

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX E
Reference

Topic

APPENDIX E 09/02

Executive Orders of the Chancellor

Executive Order 168
Transmittal Memorandum

January 19, 1972

To: Presidents

From: H. E. Brakeball
Executive Vice Chancellor

Subject: California State University and Colleges Auxiliary Organizations--Administration of Grants and Contracts in Support of Research, Workshops, Institutes, and Other Special Instructional Projects – Executive Order No. 168

Attached is a copy of Executive Order No. 168 relating to university and college policies concerning the administration of grants and contracts in support of research, workshops, institutes and other special instructional projects administered by auxiliary organizations. This Executive Order supersedes Executive Order No. 163 dated December 11, 1972.

Some recent developments have underscored the necessity for clarifying and amplifying certain systemwide policies regarding subject. We urge you to review all codes, policies and regulations pertaining to the operations of auxiliary organizations. Particular attention is called to the following:

1. Education Code Sections 24054 through 24659.
2. Title 5 of the Administrative Code, Charter 5, Subchapter 5, Articles 1 through 3.
3. Board of Trustees Policy Statement regarding Auxiliary Organizations (BA 69-11)

Board of Trustees policies and regulations clearly outline the necessity of assuring the fiscal integrity and viability of the auxiliary organizations in addition to requiring that functions undertaken by auxiliary organizations are for the purpose of providing essential activities which are an integral part of the approved college educational program.

The administration of grants and contracts in the California State University and Colleges by the auxiliary organizations should be performed in a manner which enables the Board of Trustees to satisfy its responsibilities to the State of California, Federal agencies, public and private sponsors, the universities and colleges and the auxiliary organizations.

HEB:js

Attachment

Copies to: Vice Presidents for Administration and/or Business Affairs
Business Managers
Chancellor's Office Staff

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX E
Reference

Topic

Executive Order 168

Title: The California State University and Colleges
Auxiliary Organizations -Administration of Grants and Contracts
in Support of Research, Workshops, Institutes,
and Other Special Instructional Projects

Effective Date: January 19, 1973

Supercedes: No Previous Executive Order

This Executive Order is issued pursuant to Subchapter 5 of Chapter 5 of Title 5 of the California Administrative Code, as amended March 26, 1969, and related policies adopted by the Board of Trustees.

1. The president of each California State University and College shall include in the policies of their campus governing college auxiliary organizations the following:
 - a. Proposals or requests for funding of research or other special educational projects shall not be submitted to sponsoring federal or state agencies, public or private corporations, private foundations or individuals without prior approval of the President of the campus or his designee.
 - b. The President shall inform all personnel responsible for the preparation and submission of proposals that all grants and contracts, if and when awarded, are to be accepted by the university, the college or a designated auxiliary organization and not by an individual. The university, the college, or a designated auxiliary organization which is the contracting agency is responsible and accountable by the project sponsor for the proper expenditure of funds.
 - c. The Chief Fiscal Officer of the campus shall review and approve the fiscal aspects of each proposal for funding.
 - d. Cost-sharing components which are required by a proposed project should reflect an accurate and acceptable contribution by the campus. If a project requires direct contribution of State funds or diversion of funds from their budgeted purposes, either initially or at a future date, prior approval of the Chancellor's Office must be obtained.
 - e. Travel of the project director or staff members in connection with project activities shall be previously authorized by the campus administration.
 - f. Claims for reimbursement for travel involving two or more projects shall contain a statement to the effect that duplicate payment is not being requested or has not been received from the other projects. Proper distribution shall be made of travel expenses involving two or more projects.
 - g. Project directors, consultants, or project staff members should not be hired on any project until the terms and conditions of employment, particularly salary, have been computed, agreed to, and confirmed in writing between individuals and the campus administration.
 - h. Emphasis shall be given to recover all costs, both direct and indirect, for each project.
2. Each campus of The California State University and Colleges shall notify the Office of the Chancellor, Division of Auxiliary and Business Services, of policies adopted governing State College Auxiliary Organizations at that campus and, in particular, of the inclusion of the foregoing

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX E
Reference

Topic

	<p>provisions. Glenn S. Dumke, Chancellor</p> <p>No. 168 California State University and Colleges Auxiliary Organizations--Administration of Grants and Contracts in Support of Research, Workshops, Institutes, and Other Special Instructional Projects</p>
<p>Executive Order 369 Transmittal Memorandum</p>	<p>Date: December 15, 1981</p> <p>To: Presidents</p> <p>From: Harry Harmon Executive Vice Chancellor</p> <p>Subject: Associated Students' Budgets – Executive Order 369</p> <p>I am transmitting to you five (5) copies of Executive Order 369 relating to procedures for preparation, review and approval of Associated Students' budgets. This Executive Order, which replaces Executive Order 288, is the result of extensive consultation with the campuses and is based upon recommendations of a systemwide review committee appointed by the Chancellor. The revisions are intended to facilitate Associated Students organizations' budget processes and decisions within the framework of Trustee or campus policy.</p> <p>In accordance with policy of The California State University and Colleges, the campus President has the responsibility for implementing Executive Orders where applicable and for maintaining the campus repository and index of all Executive Orders.</p> <p>HH/ms</p> <p>Attachment</p> <p>Distribution: Vice Presidents, Academic Affairs Vice Presidents, Administration Presidents, Associated Students Campus Academic Senates/Councils Chancellor's Office Staff Legislative Analyst Administration Information Center</p>
<p>Executive Order No. 369</p>	<p>Title: Procedures for Preparation, Review and Approval of Associated Students' Budgets1</p> <p>Effective Date: January 1, 1982</p> <p>Supersedes: Executive Order No. 288</p> <p>This Executive Order is issued for the purpose of outlining procedures by which presidents shall review the budgets of Associated Students organizations as required by Section 42402 of Title 5 of</p>

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX E
Reference

Topic

the California Administrative Code.

A. BUDGET PREPARATION

While each campus with a mandatory student body fee has its own particular procedures for preparing the student body budget, the following elements shall be included:

1. The budget shall be prepared by students with appropriate campus consultation.
2. A representative of the campus president shall serve as liaison to the students involved in the budget preparation to facilitate the final review process. The representatives should be sufficiently involved in the budget preparation so as to be aware of the items funded or not funded in the budget along with reasons for their funding or absence of funding.
3. The budget preparation process shall include an opportunity for persons or groups presenting budget requests to be heard by the student budget officer, the committee preparing the budget, or the student legislative body.
4. The student legislative body shall review the budget, hear appeals of the recommendations of the student budget officer or committee, and approve the budget according to campus procedures.
5. The recommendations of the officer or committee preparing the budget and the legislative body shall be in conformity with applicable provisions of law.
6. Upon approval by the student body organization, the budget shall be forwarded to the campus president with any appropriate explanations no later than eight weeks prior to the end of the Associated Students' fiscal year.

1. Associate Students' budgets are governed specifically by Education Code Sections 89300 ff and by the California Administrative Code. Title 5, Sections 42402 and 42659.

2. In these procedures the term "campus presidents" or "president" shall be understood to include any other administrative officer to whom the campus president may have delegated the authority for approving the annual Associated Students' budget.

B. BUDGET APPROVAL

The budget approval process involves review and action by the campus president. The president may: 1) approve the proposed budget unchanged; 2) defer approval pending further discussion; 3) approve with the exception of vetoed items; or 4) disapprove the entire budget for cause. Subsequent to budget approvals, the president may also: 5) disapprove a previously approved budget item, budget language or a proposed amendment to the budget. The president shall act on the budget submitted by the Associated Students within ten (10) campus working days following receipt by the president.

Each of these actions involves a procedure as follows:

1. Approval: The campus president approves the budget and returns it to the appropriate

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX E
Reference

Topic

student body officer with a written notice of approval.

2. Deferral of approval pending further discussion: The campus president, in order to maintain program continuity or to comply with applicable law or published Trustee or campus policy or to honor a legal obligation, may identify items not included for funding which have been funded in the prior year's budget or items which have been reduced substantially. The phasing of programs in or out would be part of the further discussion contemplated by the deferral of approval in order to allow opportunity to seek alternative funding or maintain or reduce funding as appropriate.

a. Should the campus president defer approval pending further discussion, the president and the appropriate representative of the student body organization will discuss the reasons for deferral in order to determine whether a mutually acceptable resolution can be achieved. This should be accomplished within five (5) campus working days.

b. If a resolution cannot be reached, the campus president shall refer the issue within ten (10) campus working days to a review board for hearing (section D). The review board has ten (10) campus working days to prepare its recommendations.

c. The review board, after considering the issues, shall recommend in writing specific action to the campus presidents.

d. If the campus president disagrees with the recommendation of the review board, written reasons for such disagreement shall be provided to the appropriate representative of the student body organization within ten (10) campus working days following receipt of review board recommendations.

3. Approval with exception of vetoed items:

a. The campus president may veto specific items or language in the budget for cause pursuant to Section 42402, Title 5, California Administrative Code, and shall provide written justification to the appropriate representative of the student body organization. If the budget item or language is in conflict with applicable law, published Trustee or campus policy, or a legal obligation, the president shall veto the item. The veto of a particular item shall not preclude implementation of other budget items.

b. The president shall approve the budget with exceptions indicated and return the budget with written rationale for items vetoed.

c. The student body organization may accept the president's action and shall notify the president in writing of its acceptance.

d. The student body organization may disagree with any or all of the items vetoed and shall notify the president in writing of the reasons for its disagreements

1) In the case of a disagreement, the president shall convene the review board within ten (10) campus working days to examine the facts. The review board shall recommend a resolution within ten (10) campus working days to the president. (See section D.)

2) If legal questions are involved, advice of counsel should be sought.

3) If the president disagrees with the recommendation of the review board, written reasons for the disagreement shall be provided to the appropriate representative of the student body organization within ten (10) campus working days of receipt by the president of the review board's

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX E
Reference

Topic

recommendations.

4. The president disapproves the entire budget for cause: Disapproval of the entire budget by the president may be justified only when the budget appears to have been formulated as a result of fraud or coercion or that the budget fails to maintain fiscal integrity³ or fails to comply with applicable law, published Trustee or campus policy or fails to honor a legal obligation. In such cases the president shall return the entire budget disapproved, stating in writing the reason(s) for disapproval with specific points supporting alleged violations.

a. If the student body organization agrees with the president's veto, the students shall immediately prepare a new budget addressing the president's objections.

b. If the student body organization disagrees with the president's veto, the review board shall be convened following the procedures outlined in section B. 3.d.

1) The review board may recommend:

a) preparation of a new budget; or

b) veto of part of the budget with approval of the remainder; or

c) approval of the budget as presented.

2) Fiscal integrity means solvency of the Associated Students' organization.

The review board shall forward its recommendations to the president within ten (10) campus working days after it receives the budget.

3) The president shall provide to the Associated Students, in writing, a final decision on the student budget within ten (10) campus working days after receiving the recommendations of the review board.

5. The president disapproves a previously approved budget item, budget language or a proposed amendment to the budget:

a. The president may disapprove a previously approved budget item, budget language or a proposed amendment to the budget for cause pursuant to section 42402. Title 5, California Administrative Code and shall provide written justification for the disapproval to the appropriate representative of the student body organization. If the budget item or language is in conflict with applicable law, published Trustee or campus policy, or fails to honor a legal obligation, the president shall disapprove the item.

b. The student body organization may disagree with any or all of the items disapproved by the president and shall notify the president in writing of the reasons for its disagreement.

c. If the student body organization disagrees with the president, the review board shall be convened following the procedures outlined in section B. 3.d.

C. INTERIM BUDGET PROCEDURES

If following these procedures does not result in a mutually acceptable resolution and the budget is at an impasse, the authorizations contained in the previous budget shall be used until the new budget is approved..

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX E
Reference

Topic

D. BUDGET REVIEW BOARD

Each campus shall establish a budget review board which shall be convened annually in advance of budget preparation to become familiar with these procedures. The following individuals or their representatives shall comprise the membership of the review board;

1. The Associated Students' President
2. Dean of Students
3. Campus Academic Senate/Council designated representative.
4. Associated Students' designated fiscal/administrative officer
5. Chief fiscal officer of the campus
6. Chair of student budget committee (or the equivalent).

E. REVIEW OF PROCEDURES

These procedures shall be reviewed by the Chancellor as soon as possible after July 1, 1984.

Glenn S. Dumke, Chancellor

Executive Order 590
Transmittal Memorandum

Date: March 26, 1992

To: Presidents

From: Barry Munitz Chancellor

Subject: Student Air Travel -- Executive Order No. 590

I am transmitting to you five copies of Executive Order No. 590 which establishes policy for California State University Student Air Travel. The new Executive Order implements changes in policy approved by the Board of Trustees at its January 1992 meeting.

The President has responsibility for implementing this Executive Order and for maintaining the campus repository and index for all Executive Orders.

Please address any questions regarding this Executive Order to the Assistant Vice Chancellor, Academic Affairs, Educational Support.

BM :abk

Attachment

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX E
Reference

Topic

Distribution
Vice Presidents, Academic Affairs
Vice Presidents/Deans, Student Affairs
Vice Presidents, Administration
Deans, Undergraduate Studies
Deans, Extended Education
Directors, Athletics
Directors, University Foundations
Presidents, Associated Students
Chancellor's Office Staff

Executive Order 590

Title: Student Air Travel

Effective Date: March 26, 1992

Supersedes: Executive Order No. 486

This Executive Order is issued pursuant to Board of Trustees' Resolution REP 1-92-02, and Sections 1 and 2 of the Standing Orders of the Board of Trustees of the California State University.

This Executive Order implements Board of Trustees' policy regarding student participation in programs which require air travel that are offered by, or pursuant to a program, of the California State University, any student body organization, or any organization affiliated with any such organization, or with any combination thereof (hereafter referred to as CSU-affiliated program).

Effective immediately, student air travel required in CSU-affiliated programs shall be conducted in compliance with Trustee Policy on Student Air Travel, Board of Trustees' Resolution REP 1-92-02, Attachment A, which is hereby incorporated and made a part of this Executive Order.

The following provisions amplify parts of the Board of Trustees' policy.

Minimum Travel Insurance

Pursuant to the Trustees' policy, students participating in California State University-affiliated programs who are traveling by air on flights which are not regulated by the U.S. Department of Transportation and/or are not subject to liability insurance minimums established by the U.S. Department of Transportation shall first obtain, or have obtained on their behalf, trip insurance covering bodily injury and death of the student and for the loss of or damage to property in the maximum amount available from American insurance carriers.

Each charter of aircraft for purpose of California State University student air travel shall include indemnity and co-insurance provisions as outlined in Attachments B, C, D, E and F, as appropriate.

Notice to Students: Release and Hold-Harmless Provisions

All students participating in CSU-affiliated programs which require air travel shall be informed in writing that participation in such programs is voluntary and that air travel involves risks to personal safety which could result in damage to property, injury, or death. Students participating in such travel shall be informed in writing that the California State University assumes no liability for damage, injury, or death occurring on such voluntary air travel and that students undertake such

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX E
Reference

Topic

travel at their own risk.

All students participating in CSU-affiliated programs which require air travel shall be required to acknowledge that they have been informed of the risks of air travel required by such programs and to sign a statement (Attachment G) certifying that they have been informed of and undertake such air travel voluntarily with full knowledge of such risks, and release and hold harmless the state of California, the California State.

University, the campus affiliated with the program requiring air travel, and each and every officer, agent, and employee of each of them, from any and all claims and causes of action that the student, or any person(s) claiming through the student, may have against any of the above institutions or persons, by reason of any accident, illness, or injuries, death, or other consequences resulting directly or indirectly from or in any manner arising out of, or in connection with, the student being a passenger on a flight.

Barry Munitz, Chancellor

ATTACHMENT A
Executive Order No. 590

The California State University
Policy of the Board of Trustees on Student Air Travel

Purpose

It is the policy of the Board of Trustees that student air travel sponsored by the California State University be undertaken in ways which maximize student safety and ease of access to travel destinations. The Board has concluded that campuses are in the best position to make the decisions that will ensure maximum safety and convenient travel arrangements. Therefore, it is the policy of the Board that authority and responsibility for administering student air travel are to be delegated to the campus presidents and their designees.

Air travel included in this policy is that student air travel sponsored by, or pursuant to a program of, the California State University, any campus of the California State University, any student body organization, or any organization affiliated with any such organization, or with any combination thereof. This policy replaces and supersedes Executive Order No. 486, Student Air Travel, and Trustee Resolution REP 9-79-2.

Student Safety

Student air travel shall be conducted in ways which offer the least risk to the safety of participants and to the liability of the California State University. Use of scheduled or chartered air transportation services must be reviewed and approved by the president or designee (if a campus program) or by the chancellor or designee (in the case of student travel conducted on a systemwide basis). This shall include the following:

1. Selection of air carriers, planning of travel itineraries, and conduct of student air travel should be done prudently, by university employees with demonstrated good judgment and with paramount concern for the safety of program participants.
2. The chancellor/president or designee shall inform program participants that (1) air travel (especially international travel) may involve the possibility of injury or death; that (2) CSU-sponsored air travel is voluntary for participants and undertaken at their own risk; and that (3) CSU does not assume liability or legal responsibility for accidents, damages, injuries or deaths occurring on CSU-sponsored student air travel.

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX E
Reference

Topic

3. Participants in CSU-sponsored student air travel on flights not regulated by the U.S. Department of Transportation shall be required to purchase life and personal injury insurance in amounts to be stipulated by the chancellor. Charter carriers providing CSU-sponsored student air travel shall be required to indemnify and name the CSU as co-insured in policies maintained in minimum amounts to be stipulated by the chancellor.

4. Air activities other than scheduled or charter transportation to and from study sites are not covered by this policy. Such activities, including but not limited to flight training in academic programs; student flying club activities; aircraft construction and testing; general aviation; and balloon flight, shall be regulated by the president, in keeping with the requirements of CSU liability risk management policy (Executive Order No. 533), state and federal law.

Ease of Access

Within the stipulations for student safety and liability stated above, the chancellor/president or designees should facilitate, to the maximum extent possible, access by CSU students to travel and study opportunities which enhance the academic program and the students' academic experiences. Such experiences should be organized and conducted by qualified and experienced staff and reflect the good judgment of that staff in arranging safe, convenient student air travel.

Implementation

The chancellor shall take appropriate steps to implement this policy.

Proposed Revised Policy on Student Air Travel (REP 01-92-02)

RESOLVED, By the Board of Trustees of The California State University, that the Board adopts the "Policy of the Board of Trustees on Student Air Travel" included as Attachment C of Agenda Item 2 of the January 14-15, 1992, meeting of the Trustees' Committee on Educational Policy; and be it further

RESOLVED, That the Board's policy be implemented by directing the chancellor to promulgate the "Policy of the Board of Trustees on Student Air Travel" through an appropriate Chancellor's Executive Order.

ATTACHMENT B
Executive Order No. 590

THE CALIFORNIA STATE UNIVERSITY Liability Insurance Limits for Charter of Aircraft in CSU-Affiliated Student Travel

Charter of Commercial Aircraft

a. Charterer of a General Aviation Aircraft

Aircraft Liability insurance with \$5,000,000 Combined Single Limit per occurrence, including:

Bodily injury Liability
Property Damage Liability
Passenger Liability

b. Charterer of Rotor Wing Aircraft with crew (maximum seating capacity of 6):

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX E
Reference

Topic

Aircraft Liability insurance with \$10,000,000 Combined Single Limit per occurrence, including:

Bodily injury Liability
Property Damage Liability
Passenger Liability

c. Charterer of Fixed Wing Aircraft with Crew (maximum seating capacity of 20 but not less than 7):

Aircraft Liability insurance with \$20,000,000 Combined Single Limit per occurrence, including:

Bodily injury Liability
Property Damage Liability
Passenger Liability

d. Charterer of the Supplemental Carrier, Non-Scheduled Charterer with a seating capacity of the maximum current transportation type (more than 20):

Aircraft Liability insurance with \$100,000,000 Combined Single Limit per occurrence, including:

Bodily injury Liability
Property Damage Liability
Passenger Liability

ATTACHMENT C
Executive Order No. 590

INDEMNIFICATION AND INSURANCE PROVISIONS Charter of Fixed Wing General Aviation Aircraft with Crew (Maximum seating capacity of 6)

I. CONTRACTOR shall defend, indemnify and hold UNIVERSITY, its officers, agents, or employees harmless from and against all losses and expenses (including costs of attorneys fees) by reason of liability imposed by law upon UNIVERSITY for damages because of bodily injury, personal injury, including death at anytime resulting therefrom, sustained by any person or persons, or on account of damage to property, including loss of use thereof, arising out of or in consequence of the performance of this agreement, provided such injuries to persons or damage to property are due to the negligent or intentional acts or omissions of CONTRACTOR, its officers, agents, employees, subcontractors, and any other person or persons under CONTRACTOR's direct supervision and control.

CONTRACTOR agrees to utilize qualified personnel on chartered aircraft who, for the purpose of flying CONTRACTOR's aircraft, shall be considered under CONTRACTOR's direct supervision and control.

II. In consideration of the above, the CONTRACTOR as a Charterer of General Aviation Aircraft shall throughout the term of this agreement carry insurance sufficient to protect its exposure arising out of the performance of this agreement, including but not limited to airport operations and maintenance of the chartered aircraft.

A. Airport (Hangar Keepers) liability insurance (with products and completed operations, broad form property damage coverage included) in an amount no less than five million dollars

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX E
Reference

Topic

(\$5,000,000) per occurrence.

B. Aircraft liability insurance for owned and non-owned aircraft with a combined single limit no less than five million dollars (\$5,000,000) per occurrence.

C. Aircraft hull insurance in an amount equal to the fair market value of the same.

D. Workers' Compensation insurance (Jones Act exposure included) as required under state and federal law.

E. Any other insurance not specified above, when and as agreed to by the parties to this agreement or as required under federal and California state law.

CONTRACTOR, upon the execution of this agreement, shall furnish UNIVERSITY with Certificates of Insurance, which shall provide that the coverages may not be cancelled or materially altered unless at least thirty- (30) days prior written notice is provided to UNIVERSITY. Certificates shall provide for the inclusion of the University as an insured under the insurance referred to in 11/A, and 11/B. and contain a cross liability and severability of interest clause. These provisions, however, shall not apply to the insurance required under section HID, of this Article _____. With respect to section 11/C. of this Article _____.

Contractor and/or Contractor's insurer or insurers shall waive any and all rights of subrogation against University.

ATTACHMENT D
Executive Order No. 590

INDEMNIFICATION AND INSURANCE PROVISIONS

Charter of Rotor Wing Aircraft with Crew
(Maximum seating capacity of 6)

I. CONTRACTOR shall defend, indemnify and hold UNIVERSITY, its officers, agents, or employees harmless from and against all losses and expenses (including costs of attorneys' fees) by reason of liability imposed by law upon UNIVERSITY for damages because of bodily injury, personal injury, including death at anytime resulting therefrom, sustained by any person or persons, or on account of damage to property, including loss of use thereof, arising out of or in consequence of the performance of this agreement, provided such injuries to persons or damage to property are due to the negligent or intentional acts or omissions of CONTRACTOR, its officers, agents, employees, subcontractors, and any other person or persons under CONTRACTOR's direct supervision and control.

CONTRACTOR agrees to utilize qualified personnel on chartered aircraft who, for the purpose of flying CONTRACTOR's aircraft, shall be considered under CONTRACTOR's direct supervision and control.

II. In consideration of the above, the CONTRACTOR as a Charterer of General Aviation Aircraft shall throughout the term of this agreement carry insurance sufficient to protect its exposure arising out of the performance of this agreement, including but not limited to airport operations and maintenance of the chartered aircraft.

A. Airport (Hangar Keepers) liability insurance (with products and completed operations, broad form property damage coverage included) in an amount no less than five million dollars (\$5,000,000) per occurrence.

B. Aircraft liability insurance for owned and non-owned aircraft with a combined single limit no less than ten million dollars (\$10,000,000) per occurrence.

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX E
Reference

Topic

- C. Aircraft hull insurance in an amount equal to the fair market value of the same.
- D. Workers' Compensation insurance (Jones Act exposure included) as required under state and federal law.
- E. Any other insurance not specified above, when and as agreed to by the parties to this agreement or as required under federal and California state law.

CONTRACTOR, upon the execution of this agreement, shall furnish UNIVERSITY with Certificates of Insurance, which shall provide that the coverages may not be cancelled or materially altered unless at least thirty- (30) days prior written notice is provided to UNIVERSITY. Certificates shall provide for the inclusion of the University as an insured under the insurance referred to in 11/A. and f/B. and contain a cross liability and severability of interest clause. These provisions, however, shall not apply to the insurance required under section 11/D, of this Article _____. With respect to section 11/C. of this Article _____.

Contractor and/or Contractor's insurer or insurers shall waive any and all rights of subrogation against University.

III. The coverages and limits specified under (II.) of this Article _____, shall not in any way limit the liability of CONTRACTOR.

No officer, agent, employee or representative of either party shall be empowered to alter any of the terms hereof, unless same is in writing and signed by the parties hereto.

ATTACHMENT E
Executive Order No. 590

INDEMNIFICATION AND INSURANCE PROVISIONS Charter of Fixed Wing Aircraft with Crew (Maximum seating capacity of 20 but not less than 7)

I. CONTRACTOR shall defend, indemnify and hold UNIVERSITY, its officers, agents, or employees harmless from and against all losses and expenses (including costs of attorneys' fees) by reason of liability imposed by law upon UNIVERSITY for damages because of bodily injury, personal injury, including death at anytime resulting therefrom, sustained by any person or persons, or on account of damage to property, including loss of use thereof, arising out of or in consequence of the performance of this agreement, provided such injuries to persons or damage to property are due to the negligent or intentional acts or omissions of CONTRACTOR, its officers, agents, employees, subcontractors, and any other person or persons under CONTRACTOR's direct supervision and control.

CONTRACTOR agrees to utilize qualified personnel on chartered aircraft who, for the purpose of flying CONTRACTOR's aircraft, shall be considered under CONTRACTOR's direct supervision and control.

II. In consideration of the above, the CONTRACTOR as a Charterer of General Aviation Aircraft shall throughout the term of this agreement carry insurance sufficient to protect its exposure arising out of the performance of this agreement, including but not limited to airport operations and maintenance of the chartered aircraft.

A. Airport (Hangar Keepers) liability insurance (with products and completed operations, broad form property damage coverage included) in an amount no less than five million dollars (\$5,000,000) per occurrence.

B. Aircraft liability insurance for owned and non-owned aircraft with a combined single limit no less than twenty million dollars (\$20,000,000) per occurrence.

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX E
Reference

Topic

- C. Aircraft hull insurance in an amount equal to the fair market value of the same.
- D. Workers' Compensation insurance (Jones Act exposure included) as required under state and federal law.
- E. Any other insurance not specified above, when and as agreed to by the parties to this agreement or as required under federal and California state law.

CONTRACTOR, upon the execution of this agreement, shall furnish UNIVERSITY with Certificates of Insurance, which shall provide that the coverages may not be cancelled or materially altered unless at least thirty- (30) days prior written notice is provided to UNIVERSITY. Certificates shall provide for the inclusion of the University as an insured under the insurance referred to in II/A, and II/B. and contain a cross liability and severability of interest clause. These provisions, however, shall not apply to the insurance required under section II/D, of this Article ____ . With respect to section II/C. of this Article ____.

Contractor and/or Contractor's insurer or insurers shall waive any and all rights of subrogation against University.

III. The coverages and limits specified under (II.) of this Article ____, shall not in any way limit the liability of CONTRACTOR.

No officer, agent, employee or representative of either party shall be empowered to alter any of the terms

Hereof, unless same is in writing and signed by the parties hereto.

ATTACHMENT F
Executive Order No. 590

INDEMNIFICATION AND INSURANCE PROVISIONS Charter of Supplemental Carrier, Non-Scheduled Carrier Seating Capacity of the Maximum Current Transportation Type (more than 20)

I. CONTRACTOR shall defend, indemnify and hold UNIVERSITY, its officers, agents, or employees harmless from and against all losses and expenses (including costs of attorneys fees) by reason of liability imposed by law upon UNIVERSITY for damages because of bodily injury, personal injury, including death at anytime resulting therefrom, sustained by any person or persons, or on account of damage to property, including loss of use thereof, arising out of or in consequence of the performance of this agreement, provided such injuries to persons or damage to property are due to the negligent or intentional acts or omissions of CONTRACTOR, its officers, agents, employees, subcontractors, and any other person or persons under CONTRACTOR's direct supervision and control.

CONTRACTOR agrees to utilize qualified personnel on chartered aircraft who, for the purpose of flying CONTRACTOR's aircraft, shall be considered under CONTRACTOR's direct supervision and control.

II. In consideration of the above, the CONTRACTOR as a Charterer of General Aviation Aircraft shall throughout the term of this agreement carry insurance sufficient to protect its exposure arising out of the performance of this agreement, including but not limited to airport operations and maintenance of the chartered aircraft.

A. Airport (Hangar Keepers) liability insurance (with products and completed operations, broad form property damage coverage included) in an amount no less than five million dollars (\$5,000,000) per occurrence.

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX E
Reference

Topic

- B. Aircraft liability insurance for owned and non-owned aircraft with a combined single limit no less than one hundred million dollars (\$100,000,000) per occurrence.
- C. Aircraft hull insurance in an amount equal to the fair market value of the same.
- D. Workers' Compensation insurance (Jones Act exposure included) as required under state and federal law.
- E. Any other insurance not specified above, when and as agreed to by the parties to this agreement or as required under federal and California state law.

CONTRACTOR, upon the execution of this agreement, shall furnish UNIVERSITY with Certificates of Insurance, which shall provide that the coverages may not be cancelled or materially altered unless at least thirty- (30) days prior written notice is provided to UNIVERSITY. Certificates shall provide for the inclusion of the University as an insured under the insurance referred to in II/A, and II/B. and contain a cross liability and severability of interest clause. These provisions, however, shall not apply to the insurance required under section HID, of this Article _____. With respect to section II/C. of this Article _____. Contractor and/or Contractor's insurer or insurers shall waive any and all rights of subrogation against University.

III. The coverages and limits specified under (II.) of this Article _____, shall not in any way limit the liability of CONTRACTOR.

No officer, agent, employee or representative of either party shall be empowered to alter any of the terms

Hereof, unless same is in writing and signed by the parties hereto.

ATTACHMENT G
Executive Order No. 590

Dear _____:

You are currently participating in a California State University-affiliated program which requires air travel.

Air travel involves risks and could result in damage to property, injury to persons, and death. Please be informed that the California State University assumes no liability for damage, injury, and death which may occur during air travel required by the California State University-affiliated programs. Your participation in the program is voluntary, and you participate at your own risk.

Prior to undertaking CSU-affiliated air travel, you will be required to sign a "Release and Hold-Harmless Statement." Please review the statement carefully before signing it.

Signature of President/Chancellor
or Designee

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX E
Reference

Topic

RELEASE AND HOLD-HARMLESS STATEMENT

I, _____,
am a student
at _____, one of
the campuses
of the California State University (CSU).

I am/will be participating in a CSU-affiliated program which requires air travel. (CSU-affiliated program includes any program offered by, or pursuant to a program of, the California State University, any campus of the California State University, any student body organization, or any organization affiliated with any such organization or with any combination thereof.) My participation in this program is voluntary.

I have been informed, and I know, that 1) air travel involves risks which can result in damage to property, injury to persons, and death; and 2) the CSU assumes no liability for damage, injury, or death occurring on such travel. With this knowledge and information, I agree to participate in the program, and the air travel, at my own risk.

I release and hold harmless the state of California, the California State University, the campus affiliated with the program requiring the air travel, and each and every officer, employee and agent of each of them, from any and all claims and causes of action that I may have against any of these institutions or persons, by reason of any accident, illness, injury, death, or other consequences resulting directly or indirectly from or in any manner arising out of, or in connection with, my being a passenger on an airplane pursuant to my participation in the CSU-affiliated program.

This release and hold-harmless shall also be binding on my heirs, assigns, successors, and all other persons who may claim through me.

Date

Signature

Print Name

Street Address

City, State, Zip Code

Executive Order 648
Transmittal Memorandum

Date: December 14, 1995

To: Presidents

From: Barry Munitz
Chancellor

Subject: Delegation of Fiscal Authority and Responsibility of California State University
Presidents—Executive Order No. 648

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX E
Reference

Topic

Enclosed is a copy of Executive Order No. 648, which delegates authority to you to approve certain fiscal transactions.

Please complete the enclosed Acceptance of Delegation form and send the signed form to the attention of Mr. Richard P. West, Vice Chancellor, Business and Finance.

Distribution: Vice Presidents Academic Affairs
 Vice Presidents, Administration and Finance
 Vice Presidents/Deans of Students
 Budget Officers
 Chancellor's Office Staff

Executive Order 648	Title:	Delegation of Fiscal Authority and Responsibility
	Effective Date:	January 1, 1996
	Supersedes:	Executive Order No. 551

This Executive Order is issued pursuant to authority of Sections 1, 2, and 4(e) of Chapter III of the Standing Orders of the Board of Trustees of The California State University.

This Executive Order applies to all funds administered by the campus including funds held outside the state treasury.

I. Authority

A. The campus President is delegated authority to approve the expenditure from and transfer between appropriations, funds, programs, allotments, and projects except where prohibited by applicable statutes including Education Code Sections 89750 to 89761, the annual Budget Act, regulations, bond indentures, and policies of the Board of Trustees with the following exceptions:

1. Transfers from the State University Grant allotment are not permitted.
2. Transfers from California State University Lottery Education Fund Educational Equity programs are not permitted.

B. The campus President is delegated authority to approve the establishment of new positions and changes in existing positions and the state controller's payroll roster (See 111-B).

II. Responsibility

The campus President is responsible for ensuring that:

A. The authority delegated by this Executive Order is exercised in compliance with all applicable

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX E
Reference

Topic

statutes and regulations and policies of the Board of Trustees;

Expenditure commitments do not exceed available resources and request for allocation orders are completed as necessary to adjust budgeted revenue, reimbursements, and expenditures to reflect actual experience;

C. Monies are expended for their authorized purpose and appropriated funds are expended fully during the period of availability;

D. Appropriate internal controls are in place to ensure that funds are protected from misuse; and,

E. Campus financial practices adhere to uniform accounting standards in accordance with Generally Accepted Accounting Principles for institutions of higher education (Education Code § 89761 (a)).

III. Accountability

A. The campus President shall provide to the Vice Chancellor, Business and Finance annual consolidated financial statements for all funds administered by the campus including funds held outside the state treasury. In addition, to ensure that the financial statements fairly state the condition of the California State University, auxiliary organizations must be incorporated in the financial statements. Supplementary financial detail shall also be provided by the campus in a machine-readable format and at intervals specified by the Vice Chancellor, Business and Finance.

B. The campus President shall provide to the Vice Chancellor, Business and Finance an annual report of significant changes, as determined by the campus President, in existing positions (Education Code §89753(c)). Significant changes to existing positions include, but are not limited to, the following:

1. Permanent conversion of teaching faculty classifications to non faculty classifications; and,
2. Permanent conversion or reclassification into, out of, or between management classes.

C. Unexpended balances in funds subject to reversion will be transferred from the campus by the Chancellor's Office six months prior to the date that the funds are no longer available for encumbrance.

D. Authority delegated by this Executive Order may be revoked in whole or in part if in the judgment of the Chancellor the campus President has not complied substantially with provisions of this Executive Order. Annual post-audits may be employed to determine compliance with provisions of this Executive Order.

Barry Munitz, Chancellor

Acceptance of Delegation of Fiscal Authority and Responsibility

I hereby acknowledge and accept the authority, responsibility, and accountability provided by Executive Order No. 648 and authorize the executive officers listed below to exercise on my behalf the authority provided this executive order:

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX E
Reference

Topic

Campus

Signature of the Campus President

Date

First Executive Officer

Signature

Typed Name

Title

Date

Second Executive Officer

Signature

Typed Name

Title

Date

Executive Order 698
Transmittal Memorandum

Date: March 4, 1999

To: Presidents

From: 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.

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX E
Reference

Topic

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.

CBR/sw

Attachment

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

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: AU 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

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX E
Reference

Topic

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.

Charles B. Reed
Chancellor

Executive Order 703
Transmittal Memorandum

Date: April 8, 1999

To: CSU Presidents

From: Charles B. Reed
Chancellor

Subject: Auxiliary Organization Financing Transactions
Executive Order No. 703

I am transmitting a copy of Executive Order No. 703 which provides information and procedures for auxiliary organization financing activity in the CSU.

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.

CBR:rp

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX E
Reference

Topic

Attachment

Executive Order No.: 703

Distribution: Vice Presidents for Administration and Finance
Auxiliary Organization Directors
Executive Deans
Chancellor's Office Staff

Title: Auxiliary Organization Financing Transactions

Effective Date: April 8, 1999

Supersedes: No prior executive order

This executive order provides supplemental information and procedures in connection with auxiliary organization financing activities. It is issued pursuant to Title 5, California Code of Regulations, Section 42500 (c) and the authority delegated to the chancellor in RFIN 11-98-18, the CSU Policy for Financing Activities. The policy recognizes that certain financing transactions that are long term in nature generally pose greater fiscal risks.

In November 1998 the Board of Trustees approved the CSU Policy for Financing Activities relating in part to auxiliary organization financing activities. In January 1999 the Board of Trustees also approved a revision to Title 5, California Code of Regulations, Section 42500 (c) relating to auxiliary organization financing activities. A copy of Section 3 of the policy and a reprint of the amended section of Title 5 are enclosed as Exhibit A. Campus presidents are required to ensure that the Trustees' policy is implemented.

The procedures of this executive order are intended to be administered within the context of definitions and provisions in the CSU Policy for Financing Activities, as it may be amended from time to time. The title of senior vice chancellor, business and finance referred to in the policy has been updated in this executive order to reflect the new title of executive vice chancellor and chief financial officer.

I. Delegation — Equipment and Working Capital Financings and Refinancings

With regard to Section 3.4 of the Trustees' policy, campus presidents are hereby delegated authority to establish and implement local campus procedures to review and approve auxiliary financing and refinancing activity for:

- lease financing for equipment purchases used in the day to day business activity or programs of recognized auxiliary organizations, and
- working capital needs arising from the day to day business activity or programs of recognized auxiliary organizations.

Recognizing that there may be significant differences and complexities among the transactions processed pursuant to this delegation, campus procedures for review shall, at a minimum, address the following issues:

- if there is a need for involvement of the auxiliary governing board;
- if there is a need to evaluate alternative financing plans; and
- if there is a need to obtain expert legal, tax and financial advice regarding the transaction.

For the above types of financings, campus presidents are also delegated authority to execute documents on behalf of the Trustees and the chancellor that are needed to comply with tax law provisions or otherwise assist in expediting these financings.

II. Other Auxiliary Financings and Certain Refinancing Transactions

Other financing and refinancing transactions referred to in Sections 3.2 and 3.3 of the CSU Policy

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX E
Reference

Topic

on Financing Activities are divided into four different categories of transactions. They are:

Type I — Financing transactions of campus auxiliary organizations intended only for the purpose of obtaining new funds for development of projects.

Type II— Financing transactions of campus auxiliary organizations intended to both refinance existing debt and obtain new funds for a project or projects.

Type III — Financing transactions of a campus auxiliary organization intended to restructure existing debt for reasons other than to yield a net present value savings. These transactions might be intended to alter current cash flow to better enable the auxiliary organization to meet all operational needs and could also result in net present value additional cost over the life of the specific debt obligation.

Type IV — Refinancing transactions of campus auxiliary organizations intended only for the purpose of providing a net present value savings over current debt service obligations.

Additional questions regarding these classifications should be addressed to the director of financing and risk management in the Office of the Chancellor.

A. Notwithstanding the delegation in Section I of this executive order and with regard to Section 3.2 of the Trustees' policy (Exhibit A), Type I, Type II and Type III transactions, after review by the campus president, shall be presented to the Trustees as an information item at a regularly scheduled meeting of the Board. A request to the executive vice chancellor and chief financial officer for a Trustees' agenda item shall be made by the university president (or designee). The request should include a draft agenda information item and applicable information noted below. The executive vice chancellor and chief financial officer will evaluate applicable information from the campus relating to:

- the auxiliary organization's governing board approval of the financing plan;
 - the description of the roles and responsibilities of entities that are to participate in the transaction;
 - the summary of project bids received in support of the level of financing proposed and a sources and uses of funds for the transaction;
 - the financial plan showing how the debt will be repaid, and the campus contingency plan in the event that the auxiliary organization is unable to meet the financial obligation;
 - the involvement of expert legal, tax and financial professionals in providing assistance with the financing;
 - the legal basis for the issuance of the debt;
 - the credit pledged to repay the debt, credit ratings and arrangements for bond insurance;
 - the status of the master plan, capital outlay, or other physical planning issues;
 - a review of a ground lease, or changes in the auxiliary's written agreement to perform functions at the campus, or any other pertinent documents of the transaction;
- any other facts or issues that may be pertinent to the transaction such as the type of facility and the type of services and resources that the campus community will gain from the new or improved facility; and
- (for transactions involving refinancing plans) the objective of the plan and financial information indicating how the objectives will be achieved.

Most of this information should normally be prepared in connection with review of the project by the auxiliary organization's governing board.

Questions concerning the agenda item or the information needed for the executive vice chancellor and chief financial officer to perform a review should be referred to the director of financing and risk management.

The executive vice chancellor and chief financial officer is responsible for overseeing the final preparation of the requested agenda item.

Execution of documents for the transaction by the auxiliary organization shall not take place before

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX E Reference

Topic

the Trustees' review is completed. Once the project is presented to the Board of Trustees, the chancellor or either the executive vice chancellor and chief financial officer or the director of financing and risk management, under the direction of the chancellor, may execute any and all documents necessary to assist the auxiliary in complying with tax law or other requirements of the transaction.

B. Notwithstanding the delegation in Section I of this executive order, and with regard to Section 3.3 of the policy approved by the Board of Trustees (Exhibit A), after review by the campus president, information for Type IV transactions shall be submitted from the campus president (or designee) to the executive vice chancellor and chief financial officer. The executive vice chancellor and chief financial officer shall review the refinancing plans and information, including the evaluation of the plan of savings to be achieved.

Upon satisfactory findings regarding the overall refinancing plan and after the advice of appropriate legal counsel, the executive vice chancellor and chief financial officer or the director of financing and risk management may execute any and all documents necessary to assist the auxiliary in complying with tax law requirements, and other actions necessary to complete the refinancing transaction by the auxiliary organization.

Charles B. Reed
Chancellor

EXHIBIT A

Title 5 California Code of Regulations
Section 42500 (c)
As amended by the Board of Trustees
January 26, 1999

42500 (c) Auxiliary organizations may issue debt instruments to finance or refinance projects in connection with their mission upon prior approval of the campus president and pursuant to policies of the Board of Trustees as may be implemented by the chancellor. For purposes of this section, "debt instruments" means loans, notes, bonds, finance leases, installment purchase or sale agreements, and certificates of participation.

The CSU Policy on Financing Activities
Section 3. Auxiliary Organization Debt Issuance Programs
(Excerpt from Board of Trustees Resolution 11-98-18)

3.1 Title 5, California Code of Regulations, Section 42500(c) is being amended to restate and make it clear that auxiliary organizations may issue debt instruments to finance or refinance projects. For purposes of this section, "debt instruments" means, loans, notes, bonds, finance leases, installment purchase or sale agreements, and certificates of participation.

3.2 The chancellor shall provide the Trustees with information prior to auxiliary organizations issuing debt instruments except for certain transactions as further described in this section. Upon the Trustees being provided with information about the transaction, the chancellor, the executive vice chancellor, the senior vice chancellor for business and finance, and the director of financing and risk management, and each of them (collectively, "Authorized Representatives of the Trustees") may execute documents, attest to statements of fact and take all actions necessary on behalf of the Trustees to approve the financing and to assist the recognized auxiliary organization to complete and to qualify such financing transactions as tax-exempt, unless one or more of the Trustees ask that the transaction be held for further review.

3.3 For auxiliary organization transactions that are only for the purpose of refinancing existing debt on real property projects, a special processing rule may apply. If the chancellor determines that (1) the primary purpose for such a refinancing is to produce net debt service savings and (2) the structure of the refinancing will result in net debt service savings, then the chancellor, the

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX E
Reference

Topic

executive vice chancellor, the senior vice chancellor for business and finance, the director of financing and risk management, and each of them, without special notice to the Trustees, may execute documents, attest to statements of fact, and take all actions necessary on behalf of the Trustees to approve the refinancing and to assist any recognized auxiliary organization to complete and to qualify the refinancing transaction as tax-exempt. if the primary purpose of the refinancing transaction as determined by the chancellor, is for reasons other than to produce net debt service savings or the structure does not result in net debt service savings, then the transaction is subject to the procedures described in Section 3.2.

3.4 The chancellor shall require campus presidents to establish campus procedures applicable to campus auxiliary organizations for the issuance of debt instruments to finance or to refinance personal property with lease-purchase or other tax-exempt financing methods. The procedures issued by the chancellor need not contain a requirement for presentation of such financings to the Trustees. Campus presidents shall be authorized to take all actions to assist the auxiliary organization on behalf of the Trustees to complete and qualify such financing transactions as tax-exempt.

3.5 The delegations conferred by the subsections of this resolution are limited and do not authorize the chancellor or other Authorized Representatives of the Trustees to establish any indebtedness of the State of California, the Board of Trustees, any CSU campus, or any officers or employees of any of them. Lending or pledging the credit of any of these entities is not intended or authorized by this resolution.

Charles B. Reed
Chancellor

Executive Order No. 731
Transmittal Memorandum

Date: February 29, 2000

To: CSU Presidents

From: Charles B. Reed
Chancellor

Subject: Designation of Chief Financial Officer Executive Order No.731

Enclosed is a copy of Executive Order No. 731 "Designation of Chief Financial Officer," which requires each president to designate a chief financial officer with responsibility for business and financial affairs of the campus.

In accordance with the 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.

Attachment

Distribution: Vice Presidents for Administration and Finance
Chancellor's Office Staff

Executive Order No.731

Title: Designation of Chief Financial Officer

Effective Date: February 29, 2000

Supersedes: No prior executive order

Each president shall designate a chief financial officer with responsibility for business and financial affairs of the institution. The designated chief financial officer shall, at a minimum, be responsible for:

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX E
Reference

Topic

- 1) duties assigned by statute, regulation, or policy to the chief financial officer or the chief fiscal officer;
- 2) ensuring that financial transactions carried out by, or on behalf of, the university comply with state and federal laws, regulations, and policy.

In consideration of the wide range of activities carried out by auxiliary organizations, the president may determine that campus oversight of programs and appropriations of auxiliary organization should be assigned to an officer other than the chief financial officer see Education Code Sections 89756, 89900(b) and Title 5, California Code of Regulations, Section 42402).

The president shall notify the Executive Vice Chancellor and Chief Financial Officer of the designations made in response to this executive order within thirty days.

Charles B. Reed
Chancellor

Executive Order No. 747
Transmittal Memorandum

Date: June 1, 2000

To: CSU Presidents

From: Charles B. Reed
Chancellor

Subject: Real Property Development Projects -- Revision of Policy
Executive Order No. 747

At the May 9-10, 2000 meeting of the Board of Trustees, the Board rescinded the policy and procedures for public/private (public/public) real estate partnerships approved at the March 22-23, 1994 meeting, and directed the chancellor to issue policies and procedures for projects involving real property development consistent with the principles contained in agenda item six of the Committee on Finance (RFIN 05-08-00). This executive order fulfills that directive and contains the policies and procedures for projects involving real property development. Campus presidents are required to implement these policies and procedures for all such projects.

In accordance with the 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.

Enclosure

Distribution: Vice Presidents for Administration/Business Affairs
Vice Presidents for Student Affairs
Vice Presidents for University Development
Business Managers
Deans of Students
Chancellor's Office Staff

Executive Order No. 747

Title: Policy for Real Property Development Projects

Effective Date: June 1, 2000

Supersedes: No prior executive order

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX E
Reference

Topic

Purpose

This policy applies to projects involving long-term contractual relationships that use or develop campus real property to further the educational mission of the campus through the acquisition of physical assets, income, and/or educationally related opportunities for students and faculty.

Roles and Procedures

Campus presidents are responsible for the planning and execution of all matters related to real property development projects on their respective campuses. The Executive Vice Chancellor and Chief Financial Officer is responsible to assist campuses in planning projects and for staff review and analysis prior to action by the Board of Trustees. The Chancellor and the Executive Vice Chancellor and Chief Financial Officer shall make the decision if there are questions as to the applicability of the policy to a specific project.

Approval of Concept

Early in the process the campus will present a conceptual plan to the Board of Trustees for approval describing the campus aspirations for a real property development.

The process leading to ultimate approval of the project by the Board of Trustees requires early and continuing involvement of the chancellor's office. Therefore, the campus should contact the land development review committee established by the Executive Vice Chancellor and Chief Financial Officer that includes finance, campus planning and legal staff at the beginning of the conceptual phase. Upon notification of the project, the Executive Vice Chancellor and Chief Financial Officer will issue a set of specific procedures to be used by the campus in developing the project. The letter will indicate the steps and process to be followed leading to approval of the development plan. Campuses will be responsible for notifying the land development committee of project developments as they occur.

Approval of Development Plan

Before execution of any commitments for use of the property, the campus will seek final approval of the real property development project from the trustees. An action item will be presented to the Board of Trustees that will provide detailed information on the project including:

1. an update of the conceptual plan presented to the trustees that describes how the project will further the educational mission of the campus,
2. the results of due diligence studies including an assessment of risks associated with the project,
3. a summary of the important terms and conditions of all proposed substantive agreements, and
4. a multi-year financial plan.

The campus will seek approval of the trustees for the development plan after all terms and conditions have been negotiated by the campus, finalized in appropriate legal documents, and reviewed and analyzed by the chancellor's office. Further approvals by the Board will be sought as necessary to accommodate master plan changes, and schematic design review and approval.

Charles B. Reed
Chancellor

Executive Order 750
Transmittal Memorandum

Date: June 21, 2000
To: CSU Presidents
From: Charles B. Reed
Chancellor
Subject: Executive Order No. 750: Provision of Services

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX E
Reference

Topic

The attached Executive Order No. 750 delegates authority and assigns responsibility to the campus president to execute and implement contracts for the performance of services by the campus. This Executive Order rescinds out-of-date policy relating to auxiliary contracts and reinforces campus and auxiliary organizations' ability to contract with other state agencies and one another.

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.

Attachment

Distribution: Executive Vice Chancellor and Chief Academic Officer
 Executive Vice Chancellor and Chief Financial Officer
 Vice Chancellor, Human Resources
 General Counsel
 Vice President for Administration
 Chancellor's Office Divisional Heads

Executive Order 750

Title: Provision of Services

Effective Date: June 21, 2000

Supersedes: Executive Order No. 372 and
 Business Affairs Coded Memorandum No. 81-82

This Executive Order is issued pursuant to Sections 1, 2 and 4-e of Chapter III of the Standing Orders of the Board of Trustees of the California State University.

Authority is hereby delegated to each campus president or designee to provide services when applicable provisions of law and policy are followed.

Charles B. Reed
 Chancellor

Executive Order No. 761
 Transmittal Memorandum

Dated: June 21, 2000

October 31, 2000

TO: CSU Presidents

FROM: Charles B. Reed
 Chancellor

Executive Order No. 761 – Hospitality, Payment or Reimbursement of Expenses

The attached Executive Order No. 761 assigns responsibility to the campus to develop written policies and procedures, consistent with this executive order, regarding the payment of hospitality expenses.

In accordance with the 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.

Should you have any questions regarding this executive order, please contact Mr. Bradley Wells, Assistant Vice Chancellor, Financial Services, phone (562) 951-4540.

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX E
Reference

Topic

CBR:bww

Distribution: Chief Financial Officers
Chancellor's Office Staff

Executive Order No. 761

Title: Hospitality, Payment or Reimbursement of Expenses

Effective Date: October 31, 2000

Supersedes: No previous executive order

Policy

Hospitality expenses may be paid with university funds to the extent that the purchase and use of these services and items is consistent with the mission and fiduciary responsibilities of the university. This policy applies to activities that promote the university to the public and the provision of hospitality in connection with official university business and specifies the university funds that may be used for such purposes. Each campus is required to develop written policies and procedures, consistent with this policy, regarding the payment of hospitality expenses.

Authority

California Code of Regulations, Title 5, Division 5, California Code of Regulations; Section 41600, 41601; California Education Code Sections 66600, 89030, 89035, 89044; HR 96-11.

Definitions

Approving Authority - a person to whom authority has been delegated in writing to approve expenses in accordance with university policy.

Auxiliary Organization Funds – funds held by a recognized auxiliary organization.

Award - a gift of tangible personal property in recognition of service or achievement directly benefiting the university.

General Fund Appropriations - funds approved to the university by the state legislature for support expenditures of the university.

Gift - something of value given or bestowed upon an individual, group, or entity with the expectation of benefit accruing to the university.

Hospitality - the provision of meals (catered or restaurant) or light refreshments (beverages, hors d'oeuvres, pastries, cookies, etc.), promotional materials, gifts, and travel expenses of official guests of the university. Hospitality includes expenses for activities that promote the university to the public, usually with the expectation of benefits accruing directly or indirectly to the university and may include the provision of gifts, awards, and promotional materials.

Official Host - a university employee who hosts a meeting, conference, or event.

Official Guest - a person invited by an official host to attend a university meeting, conference, reception, or event. Examples of official guests include employees from another work location, members of the community, or media representatives. Employees of the university are not considered official guests.

Promotional Materials - a gift of tangible personal property that is distributed to promote the name or image of the university, to provide information, or enhance university productivity. Promotional items are of minor value and bear the logo or other icon or information identifying the university such as a pen, folder, calendar, or clothing.

Special Funds - funds authorized for support of activities that are supplemental to the primary mission of the university and are paid for by fees and revenues other than general tax revenues. Special funds include, among others, Reimbursed Programs, Continuing Education Revenue Funds, Lottery Education Funds, Auxiliary Enterprise Funds, Trust Funds, and Special Project

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX E
Reference

Topic

Funds, Lottery Education Funds, Auxiliary Enterprise Funds, Trust Funds, and Special Project Funds.

Work Location - the place where the major portion of an employee's working time is spent or the place to which the employee returns during working hours upon completion of special assignments.

Allowable Expenses and Occasions

Hospitality expenses must be directly related to, or associated with, the active conduct of official university business. When a university employee acts as an official host, the occasion must, in the best judgment of the approving authority, serve a clear university business purpose, with no personal benefit derived by the official host or other university employees. Allowable Expenses and Occasions In addition, the expenditure of funds for hospitality should be cost effective and in accordance with the best use of public funds.

Hospitality expenses, including awards and gifts, must conform to IRS regulations. When determining whether a hospitality expense is appropriate, the approving authority must evaluate the importance of the event in terms of the costs that will be incurred, the benefits to be derived from such an expense, the availability of funds, and any alternatives that would be equally effective in accomplishing the desired objectives. Following are examples of occasions when the provision of hospitality is permitted:

- When the university hosts official guests, including university employees visiting from another work location, donors, and prospective donors;
- When the university is the host or sponsor of a meeting of a learned society or organization;
- When the university is the host or sponsor of meetings of an administrative nature that are directly concerned with the welfare of the university and the provision of hospitality is a necessary and integral part of the business meeting and not solely a matter of personal convenience;
- When the university hosts receptions held in connection with conferences, meetings of a learned society or organization, fundraising events, meetings of student organizations and groups, student events such as commencement exercises, and meeting of other university related groups such as alumni organizations;
- When the university hosts receptions for the benefit of employee morale, employee recognition or length of service awards or retirement presentations.

Payment of or reimbursement for hospitality expenses are not permitted when these expenses are related to employee birthdays, weddings, anniversaries, and farewell gatherings that are not related to the active conduct of official university business.

Funding Sources

Hospitality expenses may be paid from various university fund sources, subject to the rules outlined below and the restrictions identified in Table 1. There are three types of funds available for the payment of hospitality expenses, General Fund Appropriations, Special Funds, and Auxiliary Organization Funds.

General Fund Appropriations

The following restrictions, in addition to those identified in Table 1, apply to the use of General Fund Appropriations:

- General Fund Appropriations may not be used to pay for alcoholic beverage or tobacco products, gifts, or awards.
- General Fund Appropriations may not be used to pay for food and beverages for business meetings attended only by employees of the same work location.
- Any expenditures prohibited by statute including the California Budget Act.

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX E
Reference

Topic

Special Funds

The following restrictions, in addition to those identified in Table 1, apply to the use of these Special Funds:

- Special Funds may be used to pay for alcoholic beverages, tobacco products, gifts, and awards to the extent these purchases are not restricted by other applicable laws, regulations, or agreements.
- Special Funds may be used to pay for food and beverages for business meetings attended only by employees of the same work location.
- Trust Funds and Special Project Funds may be used to pay hospitality expenses only to the extent permitted by the statute under which the funds are established and maintained and any trust agreement or special project agreement.
- Federal or local government contract and grant funds may be used to pay hospitality costs only if such expenses are specifically authorized in the contract or grant, or by agency policy, and only to the extent and for the purposes authorized. In the event of a conflict between agency and university policy, the stricter of the two policies shall apply.
- No alcoholic beverage or tobacco products may be charged to Federal funds.

Auxiliary Organization Funds

Auxiliary Organization Funds may be used to fund hospitality but only within the restrictions established by the auxiliary organization.

Expenses for alcoholic beverages, tobacco products, gifts, and awards may be charged to Auxiliary Organization Funds subject to the policies and restrictions established by this policy and the auxiliary organization.

**Table 1.
Funding Sources For Payment of Hospitality Expenses**

Hospitality Expenses	General Fund Appropriations	Special Funds
Food and Beverages (other than Alcoholic Beverages) for Meetings Attended by Only by Employees of the Same Work Location	No	Yes
Food and Beverages (other than Alcoholic Beverages) for Meetings Attended By Official Guests	Yes	Yes
Alcoholic Beverages and Tobacco Products	No	Yes
Gifts	No	Yes
Awards	No	Yes
Promotional Items	Yes	Yes
Travel	Yes	Yes

Approval Of Transactions

Each campus must develop appropriate approval processes including requirements that individuals with delegated approval authority may not approve their own expenses and individuals may not approve expenses of their supervisor.

Charles B. Reed
Chancellor

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX E
Reference

Topic

Executive Order No. 813
Transmittal Memorandum

Date: March 22, 2002
To: CSU Presidents
From: Charles B. Reed
Chancellor
Subject: Reporting of Fiscal Improprieties — Executive Order No. 813

Attached is a copy of Executive Order No. 813 communicating the policy of the California State University (CSU) with respect to the reporting of fiscal improprieties. This policy reflects that of the State Administrative Manual as it relates to campus activities using state funds. It also clarifies the reporting of improprieties occurring within auxiliary organizations.

In accordance with policy of the CSU, the campus president has the responsibility for implementing executive orders where applicable and for maintaining the campus repository and index for all executive orders.

CBR/ac

Attachment

cc: Vice Presidents for Academic Affairs
Vice Presidents for Administration
Vice Presidents for Advancement
Vice Presidents for Student Affairs
Auxiliary Organization Directors
Executive Staff, Office of the Chancellor

Executive Order No. 813

Title: Reporting of Fiscal Improprieties
Effective Date: March 22, 2002
Supersedes: No Previous Executive Order

As a matter of policy, the California State University follows the reporting requirements of State Administrative Manual (SAM) Section 20080 as it relates to campus activities involving state funds.

Section 20080 requires notification of the state Department of Finance, Office of State Audits and Evaluation – OSAE (916-322-2985), and the Bureau of State Audits - BSA (800-952-5665), of all cases of actual or suspected fraud, defalcation or other irregularities involving state funds. The information may arise internally or by outside referral and may involve either state employees or others. Further, the OSAE and the BSA should be notified of actual or suspected thefts involving state employees.

“Notification will be made to the OSAE and the BSA in writing not later than the first business day following the actual or suspected theft or irregularity. The notification will include, at a minimum, the sequence of events, the internal controls that failed, the means of discovery, the corrective actions taken, the actual or estimated dollar amount, and any punitive actions taken or being considered. In those instances where complete information is not available by the first business day following discovery, a preliminary notification will be made. A complete notification will be made within thirty days. If not completed within thirty days, a progress report will be submitted every thirty days thereafter until completion.” (SAM Section 20080)

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX E
Reference

Topic

In addition to these reporting requirements, campuses are also required to notify the Chancellor within 24 hours of all cases of actual or suspected theft, defalcation, or fraud. Notifying the Chancellor applies to both state and non-state (including auxiliary organization) funds, and includes the same information required by Section 20080 (i.e., the sequence of events, the internal controls that failed, the means of discovery, the corrective actions taken, the actual or estimated dollar amount, and any punitive actions taken or being considered). Notification shall also be made to the Executive Vice Chancellor/Chief Financial Officer, the University Auditor, and the Chair of the Trustees' Committee on Audit.

For questions concerning the reporting of fiscal improprieties, please contact the Office of the University Auditor at (562) 951-4430.

Charles B. Reed
Chancellor

Executive Order No. 829
Transmittal Memorandum

Date: July 11, 2002

To: CSU Presidents

From: Charles B. Reed
Chancellor

Subject: Executive Order No. 829- California State University Insurance Requirements

The attached Executive Order No. 829 assigns responsibility to the campus president to implement insurance requirements for agreements, contracts, and purchases consistent with the California State University Insurance Requirements. This Executive Order supersedes and replaces Executive Order No. 743 to incorporate revisions to the hazardous substances and waste removal services provision.

In accordance with the 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.

Should you have any questions, please contact Mr. Dennis Hordyk, Assistant Vice Chancellor, Financial Services.

CBR:ke

Distribution: Executive Vice Chancellor and Chief Academic Officer

Executive Vice Chancellor and Chief Financial Officer

Vice Chancellors

Vice Presidents for Administration

Executive Order No. 829

Title: California State University Insurance Requirements

Effective Date: July 11, 2002

Supersedes: Executive Order No. 743

This Executive Order is issued pursuant to authority of Sections 1 and 2 of Chapter III of the Standing Orders of the Board of Trustees of the California State University. This statement of policy

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX E
Reference

Topic

and insurance requirements is adopted for the California State University. In the absence of risk identification and evaluation, the minimum insurance limits and hold harmless provisions as specified in this Executive Order are required.

Following risk identification and evaluation in special situations, the campus may permit exceptions to the requirements in this Executive Order.

Risk Identification and Evaluation

Questions that should be considered in determining what risks and subsequent losses could arise from the activities contemplated under the contract should include, among others, the following:

1. What activities will take place?
2. Who could be harmed?
3. What property could be damaged and how severely?
4. What is the maximum likely loss for each activity?
5. Is there a possible pollution exposure?
6. Are crowds or bystanders/passersby likely to be involved?
7. Will inherently dangerous activities be involved?
8. How likely is it that the University will be a defendant in the event of a loss?

After consideration of these factors, the campus may amend the standard practices described herein to use either higher or lower limits.

Hold Harmless Provisions

Many alternative hold harmless provisions are possible, with each alternative having a different purpose and potential risk transfer variant. In addition to minimum standards for insurance requirements, this policy establishes the approved hold harmless provisions based on the risk assessment of the contract category. Modification to hold harmless language in contract negotiation is a crucial part of the risk transfer process and should only be undertaken with appropriate review and counsel.

A complete set of approved model terms and conditions for non-public works agreements is available at www.calstate.edu/tier3/cs+p/ (Contract Resource Library) containing approved hold harmless provisions. General Provisions for public works contracts including hold harmless provisions for construction can be found at www.calstate.edu/tier3/ppd/cm and for architect and engineering professional services at www.calstate.edu/tier3/PPD/AE/ae_contracts.html.

In some instances, a no "hold harmless" clause approach may be appropriate for low liability activity and for activities critical to CSU.

Additional Insured Endorsements

Under the terms and conditions of a contract or agreement for services, the contractor, consultant, or vendor, must be required to show evidence of adequate insurance coverage by furnishing to the California State University a certificate or certificates of insurance that include additional insured endorsements.

All certificates of insurance issued to the University require the following:

- Provide for thirty (30) days advance written notice to the University of any modification, change, or cancellation of any of the insurance coverage.
- Provide for Acceptability of Insurers rating, AM Best – AVII or equivalent.
- Name the State of California, the Trustees of the California State University, the campus and the officers, employees, volunteers and agent of each of them as additional insureds, except for professional liability and workers' compensation insurance.

In the event a contracting entity is self-insured, the following statement signed by an authorized

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX E
Reference

Topic

corporate officer of the contracting entity will be acceptable if the company has the necessary financial resources to guarantee payment when the law imposes such liability and subject to approval by the campus risk manager or other authorized campus representative:

“As an alternative to providing the general liability insurance required by this subsection [subsection #], the Contractor may cause to be provided other kinds of insurance or methods or plans of protection such as, but not limited to, self insurance pools, primary or excess risk retention groups if and to the extent such other kinds of insurance or methods or plans of protection shall afford reasonable protection to the Board of Trustees and their officers, agents and employees.”

Public Works Construction Contracts

The insurance requirements for public works construction contracts shall be as specified in the general conditions for capital outlay projects and are summarized as follows:

- General Liability: comprehensive or commercial form minimum limits each Occurrence \$1,000,000, General Aggregate \$2,000,000.
- Employer Liability: \$1,000,000.
- Business Automobile Liability: minimum limits for Owned, Scheduled, Non-Owned, or Hired Automobiles with a combined single limit of not less than \$1,000,000 per occurrence.
- Workers' Compensation: as required under California law.
- Course of construction insurance: as specified in the Contract General Conditions maintained by Capital Planning, Design and Construction.
- Hold Harmless Provision: as specified in the Contract General Conditions maintained by Capital Planning, Design and Construction.

Exceptions: deviations from the amounts listed above shall be identified in a supplementary general conditions document prepared by the campus and included in the bid document.

Service Agreements

- General Liability: comprehensive or commercial form minimum limits each Occurrence \$1,000,000, General Aggregate \$2,000,000.
- Employer Liability: \$1,000,000.
- Business Automobile Liability: minimum limits for Owned, Scheduled, Non-Owned, or Hired Automobiles with a combined single limit of not less than \$1,000,000 per occurrence.
- Workers' Compensation: as required under California State Law.
- Errors and Omission insurance is required for professional service consultants and professional service design architects/engineers.
- Hold Harmless Provision: reference CSU General Provisions for Service Agreements as maintained in the Contract Resource Library.

Exceptions: The limits shown above will generally be required for service providers involved in low risk activities. Higher limits will be required for service providers performing potentially high-risk activities. Campus risk managers should be consulted for the minimum requirements.

Hazardous Substances and Waste Removal Services

These services include all labor, packaging, materials, tools, vehicles, placards, labels/markings, equipment, including personal protective equipment and safety equipment, expertise, and other means necessary and required to provide services for the pickup, transportation, and disposal of hazardous wastes.

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX E
Reference

Topic

- *General Liability: comprehensive or commercial form minimum limits coverage in the minimum amount of \$5,000,000 combined single limit bodily injury and property damage each occurrence and \$10,000,000 aggregate, including premises/operations, personal injury, broad form property damage, products/completed operations, contractual liability, independent contractors and \$500,000 fire legal liability. A Waiver of Subrogation is required.*
- *Environmental Impairment (pollution) Liability: coverage in the minimum amount of \$5,000,000 combined single limit bodily injury and property damage each occurrence and \$10,000,000 aggregate, including clean-up costs.*
- *Commercial Automobile Liability: coverage is required in the minimum amount of \$1,000,000 combined single limit bodily injury and property damage, including owned, non-owned and hired automobiles; should also include Uninsured/Underinsured Motorists coverage in the minimum amount of \$1,000,000.*
- *Pollution and/or Asbestos Pollution Liability and or Errors and Omissions.*
- *Workers' Compensation: as required under California law.*
- *Hold Harmless Provision: reference CSU General Provisions for Service Agreements as maintained in the Contract Resource Library.*

In addition to previous coverage noted under Contractor's auto liability, hazardous material transporter services must also have an MCS-90 endorsement and Sudden & Accidental Pollution Insurance endorsement. The Sudden & Accidental Pollution Insurance must have minimum limits of \$2,000,000 per occurrence, \$2,000,000 total. A higher limit on the MCS-90 endorsement required by law must be matched by the Sudden & Accidental Pollution Insurance.

Exceptions: Any deviations from the standards as described above, a risk identification and evaluation process (see page 1 of this executive order) must be completed and documented in the contract package.

Campus Facilities and Property Lease

- *General Liability: comprehensive or commercial form minimum limits each occurrence \$1,000,000, General Aggregate \$2,000,000.*
- *Employer Liability: \$1,000,000.*
- *Business Automobile Liability: minimum limits for Owned, Scheduled, Non-Owned, or Hired Automobiles with a combined single limit of not less than \$1,000,000 per occurrence.*
- *Workers' Compensation: as required under California law.*
- *Hold Harmless Provision: Lessee shall hold harmless, indemnify, and defend the State of California, the Trustees of the California State University, the [campus] and the officers, employees, volunteers and agents of each of them from and against any and all liability, loss, damage, expense, costs of every nature, and causes of actions arising out of or in connection with the use by the Lessee of said property.*

Long-term leases of real property require case-by-case analysis to determine insurance requirements and will vary depending on the nature of the agreement. Insurance requirements should be commensurate with the activities associated with the lease that may cause damage to person or property.

Auxiliary Operation Agreement

- *General Liability: comprehensive or commercial form minimum limits each occurrence \$1,000,000, General Aggregate \$2,000,000.*

Compilation of Policies and Procedures for California State University Auxiliary Organizations

APPENDIX E
Reference

Topic

- Employer Liability: \$1,000,000.
- Business Automobile Liability: minimum limits for Owned, Scheduled, Non-Owned, or Hired Automobiles with a combined single limit of not less than \$1,000,000 per occurrence.
- Workers' Compensation: as required under California law.
- Hold Harmless Provision: Lessee shall hold harmless, indemnify, and defend the State of California, the Trustees of the California State University, the [campus] and the officers, employees, volunteers and agents of each of them from and against any and all liability, loss, damage, expense, costs of every nature, and causes of actions arising out of or in connection with the use by the Lessee of said property.

Long-term leases of real property require case-by-case analysis to determine insurance requirements and will vary depending on the nature of the agreement. Insurance requirements should be commensurate with the activities associated with the lease that may cause damage to person or property.

Placement Agreements

These agreements typically provide for students to be placed with other agencies or institutions for course-required work experience. Student placement agreements must be in writing and shall specify minimum insurance requirements applicable to the contracting parties and appropriate hold harmless provisions based upon the need of the contracting parties. The following hold harmless provision may be used as a minimum:

- Hold Harmless Provision: [*insert public entity*] shall be responsible for damages caused by the negligence of its officers, employees and agents. Trustees shall be responsible for the damages caused by the negligence of its officers, employees and agents. The intent of this paragraph is to impose responsibility on each party for the negligence of its officers, employees and agents.

Charles B. Reed
Chancellor