

The California State University  
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**Date:** March 4, 1999  
**To:** Presidents  
**From:** Charles B. Reed *Charles B. Reed*  
Chancellor  
**Subject:** Board of Trustee Policy for the California State University Auxiliary Organizations – Executive Order No. 698

I am transmitting to you a copy of Executive Order No. 698 relating to Board of Trustee policy for The California State University auxiliary organizations. This Executive Order supersedes Executive Order No. 682. The Executive Order both reiterates policies approved by the Board of Trustees in July 1981, and revises that portion of Executive Order No. 682 which provides an additional mechanism for the president to administer the established responsibilities.

In accordance with policy of The California State University, the campus president has the responsibility for implementing Executive Orders where applicable and for maintaining the campus repository and index for all Executive Orders.

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Attachment

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**Distribution:** Vice Presidents for Academic Affairs  
Vice Presidents for Administration  
Vice Presidents for Student Affairs  
Auxiliary Organization Directors

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**Executive Order No. :** 698

**Title:** Board of Trustees Policy for The California  
State University Auxiliary Organizations

**Effective Date:** March 3, 1999

**Supersedes:** Executive Order No. 682

This Executive Order sets forth Board of Trustee policy originally adopted in July, 1981 in RFIN 7-81-4 concerning auxiliary organizations. This executive order represents policy of the Trustees addressing CSU auxiliary organization activity and governing the internal management of the system. As noted in Title 5, CSU auxiliary organizations are required to comply with Trustee policy (Title 5, California Code of Regulations, Section 42402).

**1. Definition of an Auxiliary Organization**

The following definition of an auxiliary organization clarifies the current definition contained in Title 5, Section 42400 and shall be used by the campus as the most specific California State University definition of auxiliary organizations. (Note: All references to subchapters and sections, unless otherwise stated specifically, refer to Title 5 sections.)

- A. As used in this Subchapter 6, an auxiliary organization is any non-profit entity which (1) has agreed to comply with the applicable requirements of the Board of Trustees and campus; (2) is included in the list of officially recognized auxiliary organizations in good standing maintained by the Chancellor pursuant to Section 42406, *infra*, and (3) maintains the status of an auxiliary organization in good standing
  
- B. Based on the primary functions they perform, auxiliary organizations may be classified in one or more of the following categories:
  - 1) Student Body Organizations
  - 2) Campus Support Service Organizations
  - 3) Foundations for Sponsored Projects, Workshops, and Institutes
  - 4) Instructionally Related Activity Organizations

C. The term auxiliary organization includes any organization described in Education Code Sections 89901 and 89300. The term does not include student body organizations not formed or operating pursuant to Education Code Section 89300, faculty societies, alumni associations, student clubs, societies, sororities, fraternities, or other groups whether or not they are affiliated with an auxiliary organization. They may represent an official relationship to a campus and may use campus facilities subject to compliance with applicable policies, rules, and regulations established by the Board of Trustees and policies of the campus.

**2. Authority and Responsibility of the Campus President**

Title 5, Section 42402 establishes the authority of campus presidents to require auxiliary organizations to operate in conformity with policy of the Board of Trustees and the campus. The president is required to review auxiliary programs and budgets and to require discontinuance of activities not in conformity with policies of the Board of Trustees and campus.

The following Trustee policy supplements the existing policy of Section 42402 and provides an additional mechanism for the president to administer his or her responsibilities concerning auxiliary organizations. Action taken by the Trustees' Committee on Audit at the January, 1999 meeting of the Board requires an internal compliance/internal control review to be performed by the University Auditor.

The Office of the University Auditor will perform an internal compliance/internal control review of auxiliary organizations. The review will be used to determine compliance with law, including statutes in the Education Code and rules and regulations of Title 5, and compliance with policy of the Board of Trustees and of the campus, including appropriate separation of duties, safeguarding of assets and reliability and integrity of information. This review of each auxiliary organization shall be completed on a biennial basis pursuant to procedures established by the Chancellor.

**3. Auxiliary Organizations in Good Standing**

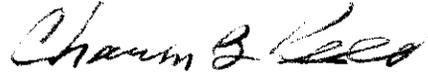
Title 5, Section 42406, requires the Chancellor to establish and maintain a list of auxiliary organizations in good standing and to follow procedures in the removal of an auxiliary organization from the list. The following Trustee policy clarifies and establishes certain related concepts.

The Chancellor shall establish procedures required for probation, suspension, or removal of an auxiliary organization.

Only an auxiliary organization which operates in accordance with policies, rules, and regulations of the Board of Trustees maintain its special

relationship with The California State University as an officially recognized auxiliary organization and use the name of the campus in its title.

An auxiliary organization shall conform to campus policy with respect to all of its activities and functions. In order to ensure conformity with campus policy, the president of the campus shall have representation or membership on the governing body of an auxiliary organization.



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Charles B. Reed, Chancellor