Associated Students, CSUF, Inc.

Board of Directors
Contents

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  - Historical Background
  - What is the ASI?
  - Structure
- Core functions of student government
- ASI a nonprofit corporation
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History – Associated Students, CSUF

- **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!

- 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.

- **1970**: the current representation was implemented.
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**

<table>
<thead>
<tr>
<th>Description</th>
<th>Return</th>
<th>Amount</th>
<th>Total</th>
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<tr>
<td><strong>Cash and Equivalents</strong></td>
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<tr>
<td>Associated Students</td>
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<tr>
<td>Bank of America Checking</td>
<td>0.40%</td>
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<tr>
<td>Local Agency Investment Fund</td>
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<td>$4,357,236</td>
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<td><strong>Total Associated Students</strong></td>
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<td>$4,357,236</td>
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<td>Titan Student Union</td>
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<td>Bank of America Checking</td>
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<td>Local Agency Investment Fund</td>
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<td>CSU Fullerton</td>
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<td><strong>Total Titan Student Union</strong></td>
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<td>$26,629,585</td>
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<tr>
<td><strong>Total Cash and Equivalents</strong></td>
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<td><strong>Restricted Funds</strong></td>
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<td>Funds Held for Others</td>
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<td>Citizens Business Bank CD</td>
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<td><strong>Total Restricted Funds</strong></td>
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<td><strong>Trust Funds</strong></td>
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<td>Children Center Building Fund</td>
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<td>Medical Insurance Trust Fund</td>
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<td><strong>Total Trust Funds</strong></td>
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<td>$6,753,063</td>
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<td><strong>Total Funds</strong></td>
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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 79

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

“The only achievement that justifies organizational existence is that which causes sufficient benefits for the right recipients to be worth the cost”.

The Board must have a clearly defined purpose of the ASI and insure that programs undertaken must be consistent with that purpose.

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 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