

Associated Students, CSUF, Inc.

Board of Directors



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History –Associated Students, CSUF

- ① 1959 CSUF students voted to organize into a governmental structure. Vote was 215 for, six against. Enrollment in Orange County State College (later CSU Fullerton) is 300!
- ② The governing board is known as the Student Senate. Membership was elected by class level. At large representatives were selected by Clubs Council, IFC, and the Panhellenic Council.
- ③ 1970 the current representation was implemented.

History

- ◉ 1975 The Senate opted to form a corporation. A referendum was held and the students voted overwhelmingly to establish a corporation. The filing of the Articles of Incorporation occurred on September 10, 1975.
- ◉ 1976 Construction of the University Center, later renamed the Titan Student Union.
- ◉ 1974 ASI begins operation of CSUF Children's Center.
- ◉ 1992 Expansion of the Titan Student Union. Pavilion and student organizations wings added.
- ◉ 2008 Student Recreation Center completed.
- ◉ 2009 Construction of the Children's Center begins.

ASI Today

- 300 student employees
- 54 full-time staff
- \$16 million combined operating budget
- \$ 38 million in funds
- Student Government
- ASI Productions
- ASI Programs
- Funding
- Children's Center
- Titan Student Union
- Student Recreation Center

ASI Ground Lease

- Titan Student Union
- Student Recreation Center
- Becker Amphitheater
- Auto Teller Machines
- Children's Center (opening Fall 2010)
- Dumbo Downs

Status of Funds
June 30, 2009

	Return	Amount	Total
Cash and Equivalents			
Associated Students			
Bank of America Checking	0.40%	\$ 79,025	
Local Agency Investment Fund	1.91%	<u>\$ 4,278,211</u>	
Total Associated Students			\$ 4,357,236
Titan Student Union			
Bank of America Checking	0.40%	\$ 7,253	
Local Agency Investment Fund	1.91%	\$ 4,575,754	
CSU Fullerton		<u>\$ 22,046,578</u>	
Total Titan Student Union			\$ 26,629,585
Total Cash and Equivalents			
Restricted Funds			
Funds Held for Others			
Bank of America Checking	0.40%	\$ 234,692	
US Bancorp	2.33%	\$ 95,000	
Chase	0.40%	\$ 4,186	
Citizens Business Bank CD	1.55%	<u>\$ 42,248</u>	
Total Restricted Funds			\$ 376,126
Trust Funds			
Children Center Building Fund	1.91%	\$ 4,294,711	
Medical Insurance Trust Fund		\$ 2,458,352	
Total Trust Funds			\$ 6,753,063
Total Funds			\$ 38,116,010

What is ASI?

- ASI is the student association at CSU Fullerton
- ASI is an auxiliary organization of CSUF
- ASI is a 501 (C) 3 Corporation

What is ASI?

- ASI provides student government and board oversight of the corporation.
- All students who regularly matriculate are members of ASI.
- These students pay fees that support the operation of ASI.
 - ASB Fee of \$74 per semester
 - Campus Union Fee of \$134 per semester
- The ASI does not utilize general fund (tax) revenue. It is self-supporting.

Core Functions of ASI

- Student Government
- Service Provision
- Shared Governance
- Advocacy

Student Government

- Provides for student self-governance of the student community's affairs by a representative, decision making body – the ASI Board of Directors.
 - Develops and promotes student community.
 - Regulates and provides for student life.
 - Allocates student fees to nine funding councils and six funded councils.
 - Adjudicates disputes within the student body.

ASI Board of Directors

Membership

Voting

- Two student representatives elected from each college
- CSUF President's Designee
- Academic Senate Designee

Ex-officio non-voting

- AS Executive Staff
- AS Executive Director

ASI Governing Boards

- ◎ ASI Board of Directors

- The governing board of the entire corporation.

- ◎ TSU Governing Board

- The governing board of the Titan Student Union and Student Recreation Center

Student Government

⦿ Executive Staff

- AS President
- AS Executive Vice-President
- Vice President of Finance
- Chief Administrative Officer
- Chief Governmental Officer
- Chief Communications Officer

Service Provision

- Provides for services that meet student needs
 - University Student Unions
 - Student employment
 - Child care for children of students
 - Recreational Facilities
 - Entertainment opportunities
 - Cultural awareness
 - Arts appreciation

Service Provision

◎ Student Employment

• Associated Students	18
• Children's Center	54
• Recreation Sports	105
• Student Leadership	44
• Titan Student Union	<u>79</u>

Total **300**

Service Provision

- ◎ Children's Center
 - 276 enrolled children
 - 138,619 hours of attendance
 - 43 student interns
 - 983 volunteer hours

- ◎ Student Health Insurance
 - 544 enrolled students

Service Provision

⦿ Recreation

- SRC 17,000 students
- Intramurals 2,900 user count
- Learn to swim 1,069 participants

⦿ Entertainment

- ASI Productions 16,000 audience count

Shared Governance

- ◉ Student representation within the university decision making process by serving on 24 university committees such as:
 - Academic Standards Committee
 - Curriculum Committee
 - Student Fee Advisory
 - General Education Committee
 - Planning Resource and Budget Committee
 - University Advancement
 - Instructionally Related Actives

Advocacy

- ◎ Students are enabled to access the full range of democratic channels to promote student interests.
 - Mobilize student support
 - Capture media attention
 - Legislative Lobbying
 - CSSA
 - Lobby *Corps*

ASI is a Corporation

- ⦿ Incorporation allows the organization to be considered a person under the law with all rights and privileges of citizens.
- ⦿ The corporation is a separate entity from its owners.
- ⦿ Incorporation provides a limited shield for the actions of directors, executives, managers, staff, and volunteers.

Incorporation

- ⦿ Corporations are governed by the Internal Revenue Service Code.
 - Most for-profit corporations issue stock and are taxed.
 - Non-profit corporations are incorporated per Section 501 (C) of the IRS code. There are 28 types of 501 (C) nonprofit corporations.

Incorporation

- ⦿ For-profit corporations
 - Are owned by their stockholders.
 - Are focused on making a profit for its owners.
- ⦿ 501 (C) corporations
 - Do not issue stock
 - Do not have individual “owners”
 - Do not inure to the benefit of private individuals
 - Must transfer their assets to another nonprofit corporation upon dissolution

Incorporation

- ⦿ The ASI is a 501 (C) 3 corporation.
 - 501 (C) 3 corporations are educational institutions, churches, hospitals, fraternal organizations, beneficial organizations, etc.
- ⦿ In addition, the ASI has a trust fund for the provision of medical insurance for its retirees. This trust is a voluntary employee beneficiary association and is incorporated under provisions of IRS Code 501 (C) 9 corporation.

501 (C) 3 Nonprofit Corporations

- Are corporations incorporated under state laws and approved by both the state's Secretary of State and its taxing authority as operating for education, social, religious, civic, or humanitarian purposes.
- All nonprofits have the same general mission, which is the betterment of the human condition by producing changes in individuals.

Responsibilities of Boards

- ⦿ Nonprofit corporations have corporate boards that are responsible for insuring the successful operation of the organization.
- ⦿ “The purpose of the board job is, on behalf of some ownership, to see to it that the organization achieves what it should and avoids what is unacceptable.”
 - Boards that Make a Difference, Carver, John.

The Board is:

- ⦿ Responsible on behalf of the “ownership” for seeing that the organization is managed well.
- ⦿ Directors are not involved in the day to day activities of the organization. Accountable employees are the managers with responsibility for operational results.

The “Ownership”

- Nonprofits do not have individual ownership. They do not inure to the financial benefit of individuals.
- Upon their dissolution, their assets must transfer to other nonprofits.
- The “ownership” of the ASI is the student body of CSUF.
- The Board acts on behalf of the student body.

Seeing to It

- ◎ The board must:
 - Establish goals for the ASI.
 - Provide criteria of what constitutes success in the pursuit of these goals.
 - Must hold staff accountable for successfully attaining these goals.
 - Regularly monitor the performance of the corporation.

Achieving What it Should

- ① “The only achievement that justifies organizational existence is that which causes sufficient benefits for the right recipients to be worth the cost”.
- ② The Board must have a clearly defined purpose of the ASI and insure that programs undertaken must be consistent with that purpose.
- ③ Boards should focus on results and delegate operational means to staff and hold staff accountable.

Directors are responsible for major decisions (Board Source)

- Determine the organization's mission and purpose.
- The board should assess program activities against the mission to ensure the organization is not drifting away from its purpose.
- Adopt strategic and annual plans.
- Develop new program initiatives.
- Hire and evaluate the executive director.
- Select and evaluate auditors.
- Add/remove board members.
- Authorize significant financial transactions.

Basic Responsibilities

⦿ Determine the Organization's Mission and Purpose

- Have a widely distributed statement of mission that articulates
 - What the organization does
 - Why it does it
 - Whom it serves

Basic Responsibilities...

- ⦿ Provide Proper Financial Oversight
 - Develop and approve the budget
 - Monitor the organization's finances
 - Have an audit committee
 - Engage an independent external auditor to perform an annual audit

Basic Responsibilities...

- ◎ Ensure Legal and Ethical Integrity and Maintain Accountability
 - Ensure that the organization acts consistently with its own articles of incorporation, bylaws, policies, budgets.
 - File accurate and timely reports required by law.
 - Develop and maintain adequate personnel policies and procedures
 - Provide for independent audits of revenues, assets, etc.
 - Protect all staff from harm or injury by providing a safe facilities

Basic Responsibilities...

- ◎ Ensure Effective Organizational Planning
- ◎ Analyze
 - Statement of mission and purpose
 - Current programs and services
 - Staffing, current and projected
 - Financial projections
 - Public relations strategies

Basic Responsibilities...

- ◎ Orient New Board Members
 - Orientation to the Board
 - Core responsibilities
 - Bylaw provisions
 - Expectations of all board members
 - Orientation to the Organization
 - Its mission
 - Programs and services

Primary Legal Duties

- ◎ Board members responsibilities fall under three legal concepts:
 - Care
 - Loyalty
 - Obedience

Duty of Care

- ◎ Care requires that:
 - Directors be familiar with the organization's finances and activities.
 - Directors participate regularly in its governance.
 - Directors act in “good faith.”

Duty of Care

- ⦿ Good faith requires directors to use the degree of “diligence, care, and skill” which reasonable people would use in a similar position and under similar circumstances.
- ⦿ A reasonable person is an individual who uses good judgment or common sense in handling practical matters.

The Duty of Care: Reasonable Person

- Such a person acts sensibly, does things without serious delay, and takes proper but not excessive precautions. The actions of a prudent person in a similar situation are the guide in determining whether an individual's actions were reasonable.

- Washington Administrative Code

Duty of Care

- ◎ Board members should attend all board and committee meetings and participate in discussions and decision making.
- ◎ Prior to board meetings, directors should read the minutes and other materials presented. Directors should not hesitate to suggest corrections or clarifications to the minutes or other formal documents.
- ◎ Board members should make sure that financial statements are prepared and available to the Finance and Audit Committee.

Duty of Care

⦿ Directors should insure that:

- The organization has addressed the sufficiency of its internal controls.
- The organization has a policy regarding disclosures and identification of fraud.
- The organization has a policy of records retention and whistle blower notification in place.

Duty of Loyalty

- ⦿ Directors must not have loyalty to another organization that would place their interests in that organization in conflict with those of the ASI.
- ⦿ Any conflict, real or possible, must be disclosed in advance of joining a board.

Duty of Loyalty

- Members should avoid transactions in which they or their family members benefit personally. Any members so conflicted must recuse themselves from any discussions and vote should the situation arise.
- Directors should insure that a code of ethics is in place and updated annually.

Duty of Obedience

- Directors should insure that the organization complies with applicable laws and regulations and its internal governance documents and policies.
- Directors must insure that the organization's resources are dedicated to its mission and not in unauthorized activities.

Duty of Obedience

- ◎ ASI complies with:
 - IRS Regulations
 - Federal , state, and municipal laws
 - Title V, California Code of Regulations
 - California Education Code
 - Office of the Chancellor, CSU
 - CSU Fullerton

- ◎ Governing Documents:
 - Articles of Incorporation
 - Bylaws
 - Policy Statements
 - Operating Procedures

Duty of Obedience

- ⦿ Directors must insure that the organization complies with all laws and regulations:
 - Registers as a nonprofit organization.
 - Files required financial reports.
 - Pays all taxes such as payroll, sales, etc.

Summary

- ◎ Directors are responsible for the corporation.
- ◎ Directors insure that the corporation is managed well, but do not manage directly.
- ◎ Directors hold staff accountable for results.
- ◎ Three legal duties
 - Care
 - Loyalty
 - Obedience

Summary

- ◎ Directors are responsible:
 - To insure that the organization achieves what it should.
 - That the organization's resources are dedicated to its mission and not in unauthorized activities.
 - That sufficient benefits, worth their cost, are provided for the appropriate constituents.

Thank you for your service!

The End

