancellor Caldera first reported on the higher education bond measure, Proposition 47, which will go before the voters in November. Vice Chancellor Caldera noted that Mike Altschule has been hired to coordinate the efforts of the Californians for Higher Education (CHE), a coalition of organizations in support of the measure. A formal steering committee has been created to guide the efforts of CHE led by Louis Caldera and William Hauck. Campaign consultants Woodward & McDowell have been contracted to advise CHE. Local teams comprised of individuals who are staff, faculty, students, parents, community members, alumni, volunteers and other interested parties in support of the capital improvement bond are being organized. Packets of materials to inform voters are being prepared. The Board will continue to be updated on this activity. Vice Chancellor Caldera asked Trustee Hauck to add any comments.

Trustee Hauck commented that the passing of Proposition 47 will not be easy due to a combination of factors. This bond is the largest in California's history, and, there are other education bonds on the ballot (the Los Angeles Unified School District and San Francisco School District), that may prompt the voters to say "No" to all bonds. Trustee Hauck expressed cautious optimism about the passage of the bond, but mentioned it will require much effort from all involved in the process.

Vice Chancellor Caldera also reported on the proposed Article 15 of the California Code of Regulations related to alumni associations. Last year Chancellor Reed requested that a task force be convened to review options for creating systemwide management guidelines for alumni associations. After a yearlong period of discussion and review, the task force produced the draft Article 15 for alumni associations, which would represent a revision to Title 5. This draft has been widely circulated to campus presidents and advancement staff, alumni association presidents and board members and Alumni Council members for review and comment. Currently, comments and questions are being taken on this draft. It is planned to bring the draft to the Board as an information item in September 2002 and as an action item in November 2002. New provisions would go into effect July 1, 2003.

Finally, an update was provided on Trustee Pierce's request for information on alumni participation. Information was disseminated to the board for 2000/01. Information for the year

2001/2002 is now being collected, and will be compiled and disseminated at a future date. A preliminary review of the data indicates that alumni members contribute to the university at higher rates than alumni overall. The information supports the investment that is made in alumni programming and alumni association support.

Trustee Pierce highlighted statistics of particular interest within the alumni data:

- Out of approximately 1.5 million alumni at large, approximately 65,000 gifts were recorded – 4 percent;
- Out of approximately 70,000 alumni association members, 13,000 were donors – 19 percent;
- The average gift of an alumni at large was \$428, where the average gift of an alumni association member was \$733;
- In regards to budget and staff, on average, CSU is at 1 staff member for every 20,000 alumni, which has improved from its original benchmark of 1 staff member for every 50,000 alumni, however, it is well below the 1 staff member for every 10,000 alumni at the peer institutions nationwide;
- The CSU average budget for Alumni as a percentage of the campus budget is 0.21 percent, while the nationwide median is .7 percent

In conclusion, Vice Chancellor Caldera acknowledged two campuses that received recognition at the CASE International Assembly this year. California State University, Fullerton received two silver medals for posters promoting its career center and California Polytechnic State University, San Luis Obispo was one of 36 universities to receive a CASE International award for overall fundraising performance, the fourth year in a row that CASE has recognized Cal Poly's fundraising program.

Chancellor Reed commented on Vice Chancellor Caldera's report. He thanked Trustee Pierce for his help with the proposed Article 15 for Alumni Associations. Dr. Reed said these changes, modeled after the UC system, will strengthen the alumni associations and the partnerships between them and their campuses by establishing accountability measures and sound management systems.

Chair Farar acknowledged that Lt. Governor Cruz Bustamante would like to address the Board. The Lt. Governor commented on a newspaper article discussing the initiative by UC Trustee Ward Connelly to ban state entities from collecting data on race and ethnicity. He asked that this issue be brought to the trustees at the next meeting to determine the effect it will have on the CSU. Trustee Thomas requested that the Board and student organizations be provided with information on this subject. Dr. Kegley, Chair of the Academic Senate, stated she will be addressing this issue and will work with the Board and the students to review the relevant issues.

Chair Pierce thanked Vice Chancellor Caldera for his update on advancement activities.

Adjournment

The meeting was adjourned at 4:35 p.m.

COMMITTEE ON INSTITUTIONAL ADVANCEMENT

Approval of Naming of Facility – California State University, Dominguez Hills

Presentation By

Louis Caldera
Vice Chancellor
University Advancement

Summary

This item will consider naming the Track and Field Complex and the Velodrome at California State University, Dominguez Hills as part of The Home Depot National Training Center.

Background

On July 9, 2002, The National Training Center being constructed at California State University, Dominguez Hills, which includes a soccer and a tennis stadium on land leased to the developer, was named The Home Depot National Training Center. Today, California State University, Dominguez Hills requests approval of the Board of Trustees of the California State University to name the Track and Field Complex and the Velodrome as part of The Home Depot National Training Center.

The Board of Trustees adopted an amended policy on the naming of California State University facilities and properties in July 1999, which states that a proposed name of a California State University facility or property must honor an individual or an organization and must meet the criteria expressed in the policy. This proposal meets the criteria and other conditions specified in the policy.

The National Training Center developer, Anschutz Southern California Sports Complex LLC (ASCSC), will spend an estimated \$3 million to build a new state-of-the-art track and field complex. CSU Dominguez Hills' old track did not meet NCAA standards, which resulted in their inability to host track meets and attract track and field athletes. Also, ASCSC is expected to spend a minimum of \$1 million to construct a new international caliber velodrome thus replacing the former Olympic Velodrome, which no longer met Olympic standards.

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As a result of the new construction of these facilities, the campus has avoided the requirement to pay \$150,000 in abatement costs associated with a mercury problem in the old track. In addition to ASCSC fully funding the cost of building the new Track and Field Complex and Velodrome, as part of the agreement with the University, ASCSC will give \$100,000 to CSU Dominguez Hills.

Pursuant to the agreement with the University, ASCSC has elected to name the Track and Field Complex and the Velodrome as part of The Home Depot National Training Center. The Home Depot has a proven commitment to community as evidenced in its support of programs that meet the needs of at-risk youth and that support the environment through disaster preparedness, response and rebuilding.

Recommended Action

The following resolution is recommended for approval:

RESOLVED, By the Board of Trustees of the California State University, that the Track and Field Complex and the Velodrome at California State University, Dominguez Hills be named as part of The Home Depot National Training Center.

COMMITTEE ON INSTITUTIONAL ADVANCEMENT

Approval of Naming of Facility – California State University, San Marcos

Presentation By

Louis Caldera
Vice Chancellor
University Advancement

Summary

This item will consider naming the library at California State University, San Marcos, The Kellogg Library.

Background

California State University, San Marcos requests approval of the Board of Trustees of the California State University to name the library at California State University, San Marcos, The Kellogg Library.

The Board of Trustees adopted an amended policy on the naming of California State University facilities and properties in July 1999, which states that a proposed name of a California State University facility or property must honor an individual or an organization and must meet the criteria expressed in the policy. This proposal meets the criteria and other conditions specified in the policy.

Over the past 9 years, Janet and W. Keith Kellogg II have given a total of \$2.9 million to California State University, San Marcos. \$1.5 million has been specified for the University Library. The library will house up to 840,000 volumes and provide study areas for more than 1,500 students. Mr. and Mrs. Kellogg, II are prominent members of the community and are generous philanthropists. Keith Kellogg prospered in the paper products business and Janet Kellogg is a distinguished civic volunteer and friend of higher education.

Recommended Action

The following resolution is recommended for approval:

RESOLVED, By the Board of Trustees of the California State University, that the library at California State University, San Marcos, be named The Kellogg Library.

COMMITTEE ON INSTITUTIONAL ADVANCEMENT

University Advancement

Presentation By

Louis Caldera
Vice Chancellor
University Advancement

Summary

University Advancement Campus Plans will be presented in response to the California State University Board of Trustees' request for each campus to provide a brief report summarizing key accomplishments from the last fiscal year and an outline on how the campus intends to accomplish its advancement goals in the present fiscal year. This report includes activities in the areas of fund raising, public affairs, alumni relations and communications.

Background

Campus Plans include:

- A two-page summary sheet of benchmark data that identifies key accomplishments, goals and objectives
- A narrative report and plan to achieve advancement goals
- A current organization chart of advancement positions

The plans help campuses develop goals and outcomes for the university advancement program and describe how advancement activities combine to help develop external resources and to raise funds for the campus. The plans outline the university advancement efforts on each campus in the system.

There is no action required on this item.

COMMITTEE ON INSTITUTIONAL ADVANCEMENT

Article 15. Alumni Associations--A Proposed Revision to Title 5, California Code of Regulations

Presentation By

Louis Caldera
Vice Chancellor
University Advancement

Summary

Vice Chancellor Caldera will present information on a proposed draft revision to Article 15 of the California Code of Regulations related to alumni associations, which will create systemwide management guidelines for alumni associations.

The revision to Article 15 comes after more than a year of meetings, discussions and consultation with campus and alumni representatives as well as a careful review of other university systems around the country. The intent of creating a revision to Article 15 is to provide a formal structure that outlines a framework of operation for campus alumni associations. Because most alumni associations are separately incorporated as 501(c)(3) organizations and others operate largely as separate organizations, formalizing the relationship with the campus enhances the position of the alumni association as a valued campus partner and brings the alumni association within the broad campus management system.

Under the provisions of Article 15, alumni associations are accountable to the campus president and operate within the confines of campus policies and procedures. The provisions in Article 15 will serve as the basis of an agreement that will be entered into by each campus president and the alumni association board that aligns alumni associations with campus priorities and provides policies that insure accountability and financial oversight.

Article 15 comes as a result of a request made by Chancellor Reed to Vice Chancellor Caldera in July 2001 to organize a working group to recommend an organizational model for alumni associations. A task force was formed comprised of the following individuals:

- Louis Caldera, Chair
- Fred Pierce, Alumni Trustee
- Jacquelyn Glasener, Alumni Directors' Liaison
- Mike Redmond, CSU Office of the Auditor
- Theresa Mendoza, Vice President for Advancement, San Diego State University
- Bruce Richardson, CSU Office of the General Counsel

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- Freda Hinsche Otto, CSU Liaison to the Alumni Council
- Richard West, Executive Vice Chancellor, Business and Finance
- John Francis, Advisor

The Alumni Association Task Force reviewed several models before determining that a revision to Title 5 provided the best means of attaining the objectives it was seeking to accomplish. An initial draft was prepared by the Task Force that incorporated a broad range of provisions related to the recognition of alumni organizations and the policies and procedures that accompany that recognition. Special provisions were also made for chapters and other constituent alumni organizations.

In June 2002, the draft of Article 15 was distributed widely to campus Presidents, Vice Presidents for Advancement, Alumni Directors, Alumni Association Presidents and the Alumni Council by Vice Chancellor Caldera. Campus representatives were asked to review the draft carefully and discuss it thoroughly with their alumni association board members. In July 2002, a combined teleconference/video conference was arranged to provide a detailed review of the draft. Representatives from the Task Force led by the General Counsels office, reviewed each section and sub-section of the draft and discussed the implications for campuses and alumni association boards. The Task Force encouraged alumni boards and campus representatives to respond to the draft with their comments, questions and recommendations.

The responses that were received were reviewed carefully and the draft of Article 15 was modified to reflect many of the thoughtful comments that clarified or enhanced the provisions of the document. The draft that is enclosed represents the combined efforts of alumni association board members, campus administrators, Alumni Council representatives and many others who worked diligently to create a document that enhances and formalizes the important relationship between campuses and their alumni associations.

Article 15. Alumni Associations

Section 42397. Purpose.

Campus alumni organizations aid the California State University in achieving its goals by providing leadership in fostering participation and support of campus priorities and representing alumni interests. As a public trust and the beneficiary of the support provided by alumni associations, the trustees are obligated to require that the funds raised by alumni associations be properly controlled and expended. Consequently, it is the intent of the trustees (1) to develop policies and procedures governing the recognition and management of alumni organizations, including the use of funds and institutional resources and, (2) to ensure cooperative and collaborative efforts between the alumni organizations and the campuses. To accomplish this, the campus president has the responsibility of granting and periodically reviewing recognition of a campus alumni association. These provisions govern the relationship between the alumni association and the campus it supports.

Section 42397.1. Recognition.

- (a) A campus president, by agreement between the campus and the organization, may recognize as the campus alumni association a single campuswide organization that has the following characteristics:
- (1) is organized and operated solely for the benefit of the university and its alumni;
 - (2) has as its purpose providing service and support to its members, the alumni of the campus, and to the university;
 - (3) does not restrict membership or benefits of membership on the basis of race, religion, national origin, gender, or sexual orientation;
 - (4) recognizes the unique role of the campus president in setting campus priorities;
 - (5) is the umbrella organization for the constituency alumni groups of the campus; and
 - (6) irrevocably dedicates its assets for the benefit of a campus of the California State University. In the event of the association's dissolution, its assets shall be transferred to the campus or an auxiliary organization designated by the campus president for purposes consistent with the purposes of the association and the terms of the individual gifts that are part of the assets, and, if a corporation, in conformance with the California Nonprofit Corporation Law.
- (b) Each recognized alumni association shall enter into an agreement with the campus that shall include the following:

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- (1) the provisions of this article shall be incorporated by reference;
- (2) the exchange of value between the campus and the alumni association shall be expressed and may include provision of facilities and other tangible as well as intangible exchanges;
- (3) a license agreement for use of the campus name and symbols;
- (4) authority and responsibility with regard to use of the campus alumni database; and
- (5) the term of the agreement.

In addition, the agreement may include other provisions unique to each campus and alumni association such as the following:

- (6) financial management and record keeping arrangements between the parties;
 - (7) provisions for the construction and operation of an on-campus alumni center;
 - (8) provisions for use of alumni association name and symbols; and
 - (9) such other provisions that may pertain to the relationship between the campus and the alumni association.
- (c) Compliance with this article and the agreement between the campus and the alumni association is a condition of continued recognition. A copy of this article and the agreement shall be given to all members of the campus alumni association's governing body and to any new member of the governing body when the new member takes office.
- (d) To obtain and maintain recognition, the campus alumni association shall submit the following to the campus president or designee on an annual basis or otherwise as specified by the campus president:
- (1) a current list of officers, members of the governing body, and the principal contact person for the organization;
 - (2) a statement of the organization's purpose and goals consistent with subsection (a) and copies of the current enabling documents of the organization (*i.e.*, bylaws, constitution, articles of incorporation, or other governing document);
 - (3) a current roster of names and addresses of donors and members, unless such records are otherwise maintained by the campus;
 - (4) a statement signed by the officers/representatives of the organization that the governing body has read and formally voted that it will comply with this article and the agreement;
 - (5) a copy of the organization's annual financial statements;

- (6) for an organization with accounts at a financial institution, a list identifying all such accounts, including the institution's name and address, the organization's account numbers, and a statement signed by an appropriate officer or representative of the organization authorizing the campus to obtain upon request from the financial institution information, records, or photocopies of transactions relating to the accounts; and
 - (7) for an incorporated, tax-exempt organization, (A) a copy of the organization's state and federal tax-exempt status determination letter; (B) a copy of the organization's most recent Internal Revenue Service Form 990; and (C) a list of the types of activities, including fundraising and membership drives, the organization intends to undertake and how the organization intends to financially support these activities.
- (e) The following are among the privileges that may be granted by the campus president to a recognized campus alumni association:
- (1) use of the name of the campus and symbols, including the name of its mascot or other identifying marks that would cause the public to assume it is dealing with the university or a university recognized group;
 - (2) use of the campus as approved by the campus president or designee in performance of an association's recognized activities; and
 - (3) use of a campus auxiliary organization's investment services, as approved by the campus president or designee.
- (f) Under the authority of the campus president, the recognized campus alumni association may be assigned the responsibility of ensuring that all geographical and special interest chapters of the campus alumni association, as well as other recognized constituency alumni groups, are in compliance with this article.
- (g) After July 1, 2003, use of the campus name and symbols, including mascot or other identifying mark, by an organization that has operated as a campus alumni association, is prohibited unless the organization has been recognized by the campus as the campus alumni association under the provisions of this article. A campus alumni association that meets the criteria of this article and has been recognized as the campus alumni association shall not have that recognition withdrawn by the campus president except for material noncompliance with this article, after having been given an opportunity to correct the noncompliance.

Section 42397.2. Organization.

- (a) A campus alumni association may be included as part of the university or an auxiliary organization or, if organizationally separate from the university or an auxiliary organization, shall obtain and maintain status as a tax-exempt organization under state and federal law.

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- (b) The campus president or designee shall be an *ex officio* voting or non voting member of the association's governing body.
- (c) The campus president or designee shall be an *ex officio* voting or non voting member of the committee that nominates candidates for election to the association's governing board.
- (d) Campus presidents are responsible for determining that campus alumni associations are in compliance with this article and have authority to require campus alumni associations to provide written evidence of compliance.
- (e) Campus presidents may, after consultation with the campus alumni association, establish additional written campus policies governing campus alumni associations consistent with this article. Copies of these policies and any amendments thereto shall be forwarded promptly upon their issuance to the Chancellor.
- (f) A campus alumni association shall comply with campus policies pertaining to use of the campus name and symbols.

Section 42397.3. Fundraising.

- (a) Fundraising campaigns proposed by a campus alumni association shall be approved in advance in writing by the campus president or designee as provided in campus policy. Solicitations of membership dues do not require such advance approval and are not fundraising within the meaning of this article. All fundraising campaigns shall be coordinated through the campus development office. Campus alumni associations may accept gifts only if the associations comply with the financial policies of this article, including, for alumni associations separate from the state, maintaining state and federal tax-exempt status. Campus alumni associations shall acknowledge and thank donors who have made gifts in a manner consistent with campus development policies.
- (b) A campus alumni association shall advise donors that any restrictive terms and conditions attached to gifts for the campus are subject to campus approval.
- (c) All gifts for the benefit of a campus alumni association shall be reported by the association to the campus president or designee.

Section 42397.4. Financial Activities.

- (a) Financial Control: Financial activities of a campus alumni association shall be administered and reported to its governing body in accordance with prudent business practices, generally accepted accounting principles, and this article.
- (b) State Funds: State Funds shall not be transferred to a campus alumni association. Payments for commensurate value received are permitted, but gifts or unrestricted grants are not.

- (c) Submission of Budget and Report of Expenditures: The campus alumni association shall submit its budget to the campus president for review at least 30 days prior to the commencement of the fiscal year. Within 180 days of the close of each fiscal year, the campus alumni association shall submit to the campus president a detailed report comparing budgeted to actual expenditures by fund source. Upon request, a campus alumni association shall submit to the president, within 30 days of such request, interim financial information.
- (d) Bonding and Insurance: The governing body of a campus alumni association shall make an express determination of the appropriateness, necessity, and amounts of any bonds for officers and staff members. General liability and directors' and officers' liability insurance also shall be obtained in amounts determined annually by the governing body to be reasonable, appropriate, and necessary. The insurance may be provided by a campus auxiliary organization. Any general liability insurance obtained by or on behalf of a campus alumni association shall name the campus as an additional insured.
- (e) Funds for Support of University Departments: Restricted funds received or unrestricted funds, including investment payout, allocated for support of campus departments or programs, shall be transferred at least annually to the campus, unless otherwise provided by the campus president, and shall be administered in accordance with campus policies and expended from campus department or program accounts.
- (f) Bank Accounts: Only the following expenditures for campus alumni association activities may be made from bank accounts:
 - (1) payments for goods, facilities, and services including salaries of staff, if the goods, facilities, and services are in connection with official activities of the campus alumni association;
 - (2) payments for audit, tax preparation, and legal fees;
 - (3) payments to donors and members to refund contributions and dues as permitted by law, or to return overpayments pursuant to a donor's or member's request;
 - (4) payments to other organizations of donations or other remittances made in error;
 - (5) transfers to the campus or a campus auxiliary organization;
 - (6) travel expenses reimbursement, scholarships, support of campus activities; and
 - (7) legally appropriate payments from its bank account to support ballot measures beneficial to the university and endorsed by the trustees.
- (g) Disbursements: All disbursements on behalf of a campus alumni association shall be approved by an officer or employee designated by the governing body. The governing body of the campus alumni association shall specify an amount beyond which checks must bear the signatures of two persons designated by the governing body.

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- (h) **Financial Statements:** Financial statements and expenditures by a campus alumni association shall be in accordance with campus policies, with detailed budgets approved by the campus alumni association's governing body.
- (i) **Payments to University Employees:** A campus alumni association shall not (a) directly or indirectly employ, (b) supplement the salary of, or (c) provide any consulting fees, loans, or perquisites to campus employees outside of established personnel policies and practices of the California State University.
- (j) **Payments to Directors and Officers:** Except for reimbursement for expenses incurred on its behalf, a campus alumni association shall not pay any salaries, consulting fees, loans, or perquisites to a campus alumni association director, officer, or volunteer without the campus president's prior written approval.
- (k) **Deposit of Gifts to the Campus:** Campus funds or gifts payable to the California State University shall not be deposited with or transferred to a campus alumni association.
- (l) **Solicitation Literature:** When a fundraising campaign has been approved by the campus president, a campus alumni association's solicitation literature shall make it clear when gifts are to be made payable to the campus alumni association. Each campus alumni association shall develop a procedure to document when gifts intended for it have erroneously been made payable to the campus and, when such documentation is provided, the campus may issue an exchange check to a campus alumni association.
- (m) **Gift Expenses:** If charges against gifts are to be made for costs of administering a gift to the campus alumni association, the campus alumni association shall include in its literature a statement to that effect. The charges shall be approved by the campus president and the campus alumni association's governing body, and the nature of such charges shall be disclosed in the campus alumni association's audited financial statement.
- (n) **Report to Registry of Charitable Trusts and Statement of Domestic Nonprofit Corporation:** Complete copies of the campus alumni association's annual report to the State Registry of Charitable Trusts and bi-annual Statement of Domestic Nonprofit Corporation shall be provided by the campus alumni association to the campus president, at the time the report or statement is filed.
- (o) **Political Activities:** No substantial part (as those terms are used in the Internal Revenue Code and regulations) of the activities of a campus alumni association shall attempt to influence legislation, or participate or intervene in any political campaign in support of or opposition to legislation. No part of those activities may be on behalf of any candidate for public office. However, advocacy on behalf of the campus is permitted if it is consistent with the legislative, budgetary, and electoral objectives of the university, pursued in coordination with the campus president, consistent with state law, the Internal Revenue Code and regulations, and in accordance with the articles and bylaws of the campus alumni association.
- (p) **Conflicts of Interest:** Business transactions involving the campus alumni association and the personal or business affairs of a director, officer, or staff member shall be approved in advance by the governing body. In addition, directors, officers, and staff members of a campus alumni association shall disqualify themselves from making, participating in making, or in any way

attempting to use their official positions to influence a decision in which they have or would have a financial interest, as provided in Government Code Section 87100 and the definitions of the Political Reform Act and its implementing regulations, as if the director, officer, or staff member were a state employee. A financial interest exists if it is reasonably foreseeable that the decision will have a material financial effect on the director, officer, or staff member or his or her immediate family, or on any business entity in which a \$2,000 or more investment is held; any real property in which a \$2,000 or more interest is held; any source of income of \$500 or more received within the past 12 months; any donor of gifts aggregating \$250 or more received in the past 12 months; or any business in which a position of management is held.

- (q) Services to Constituency Alumni Groups: With the approval of the campus president or designee, a campus alumni association may provide to officially recognized constituency alumni groups the following, subject to the same conditions pertaining to the campus alumni association: cash management, disbursement, and accounting services; gift reporting; and, in appropriate cases, coverage under the campus alumni association's insurance policies, inclusion in the campus alumni association's financial statements, external audits and tax reporting, or use of the campus alumni association's tax identification number.

Section 42397.5. Audit.

- (a) A campus alumni association shall permit the Chancellor, the university auditor, the campus president, and the campus internal auditor or designee to inspect and audit its books and records as well as those of its financial institution(s) as relates to the campus alumni association's account(s). In addition, a campus alumni association shall permit the university auditor and the campus internal auditor to review directly all bank account records.
- (b) A campus alumni association with annual gross revenues in excess of \$1 million shall have an annual audit of its financial statements performed in accordance with generally accepted auditing standards and in accordance with any additional systemwide procedures prescribed by the Chancellor or designee, by a certified public accountant selected by the alumni association.
- (c) A campus alumni association with annual gross revenues in excess of \$500 thousand and less than \$1 million shall have an annual review of its financial statements performed by a certified public accountant selected by the alumni association in accordance with standards for accounting and review services and in accordance with any additional systemwide procedures prescribed by the Chancellor or designee.
- (d) A campus alumni association with annual gross revenues less than \$500 thousand shall have its financial statements compiled by a certified public accountant selected by the alumni association in accordance with standards for accounting and review services and in accordance with any additional systemwide procedures prescribed by the Chancellor or designee.
- (e) A campus alumni association whose assets and records are in the custody of an auxiliary organization shall present its financial position through supplemental schedules attached to the audited financial statement of the auxiliary organization in sufficient detail to fully represent the

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financial position and activities of the alumni association. These schedules shall be subjected to the same procedures as the auxiliary's statements and in accordance with any additional systemwide procedures prescribed by the Chancellor or designee.

- (f) When completed, the campus alumni association's financial statements shall be furnished to the campus president or designee on the date designated by the campus president or designee.
- (g) A campus alumni association shall make its financial statements available upon request for public inspection within a reasonable period of time.

Section 42397.6. Organization of Constituency Alumni Groups.

- (a) A constituency alumni group organized after the effective date of this article shall be organized within and as part of the campus alumni association.
 - (1) A constituency alumni group representing a school, college, department, or other unit shall secure the endorsement of the school, college, department, or other unit. The administrative head of the represented unit or designee shall periodically review and provide advice concerning the planned activities of the constituency alumni group, and shall serve as an *ex officio* voting or nonvoting member of the governing body of the constituency alumni group, if any, or of any executive or similar committee empowered to act for the governing body, if any, of the constituency alumni group.
 - (2) A constituency alumni group, as part of the campus alumni association, shall comply with all applicable campus policies and campus alumni association policies.
- (b) A constituency alumni group separately organized prior to the effective date of this article shall be organized within and become a part of the campus alumni organization and shall comply with subdivision (a), unless the campus president enters into an agreement with the constituency alumni group which provides as follows:
 - (1) The separate constituency alumni group agrees to the following characteristics:
 - a. is organized and operated solely for the benefit of the campus and the alumni of a school, college, department, or other campus administrative, academic, geographic, or other constituent unit;
 - b. has as its purpose providing service and support to its members, the alumni of a constituent unit, and to the university;
 - c. does not restrict membership or benefits of membership on the basis of race, religion, national origin, gender, or sexual orientation;
 - d. recognizes the unique role of the campus president or designee in setting campus or campus unit priorities; and irrevocably dedicates its assets for the benefit of the campus or appropriate unit of the campus. In the event of the group's dissolution, its assets shall be

transferred to the campus alumni association, the campus, an appropriate unit of the campus, or an auxiliary organization designated by the campus for purposes consistent with the purposes of the group and the terms of any individual gifts that are part of its assets, and, if a corporation, in conformance with the California Nonprofit Corporation Laws.

- e. A constituency alumni group representing a school, college, department, or other unit shall secure the endorsement of the school, college, department, or other unit. The administrative head of the represented unit shall periodically review and provide advice concerning the planned activities of the constituency alumni group and shall serve as an *ex officio* voting or nonvoting member of the governing body of the constituency alumni group, if any, or of any executive or similar committee empowered to act for the governing body, if any, of the constituency alumni group.
- (2) The separate constituency alumni group agrees to obtain and maintain recognition, as a separate constituency alumni group by submitting the following to the campus president or designee on an annual basis or otherwise as specified by the campus president:
- a. a current list of officers, members of the governing body, and the principal contact person for the group;
 - b. a statement of the group's purpose and goals consistent with subsection (a) and copies of the current enabling documents of the group (*i.e.*, bylaws, constitution, articles of incorporation, or other governing document);
 - c. a current roster of names and addresses of donors and members, unless such records are otherwise maintained by the campus;
 - d. a statement signed by the officers/representatives of the group that the governing body has read and formally voted that it will comply with this article and the agreement;
 - e. a copy of the group's annual financial statements;
 - f. for a group with accounts at a financial institution, a list identifying all such accounts, including the institution's name and address, the group's account numbers, and a statement signed by an appropriate officer or representative of the group authorizing the campus to obtain upon request from the financial institution information, records, or photocopies of transactions relating to the accounts;
 - g. for an incorporated, tax-exempt organization, (A) a copy of the organization's state and federal tax-exempt status determination letter; (B) a copy of the organization's most recent Internal Revenue Service Form 990; and (C) a list of the types of activities, including fundraising and membership drives, the organization intends to undertake and how the organization intends to financially support these activities.
- (3) The provisions of this article shall be incorporated by reference;

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- (4) The exchange of value between the campus and the constituency alumni group shall be expressed and may include provision of facilities and other tangible as well as intangible exchanges;
- (5) A license agreement for use of the campus name and symbols; and
- (6) The term of the agreement.
- (7) Privileges granted including authorization to use the name of the campus or other institutional unit. Without authorization, no group may:
 - a. represent itself as raising funds or otherwise providing support on behalf of or for the benefit of the campus, or any part of it, including its alumni;
 - b. use the name of the campus or any of its facilities or programs either expressly or by implication in connection with its activities; or
 - c. use campus facilities or resources in connection with its activities.
- (8) If a separate constituency alumni group does not comply with this article, the campus president or designee shall by written notice require the constituency alumni group to comply within 90 days or recognition as a constituency alumni group will be withdrawn.
 - a. In the event the group fails to comply within this time period, the campus president or designee may withdraw the constituency alumni group's recognition. In appropriate circumstances, the campus president may extend the period for compliance when action to remedy noncompliance is in progress.
 - b. Upon withdrawal of recognition, the assets of the constituency alumni group shall be transferred to the campus alumni association, the campus, or the designated campus auxiliary organization for purposes consistent with the purposes of the group and the terms of any individual gifts that are part of the assets.
- (9) Use of the campus or unit name and symbols, including mascot or other identifying mark by a separate constituency alumni group after July 1, 2003, is prohibited unless the group has entered into an agreement and has been recognized by the campus under the provisions of this article.

Section 42397.7. Fundraising by Constituency Alumni Groups.

Fundraising activities of constituency alumni groups shall be governed by the fundraising provisions of this article applicable to campus alumni associations.

Section 42397.8. Financial Activities of Constituency Alumni Groups.

Financial activities of constituency alumni groups shall be governed by the financial activities provisions of this article applicable to campus alumni associations.

Section 42397.9. Audit of Constituency Alumni Groups.

The audit requirements of constituency alumni groups shall be governed by the audit provisions of this article applicable to campus alumni associations.

Section 42397.10. Waiver.

For good cause and to address circumstances unique to a campus, a campus president may request that the Chancellor waive certain provisions of this article for a particular group or groups on that campus. Such waiver shall be in writing and shall specify the reasons for the waiver. Any waiver shall be subject to such terms and conditions as deemed advisable by the Chancellor.

Section 42397.11. CSU Alumni Council and Systemwide Constituency Alumni Groups.

- (a) The Chancellor may recognize a CSU Alumni Council having systemwide jurisdiction and possessing rights to represent the CSU alumni organizations before the Trustees. The Council shall be governed by the provisions of this article applicable to campus alumni associations with the system and the Chancellor replacing the campus and the campus president in those provisions.
- (b) Systemwide constituency alumni groups may be recognized and regulated by the Chancellor as provided in the provisions of this article relating to campus constituency alumni groups. Systemwide constituency alumni groups shall relate to the CSU Alumni Council as provided in the provisions of this article addressing campus constituency alumni groups and their relationship to the campus alumni associations. The provisions of the campus constituency alumni groups shall apply to systemwide constituency alumni groups with the Chancellor or designee assuming the rights and responsibilities of the campus president or designee.

COMMITTEE ON INSTITUTIONAL ADVANCEMENT

University Advancement

Presentation By

Louis Caldera
Vice Chancellor
University Advancement

Summary

An update of advancement activities from the Division of University Advancement will be presented.