

**OPERATING AGREEMENT
BETWEEN CALIFORNIA STATE UNIVERSITY
AND THE AGRICULTURAL FOUNDATION OF CALIFORNIA STATE
UNIVERSITY, FRESNO
(July 1, 2022 – June 30, 2027)**

This agreement is made and entered into by and between the Trustees of the California State University by their duly qualified Chancellor (CSU) and the Agricultural Foundation of California State University, Fresno (Auxiliary) serving California State University, Fresno (Campus). The term of this agreement shall be from July 1, 2022, through June 30, 2027, unless sooner terminated as herein provided, or unless extended with the written approval of the CSU.

1. PURPOSE

The purpose of this agreement is to set forth the terms and conditions under which Auxiliary may operate as an auxiliary organization pursuant to California Education Code §89900 et seq. and California Code of Regulations (CCR) Title 5, § 42400 et seq. In entering this agreement, CSU finds that certain functions important to its mission are more effectively accomplished by the use of an auxiliary organization rather than by the Campus under the usual state procedures.

2. PRIMARY FUNCTION(S) OF THE AUXILIARY

In consideration of receiving recognition as an official CSU auxiliary organization, Auxiliary agrees, for the period covered by this agreement, that the primary functions which the Auxiliary is to manage, operate or administer are:

- Student Body Organization
- Student Union
- Housing
- Philanthropic
- Externally Funded Projects
- Real Property Acquisition / Real Property Development
- Commercial
- Instructionally-related programs and activities, including agriculture, and other instructionally-related programs and activities.

In carrying out the above, the Auxiliary engages in the following functions authorized by, CCR Title 5, §42500, which are activities essential and integral to the educational mission of the University:

1. Externally funded projects including research, workshops, conferences, and institutes¹;
2. Instructionally related programs and activities, including agriculture, and other instructionally related programs and activities;
3. Gifts, bequests, devises, endowments, trusts and similar funds;
4. Public relations, fundraising, fund management, and similar development programs; and
5. Acquisition, development, sale, and transfer of real and personal property including financing transactions related to these activities.

Auxiliary agrees to receive and apply exclusively the funds and properties coming into its possession toward furthering these purposes for the benefit of CSU and the Campus. Auxiliary further agrees that it shall not perform any of the functions listed in CCR Title 5, §42500 unless the function has been specifically assigned in this operating agreement with the Campus. Prior to initiating any additional functions, Auxiliary understands and agrees that CSU and Auxiliary must amend this agreement in accordance with Section 21, *Amendment*.

3. CAMPUS OVERSIGHT AND OPERATIONAL REVIEW

The responsibility and authority of the Campus president regarding auxiliary organizations is set forth in CCR Title 5, §42402, which requires that auxiliary organizations operate in conformity with CSU and Campus policies. The Campus President has been delegated authority by the CSU Board of Trustees (Standing Orders §VI) to carry out all necessary functions for the operation of the Campus. The operations and activities of Auxiliary under this agreement shall be integrated with Campus operations and policies and shall be overseen by the campus Chief Financial Officer (CFO) or designee so as to assure compliance with objectives stated in CCR Title 5, §42401.

The Campus shall review Auxiliary to ensure that the written operating agreement is current and that the activities of Auxiliary are in compliance with this agreement at least every five (5) years from the date the operating agreement is executed and at least every five years thereafter. Confirmation that this review has been conducted will consist of either an updated operating agreement, or a letter from the Campus CFO or designee to the Campus President with a copy to the Chancellor's Office, certifying that the review has been conducted. As part of these periodic reviews, the Campus President should examine the need for each auxiliary and look at the efficiency of the auxiliary operation and administration.

Auxiliary agrees to assist the Campus CFO or designee in carrying out the compliance and operational reviews required by applicable CSU Executive Orders and related policies.

4. OPERATIONAL COMPLIANCE

¹ If "Externally Funded Projects" is listed, your operating agreement must also include italicized language in Section 16 and Attachment 4 for Campus Designation of Authority to Auxiliary re: Administration of Grants and Contracts.

Auxiliary agrees to maintain and operate its organization in accordance with all applicable laws, regulations and CSU and Campus rules, regulations, and policies. Failure of Auxiliary to comply with any term of this agreement may result in the removal, suspension, or probation of Auxiliary as an auxiliary organization in good standing. Such action by CSU may result in the limitation or removal of Auxiliary's right to utilize the CSU or campus name, resources and facilities (CCR Title 5, §42406).

5. CONFLICT OF INTEREST

No officer or employee of the CSU shall be appointed or employed by Auxiliary if such appointment or employment would be incompatible, inconsistent or in conflict with his or her duties as a CSU officer or employee.

Auxiliary has established and will maintain a conflict of interest policy. The Auxiliary's Conflict of Interest Policy is attached as **Attachment 1**.

6. EXPENDITURES AUGMENTING CSU APPROPRIATIONS

With respect to expenditures for public relations or other purposes which would serve to augment appropriations for CSU operations, Auxiliary may expend funds in such amount and for such purposes as are approved by Auxiliary's governing body. Auxiliary shall file, as **Attachment 2** to this agreement, a statement of Auxiliary's policy on accumulation and use of public relations funds. The statement shall include the policy and procedures for solicitation of funds, the purposes for which the funds may be used, the allowable expenditures and procedures of control.

7. FISCAL AUDITS

Auxiliary agrees to comply with CSU policy and the provisions of CCR Title 5, §42408, regarding fiscal audits. All fiscal audits shall be conducted by auditors meeting the guidelines established the Integrated CSU Administrative Manual (ICSUAM).

The Campus CFO shall annually review and submit a written evaluation to the Chancellor's Office in accordance with Section 20, Notices, of the external audit firm selected by the Auxiliary. This review by the Campus CFO must be conducted prior to the Auxiliary engaging an external audit firm and annually thereafter. If the Auxiliary has not changed audit firms, and the audit firm was previously reviewed and received a satisfactory evaluation, a more limited review may be conducted and submitted.

8. USE OF NAME

Campus agrees that Auxiliary may, in connection with its designated functions as a CSU auxiliary organization in good standing and this agreement, use the name of the Campus, the Campus logo, seal or other symbols and marks of the Campus, provided that Auxiliary clearly communicates that it is conducting business in its own name for the benefit of

Campus. All correspondence, advertisements, and other communications by Auxiliary must clearly indicate that the communication is by and from Auxiliary and not by or from CSU or Campus.

Auxiliary shall use the name of Campus, logo, seal or other symbols or marks of Campus only in connection with services rendered for the benefit of Campus and in accordance with Campus guidance and direction furnished to Auxiliary by Campus and only if the nature and quality of the services with which the Campus name, logo, seal or other symbol or mark are used are satisfactory to the Campus or as specified by Campus.

Campus shall exercise control over and shall be the sole judge of whether Auxiliary has met or is meeting the standards of quality of the Campus for use of its name, logo, seal or other symbol or mark.

Auxiliary shall not delegate the authority to use the Campus name, logo, seal or other symbol or mark to any person or entity without the prior written approval of the Campus President or designee. Auxiliary shall cease using the Campus name, logo, seal or other symbol or mark upon expiration or termination of this agreement, or if Auxiliary ceases to be a CSU auxiliary organization in good standing, dissolves or disappears in a merger.

9. CHANGE OR MODIFICATION OF CORPORATE STATUS

Auxiliary shall provide notice to the CSU upon any change in Auxiliary's legal, operational or tax status including but not limited to changes in its Articles of Incorporation, bylaws, tax status, bankruptcy, dissolution, merger, or change in name.

10. FAIR EMPLOYMENT PRACTICES

In the performance of this agreement, and in accordance with California Government Code §12900 et. seq., Auxiliary shall not deny employment opportunities to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, military, and veteran status. Auxiliary shall adopt employment procedures consistent with the policy statement on nondiscrimination and affirmative action in employment adopted by the CSU.

11. BACKGROUND CHECK POLICY COMPLIANCE

In compliance with governing laws and CSU policy, Auxiliary shall confirm that background checks are completed for all new hires and for those independent contractors, consultants, outside entities, volunteers and existing employees in positions requiring background checks as set forth in CSU systemwide policy. Auxiliary will provide confirmation of completed and cleared background checks to the University President/Chancellor upon request, or as established by campus policy. (See HR 2017-17).

12. DISPOSITION OF ASSETS

Attached hereto as **Attachment 3** is a copy of Auxiliary's Constitution or Articles of Incorporation (as applicable) which, in accordance with CCR Title 5, §42600, establishes that upon dissolution of Auxiliary, the net assets other than trust funds, shall be distributed to a successor approved by the President of California State University, Fresno and the Trustees of the California State University. Auxiliary agrees to maintain this provision as part of its Constitution or Articles of Incorporation. In the event Auxiliary should change this provision to make other dispositions possible, this agreement shall terminate as of the date immediately preceding the date such change becomes effective.

13. USE OF CAMPUS FACILITIES

Auxiliary may use those facilities identified for its use in a lease agreement executed between Campus and Auxiliary. If this Operating Agreement terminates or expires and is not renewed within 30 days of the expiration, the lease automatically terminates, unless extended in writing by the parties.

Auxiliary and Campus may agree that Auxiliary may use specified Campus facilities and resources for research projects and for institutes, workshops, and conferences only when such use does not interfere with the instructional program of Campus and upon the written approval from appropriate Campus administrators with such specific delegated authority. Auxiliary shall reimburse Campus for costs of any such use.

14. CONTRACTS FOR CAMPUS SERVICES

Auxiliary may contract with Campus for services to be performed by state employees for the benefit of Auxiliary. Any agreement must be documented in a written memorandum of understanding between Auxiliary and Campus. The memorandum of understanding shall among other things, specify the following: (a) full reimbursement to Campus for services performed by a state employee in accord with CCR Title 5, §42502(f); (b) Auxiliary must clearly identify the specific services to be provided by state employee, (c) Auxiliary must specify any performance measures used by Auxiliary to measure or evaluate the level of service; (d) Auxiliary must explicitly acknowledge that Auxiliary does not retain the right to hire, supervise or otherwise determine how to fulfill the obligations of the Campus to provide the specified services to Auxiliary.

15. DISPOSITION OF NET EARNINGS

Auxiliary agrees to comply with CSU and Campus policy on expenditure of funds including, but not limited to, CSU guidelines for the disposition of revenues in excess of expenses and CSU policies on maintaining appropriate reserves. Cal. Educ. Code §89904; Executive Order 1059.

16. FINANCIAL CONTROLS

Recovery of allowable and allocable indirect costs and maintenance and payment of operating expenses must comply with ICSUAM §13680. CCR Title 5, §42502(g) and (h).

17. ACCEPTANCE, ADMINISTRATION, AND USE OF GIFTS

Auxiliary agrees, if authorized to do so in Section 2 above, that it will accept and administer gifts, grants, contracts, scholarships, loan funds, fellowships, bequests, and devises in accordance with policies of CSU and Campus.

A. Authority to Accept Gifts

If authorized, Auxiliary may evaluate and accept gifts, bequests, and personal property on behalf of CSU. In acting pursuant to this delegation, due diligence shall be performed to ensure that all gifts accepted will aid in carrying out the CSU mission as specified in Education Code §§89720 and 66010.4(b).

Auxiliary agrees, before accepting gifts of real estate or gifts with any restrictive terms or conditions that impose an obligation on CSU or the State of California to expend resources in addition to the gift, to obtain written approval from the appropriate campus authority. Auxiliary agrees that it will not accept a gift that has any restriction that is unlawful.

B. Reporting Standards

Gifts shall be recorded in compliance with the Council for Advancement and Support of Education and California State University reporting standards and shall be reported to the Chancellor's Office on an annual basis in accordance with Education Code §89720.

18. INDEMNIFICATION

Auxiliary agrees to indemnify, defend and save harmless the CSU, its officers, agents, employees and constituent campuses and the State of California, collectively "CSU indemnified parties" from any and all loss, damage, or liability that may be suffered or incurred by CSU indemnified parties, caused by, arising out of, or in any way connected with the operation of Auxiliary as an auxiliary organization.

19. INSURANCE

Auxiliary shall maintain insurance protecting the CSU and Campus as provided in this section. CSU's Systemwide Office of Risk Management shall establish minimum insurance requirements for auxiliaries, based on the insurance requirements in [Technical Letter RM 2012-01](#) or its successor then in effect. Auxiliary agrees to maintain at least these minimum insurance requirements.

Auxiliary's participation in a coverage program of the California State University Risk Management Authority (CSURMA) shall fully comply with the insurance requirement for each type of required coverage (which may include but not be limited to, general liability, auto liability, directors and officers liability, fiduciary liability, professional liability, employer's liability, pollution liability, workers' compensation, fidelity, property and any other coverage necessary based on Auxiliary's operations). Auxiliary shall ensure that CSU and Campus are named as additional insured or loss payee as its interests may appear.

20. NOTICES

All notices required to be given, or which may be given by either party to the other, shall be deemed to have been fully given when made in writing and deposited in the United States mail, certified and postage prepaid and addressed to all parties as provided below.

Notice to Auxiliary shall be addressed as follows:

Agricultural Foundation of California State University, Fresno
Attention: Executive Director
2771 E. Shaw Avenue
Fresno, CA 93710

Notice to the CSU shall be addressed as follows:

Trustees of the California State University
401 Golden Shore
Long Beach, California 90802
Attention: Director, Contract Services & Procurement

Notice to the Campus shall be addressed as follows:

Office of the President
California State University, Fresno
Haak Center, Library 4104
Fresno, CA 93740

21. AMENDMENT

This agreement may be amended only in writing signed by an authorized representative of all parties.

22. RECORDS

Auxiliary shall maintain adequate records and shall submit periodic reports as required by CSU showing the operation and financial status of Auxiliary. The records and reports shall cover all activities of Auxiliary whether pursuant to this agreement or otherwise.

23. TERMINATION

CSU may terminate this agreement upon Auxiliary’s breach of or failure to comply with any term of this agreement by providing Auxiliary with a minimum of ninety (90) days’ advance written notice. Auxiliary may use the ninety-day advance notice period to cure the breach. If, in the judgment of CSU, the breach has been cured, the termination notice will be cancelled.

24. REMEDIES UPON TERMINATION

Termination by CSU of this agreement pursuant to Section 23, *Termination*, may result in Auxiliary’s removal, suspension, or probation as a CSU auxiliary in good standing, and loss of any right for Auxiliary to use the name, resources, or facilities of CSU or any of its campuses.

Upon expiration of the term of this agreement, the parties shall have 30 days to enter into a new operating agreement which period may be extended by written mutual agreement.

25. SEVERABILITY

If any section or provision of this Agreement is held illegal, unenforceable or in conflict with any law by a court of competent jurisdiction, such section or provision shall be deemed severed and the validity of the remainder of this Agreement shall not be affected thereby.

IN WITNESS WHEREOF, this agreement has been executed by the parties hereto.

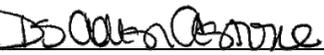
Approved ~~06/23/2022~~ 07/06/2022

California State University, Fresno

By  _____
Saul Jimenez-Sandoval, Ph.D., President

Executed ~~06/23/2022~~ 06/23/2022, 2022

The Agricultural Foundation of California State University, Fresno

By  _____
Deborah S. Adishian-Astone, Executive Director

Executed on ~~06/23/2022~~ 07/06/2022 2022

California State University
Office of the Chancellor
Contract Services and Procurement

By  _____
David Beaver, Chief Procurement Officer

ATTACHMENT 1

AGRICULTURAL FOUNDATION OF CALIFORNIA STATE UNIVERSITY, FRESNO

CODE OF CONDUCT

The purpose of this Code of Conduct (hereinafter “Code”) is to guide the conduct of those acting for/on behalf of the Agricultural Foundation of California State University, Fresno (hereinafter “Ag Foundation”), which guidance will enhance the Ag Foundation’s performance in assisting the University in the attainment of its educational mission.

Specifically, this Code applies to all board members, officers, representatives, committees, affiliates of the Ag Foundation, and employees acting for/on behalf thereof (hereinafter collectively referred to as “staff”), whether full-time, part-time, or casual appointees.

1. Respect for the Law

Staff, in common with all citizens, have an obligation to observe all applicable federal, state, and local laws, regulations, ordinances, and authoritative orders, and are required to conduct themselves accordingly.

2. Respect for Persons

The Ag Foundation seeks to create an environment where all persons are treated equitably and with respect, where persons’ rights are respected and where staff are encouraged and their achievements given due recognition.

Respect for persons extends to the manner in which the individuals comprising the staff deal with one another, with employees of the university, with students, as well as members of the community. The Ag Foundation regards a staff member’s personal behavior towards and interaction with others as a vital part of the duties of their position. A collegial working environment is particularly encouraged.

3. Courtesy and Responsiveness

Staff are expected to be responsive, courteous and prompt in dealing with others, whether with other staff, employees of the university, students, or members of the community.

4. Obligations of Staff Supervising Other Staff

Individuals who supervise other staff members have special responsibilities to treat their staff members fairly and to afford them equality of opportunity, to maintain open and honest communication with them and to ensure that their staff members understand performance standards expected of them. Evaluations of staff performance must be undertaken against these standards objectively and without bias.

5. Making Fair Decisions

When making a decision, taking action of a discretionary nature or resolving a grievance which may adversely affect a person’s rights, liberties, interests or legitimate expectations, the principles of procedural fairness must be applied. Specifically, persons affected must have the opportunity to respond to allegations or assertions made and to have a decision made without bias. Decisions

must be based on considerations relevant to the matter at hand. Decisions may be accepted more readily if reasons are given.

6. Staff Must Not Unfairly Discriminate

Staff must treat other persons equitably, irrespective of age, disability (physical and mental), gender (or sex), gender identity (including transgender), gender expression, genetic information, marital status, medical condition, nationality, race or ethnicity (including color or ancestry), religion (or religious creed), sexual orientation, and veteran or military status, and other characteristics that make our community unique. Staff who in good faith report the suspected unlawful or unethical acts or omissions of others shall not be made the target of discrimination or retaliatory conduct.

7. Harassment Unacceptable

Staff must not engage in conduct that amounts to or may be perceived as sexual, racial, or gender-based harassment. Staff must not behave towards other persons in a manner that may reasonably be perceived as intimidating, overbearing or unreasonable.

8. Avoidance of Conflicts of Interest

Staff must avoid conflicts between their private interests and their staff responsibilities and must avoid situations where there is a reasonable basis for the perception of such a conflict. In this regard, staff must refrain from participating in making decisions affecting said individual's financial interests, as well as in decisions affecting another person with whom said staff member has a personal relationship (i.e., spouse, relative, close personal relationship, etc.).

A. Specific instances: A "transaction" is defined as a business arrangement whereby a party thereto provides property or services to the other in exchange for compensation. The above-referenced definition of the word "transaction" does not include gift agreements between a donor and the Ag Foundation. With specific regard to financial interests, the following transactions are absolute conflicts of interest, and are hereby proscribed:

1. A transaction between the Ag Foundation and a member of any governing board or committee thereof;
2. A transaction between the Ag Foundation and a partnership or unincorporated association of which any member of the governing board or committee of the Ag Foundation is a partner or of which he/she is the owner or holder, either directly or indirectly, of a proprietorship interest.
3. A transaction between the Ag Foundation and a corporation in which any member of a governing board or committee of the Ag Foundation is the owner or holder, directly or indirectly, of 5% or more of the outstanding common stock.
4. A transaction in which a member of the governing board or committee of the Ag Foundation is financially interested other than as specified in subsections 8(A)(1) – (3) above, and either: (i) the member fails to first disclose such interest to the governing board or committee at a public meeting of the board or committee, or

(ii) the member influences, or attempts to influence another member or members of the board or committee into entering into the transaction.

- B. Staff who are members of the governing board or a committee, have an absolute duty to disclose actual or potential conflicts of interest and all material facts related thereto, to the governing board or committee. If said member is financially interested in a potential transaction other than as specified in section 8(A) above, said transaction may be allowed if all of the following occur, and the board or committee (without involvement of the interested member) vote to approve the transaction:
1. The fact of such financial interest is disclosed to or known by the governing board or committee, and noted in the minutes thereof. Once the actual or potential conflict is disclosed or known, the financially interested person will be allowed to make a presentation to the board or committee, after which he or she shall leave the board room for discussion and prior to any voting thereon.
 2. If necessary, appointment of a person or committee to investigate the situation prior to any voting thereon, and to investigate alternatives to the proposed transaction or arrangement.
 3. Consideration of the findings of the above-referenced investigative effort and determination of the board as to whether the transaction is just and reasonable and whether it could obtain a more advantageous transaction or arrangement with an entity for which there is no actual or potential conflict of interest. If it cannot obtain a more advantageous transaction or arrangement, the board may, in its discretion, vote to approve the proposed transaction or arrangement.
- C. It is unlawful for staff to utilize any information, not a matter of public record, that is received by that person by reason of his or her employment by, or contractual relationship with, the Ag Foundation, the Trustees of the California State University, the California State University, or any other auxiliary organization of the California State University, for personal pecuniary gain, not contemplated by the terms of the employment or contract, regardless of whether the person is or is not so employed or under contract at the time the gain is realized.
- D. No employee of the University or Ag Foundation or other staff may for his or her own personal benefit purchase or use any inventory, equipment or other assets of the Ag Foundation, except on the same terms and conditions that are available to the general public and subject to the prior approval of the Executive Director.

9. Receipt of Gifts

Staff must not ask for or encourage the giving of any form of gift or benefit in connection with the performance of their duties. Receipt of gifts can be perceived as an inducement to act in a particular way, thus creating a real or apparent conflict of interest. However, a staff member may, of course, give or accept an occasional gift of nominal value (one of less than \$50 in value) that is offered in accordance with social or cultural practice.

Unless approved in advance by the Executive Director, it shall be a violation of this paragraph for any food, beverage, entertainment, or other accommodation to be paid for, or otherwise provided to, an Ag Foundation employee by a vendor who either currently does business with the Ag Foundation, or who sells goods or services of the type that the Ag Foundation may use in its business operations.

10. External Activities and Public Comment

Staff are free to engage in party-political, professional, interest group and charitable activity, provided that participation does not give rise to a conflict of interest or impede the performance of a staff member's duties. Where a staff member comments publicly in connection with party political or interest group activities, it must be made clear that such comment is made on behalf of the political party or association which they represent, and not in their capacity as members of staff of the Ag Foundation.

Public comment by staff in their capacity as private citizens is certainly permitted. In making private comment (including electronic means such as electronic mail), every effort must be made to ensure that the opinions expressed are not represented as an official view of the Ag Foundation.

11. Diligence

- A. The Ag Foundation aims to achieve the highest standards in the conduct of its business, which ultimately serves to advance the educational interests of the University. All staff contribute to the achievement of this aim when they carry out their duties honestly and to the best of their ability. In this regard, staff is expected to carry out their duties in a professional, responsible, impartial and conscientious manner, and to be accountable for their official conduct and decisions.
- B. Staff members should endeavor to maintain and enhance their skills and expertise and keep up to date the knowledge associated with their particular field or area of work. High standards of performance are expected. Staff must not allow outside work to interfere with the performance of their Ag Foundation duties.
- C. Staff must exercise due care in undertaking their activities, particularly where others will rely on advice or information offered. Staff have a duty to take reasonable care to avoid causing harm (including physical harm) to anyone. Thus, staff must actively promote safe working practices and environments for everyone using Ag Foundation facilities. In this connection, staff must ensure that the personal use of alcohol or other drugs does not affect work performance or the safety and well-being of others.
- D. Fraud, corrupt conduct or malfeasance is contrary to law and is to the detriment of the Ag Foundation, as well as ultimately to the University. Staff are therefore required to report genuinely-suspected or known fraud or corrupt conduct in accordance with section 13 hereof.
- E. Appropriate measures to ensure proper internal control with respect to Ag Foundation assets must be observed at all times. Staff members must not be assigned job duties or

allowed to engage in conduct that may compromise the maintenance of proper internal control.

12. Economy and Efficiency

Staff has a responsibility to ensure that the Ag Foundation's resources are managed effectively. In this regard, material, financial and computerized resources should only be used for Ag Foundation purposes. Though staff members may occasionally need to use Ag Foundation resources for personal reasons, such as personal telephone calls, such usage must be kept to a minimum, and must not result in additional expense to the Ag Foundation. Additionally, equipment, materials and facilities must be treated with appropriate care and secured against theft and misuse in order to ensure that the maximum level of resources are available to discharge the Ag Foundation's functions.

13. Violations of the Code

Subject to section (A) below, actual or suspected violations of this Code by any Ag Foundation staff member¹ shall be reported to the Executive Director of the Ag Foundation ("Executive Director"), or to the Director of Human Resources of the California State University, Fresno Auxiliary Corporations². If the report is made to the Director of Human Resources, he/she shall promptly inform the Executive Director of the report. The Executive Director and/or the Director of Human Resources shall then, in his or her discretion, conduct a reasonable investigation of the facts of the alleged or suspected violation(s), or appoint other competent staff who is not alleged to be involved in the violation, to conduct the same. Findings of all investigations not conducted by the Executive Director shall be reported to the Executive Director for consideration thereof and resolution of the matter. If the Executive Director, Director of Human Resources, or anyone else acting on behalf of the Ag Foundation wishes to receive assistance in conducting such investigation from any employees of the California State University, Fresno Association ("the Association") who are contracted to the Ag Foundation to perform financial or administrative services, such assistance may only be utilized after first consulting with the Executive Director of the Association. The Executive Director shall have the authority to either dismiss a staff member found to have violated this Code, or discipline said staff member in a manner which the Executive Director, in his or her discretion, deems appropriate. If the staff member alleged to have violated this Code is the Executive Director, or a member of the Board of Directors of the Ag Foundation, the allegation of the violation shall be made to Director of Human Resources, who shall promptly report the allegation to the Ag Foundation Board of Directors for investigation and resolution. Prior to such resolution, the Ag Foundation Board of Directors and/or its designee(s) shall conduct any reasonable investigation of the facts of the alleged violation as it deems appropriate. The Ag Foundation Board of Directors shall have the authority to either dismiss the staff member found to have violated this Code, or discipline said staff member in a manner in which the Ag

¹ Any allegation of impropriety against an Association employee contracted to the Ag Foundation to perform financial and/or administrative services shall be directed to the Executive Director of the Association or Director of Human Resources, in which case the investigation and resolution shall be in accordance with the Association's Code of Conduct.

² The Director of Human Resources of the California State University, Fresno Auxiliary Corporations is an employee of the Association who is contracted to perform human resources services to the Ag Foundation.

Foundation Board of Directors, in its discretion, deems appropriate. No member of the Ag Foundation Board of Directors who is alleged to be involved in the violation shall take part in the investigation or resolution of such alleged violation.

- (A) Reports of, investigations of, and resolutions of allegations of fiscal misconduct shall be administered exclusively in accordance with the University Procedures for Investigating Suspected Employee Fiscal Misconduct.

14. Whistleblower Policy

A. Staff may report any violation of the Code in accordance with section 13 hereof. The Ag Foundation encourages all staff to so report all occurrences that in good faith are reasonably believed to be violations of this Code. Any staff making such a report shall be deemed to be a “Whistleblower”. It is the intent of this provision that staff making such good faith reports (pursuant to section 13 hereof) of suspected fiscal misconduct, violations of law, or other violations of this Code shall be made to feel safe from retaliation, and shall be protected from retaliatory action as follows:

1. The Ag Foundation will use its best efforts to conduct a thorough investigation of actual or suspected violations of the Code that are reported by Whistleblowers. In this regard, the Ag Foundation will attempt to keep its discussions and actions confidential to the greatest extent possible. In the course of its investigation, the Ag Foundation may find it necessary to share information with others on a “need to know” basis. In all such circumstances, however, the Ag Foundation will use its best efforts to protect a Whistleblower against retaliation.
2. In recognition of the Ag Foundation’s intention to protect Whistleblowers from retaliation, it is the policy of the Ag Foundation that staff shall not intimidate, threaten, coerce, or attempt to intimidate, threaten, or coerce a Whistleblower (including but not limited to, threats of physical harm, loss of job, punitive work assignments, or impact on salary or wages) in retaliation for a Whistleblower reporting the actual or suspected violation. Specifically, neither the Ag Foundation, nor any person acting on behalf of the Ag Foundation shall retaliate against an employee for:
 - (a) Disclosing information, or because it is believed that the employee disclosed or may disclose information, to a government or law enforcement agency, to a person with authority over the employee or another employee who has the authority to investigate, discover, or correct the violation or noncompliance, or for providing information to, or testifying before, any public body conducting an investigation, hearing, or inquiry, if the employee has reasonable cause to believe that the information discloses a violation of state or federal rule or regulation, regardless of whether disclosing the information is part of the employee’s job duties;
 - (b) Refusing to participate in an activity that would result in a violation of state or federal statute, or a violation of or noncompliance with a local, state, or federal rule or regulation; or
 - (c) Having exercised his or her rights under sections (a) or (b) above, in any former employment.

Whistleblowers who believe they have been retaliated against may file a complaint in accordance with section 13 hereof. A reasonably believed or proven complaint of retaliation shall result in the protection of the Whistleblower. A proven complaint of retaliation shall result in a proper remedy for the Whistleblower, and the initiation of disciplinary action, up to and including dismissal, against the retaliating person.

3. Though anonymous reports of violations of the Code may be more difficult for the Ag Foundation to effectively investigate (as the Ag Foundation would be unable to have access to the Whistleblower), nothing in this section 14 is intended to prohibit or discourage the anonymous reporting of actual or suspected violations of the Code by a Whistleblower. In such circumstances, the Ag Foundation will use its best efforts to conduct a thorough investigation of the reported matter, and take appropriate actions based on its findings.

Approved: June 14, 2002
Revised: February 7, 2013
Revised: December 9, 2016

Agricultural Foundation of California State University, Fresno Community Relations Policy

I. Purpose

The purpose of this policy is to ensure that expenditures submitted to the Ag Foundation for Community Relations expenses are made in accordance with ICSUAM Policy 1301.00 and Section 9.2.1 of the “Compilation of Policies and Procedures for California State University Auxiliary Organizations”, California Code of Regulations, Title 5, Division 5, Section 41600, 41601; California Education Code Sections 66600, 89030, 89035, 89044; HR 96-11.

Expenditures must fall within the educational mission of the CSU as defined by the respective statutes, Board of Trustees policy, and campus policy. Expenditures must not be made which are specifically prohibited for auxiliary organizations either by statute, Board of Trustees policy, and campus policy. An auxiliary shall not expend funds for goods and services on behalf of a campus and arrange in some way to be compensated for the expenditure by the campus if circumvention of CSU policy or procedure would occur.

II. Statement of Policy

Each auxiliary organization shall maintain documentation for expenditures consistent with good business practice, and in keeping with applicable documentation standards required by Federal, State and local governments. Good business practice includes documentation procedures adequate to allow the efficient annual fiscal audit. Each auxiliary organization shall also provide special documentation to assure expenditures are made consistent with the constraints attached to certain sources of funds.

III. Regulations

In accordance with the above policy, allowable Ag Foundation expenditures may include, but are not limited to:

1. Membership and participation in the activities of community groups, including but not limited to service clubs and community-wide organizations of leading citizens in education, business, government, industry, and agriculture, which serve the needs of the campus community.
2. Official University programs/activities that promote students, faculty, and staff; professional development; and/or donor cultivation and stewardship. Such activities may include, but are not limited to campus receptions, public ceremonies, auxiliary board and advisory committee meetings.
3. Membership and participation in the activities of community groups and local non-profit organizations which promotes the engagement of the University with the community.
4. Hospitality includes the provision for meals, catered events, promotional materials, gifts, and travel expenses for official guests of the University or the Ag Foundation. Hospitality also includes expenses for activities that promote the University or the Ag

Foundation to the public with the expectation of benefits/goodwill accruing directly or indirectly to the University or the Ag Foundation.

5. Awards in recognition of service or achievement directly benefiting the University or the Ag Foundation. Cash/check awards to University or Ag Foundation employees are subject to payroll taxes and withholding. Non-cash awards (watches, clocks, pens, etc.) are non-taxable if the award is \$400.00 or less. Any awards greater than \$400.00 are taxable.
6. Gifts given or bestowed upon an individual, group, or entity with the expectation of benefit/goodwill accruing to the University or the Ag Foundation.
7. Promotional materials distributed to promote the name and brand of the University or the Ag Foundation.
8. Employee relations for events such as employee recognition, service award, or retirement gatherings.
9. Business related meals, when it is necessary for employees to conduct official University or Ag Foundation business during a meal.
10. Official activities that promote student, faculty, and staff recruitment, morale, and/or develop and maintain effective community relations. Such activities may include, but are not limited to campus receptions, public ceremonies, advisory committee meetings, and any academic programs of the University. Typical expenditures for these activities include the cost of meetings, conferences, catering, speaker fees, etc.
11. This policy provides the means for appropriate participation in bona fide activities by the spouse or significant other of an officer, employee, or other delegate of the University or the Ag Foundation where such participation is reasonably intended to achieve the community relations objectives of the University or the Ag Foundation.
12. Flower purchases for official University or Ag Foundation functions such as commencement, award ceremonies, seminars, and other official campus events. Additionally, flowers may be purchased for funeral arrangements, get well wishes, and birth announcements for employees, retired employees or donors/community members. Monetary contributions to a non-profit charity or research or educational organization is permitted in lieu of flowers.

No reimbursement shall be allowed for the following expenses:

- Employee birthday, baby shower, wedding, wedding anniversary, etc.
- Tuxedo or other clothing rental.
- Political contributions, except for capital outlay bonds supported by the California State University Board of Trustees and authorized by the University President.

- Daily reimbursement of lunches would not be considered ordinary, reasonable and necessary.
- Amounts that are unreasonable given the circumstances in which the expenses were incurred and/or the benefit they provided to the University or Ag Foundation.
- Membership or participation in organizations that discriminate based on race, color, religion, national origin, ancestry, age, gender, sexual orientation, marital status, veteran status, or disability.

A Community Relations Authorization form must be approved by the authorized account signer. Signature stamps are not acceptable. The account signer approving the authorization is responsible to ascertain the necessity and reasonableness of the authorization and that adequate documentation is attached to support the authorization. Account signers may not approve authorizations payable to themselves. Account signers may not approve authorizations payable to their supervisor. Community Relations Authorization forms shall be submitted within 30 days of the date the expense was incurred. The following information is required to be provided upon request for payment:

- **Purpose** – Be specific regarding the business purpose for the expenditure and the business benefit expected to be gained as a result of the expenditure. Generic statements such as “promotes positive relations”, “community relations” or “employee relations” are not acceptable.
- **Relationship** - Names of the persons included, their employer and occupation or title that shows their business relationship to the University/Ag Foundation. When a donor’s name needs to be kept confidential, indicate as either “confidential” or “anonymous” donor.
- **Receipts** – Original receipts are required that include the amount, date, place and description of the expenditure. In cases where receipts cannot be obtained or have been lost, a statement to that effect should be made and attached to the authorization.
- **Highest Position Responsible for Payment** – The highest ranking University/auxiliary employee in attendance at a business related meal is deemed to be responsible for making the payment to the vendor and he/she will subsequently seek approval to be reimbursed with approval from their immediate supervisor, if allowable per policy.

Approved: December 10, 2002

Revised: March 16, 2017

0294750

FILED
Secretary of State
State of California

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DEC 21 2012

**CERTIFICATE OF AMENDMENT OF
ARTICLES OF INCORPORATION**

The undersigned certify that:

1. They are the Chairman and Secretary, respectively, of the **THE AGRICULTURAL FOUNDATION OF CALIFORNIA STATE UNIVERSITY, FRESNO**, a California corporation.
2. Article XI of the Articles of Incorporation of this corporation is amended to read as follows:

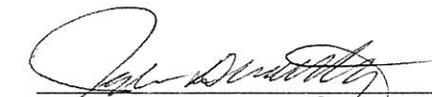
Upon dissolution of this corporation, net assets, other than trust funds, shall be distributed to a successor approved by the President of California State University, Fresno and by the Chancellor of the California State University. Any nongovernmental successor shall be a nonprofit organization organized and operated exclusively for charitable or educational purposes and must be qualified for federal tax exemption under Section 501(c)(3) of the United States Internal Revenue Code of 1986.

3. The foregoing amendment of Articles of Incorporation has been duly approved by the board of directors.
4. The corporation has no members.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

Date: September 28, 2012


Pat V. Ricchiuti, Chairman of the Board


John D. Welty, Secretary

A427548

ENDORSED
FILED

In the office of the Secretary of State
of the State of California

DEC 31 1992

CERTIFICATE OF AMENDMENT OF
THE ARTICLES OF INCORPORATION OF
THE AGRICULTURAL FOUNDATION OF
CALIFORNIA STATE UNIVERSITY, FRESNO

MARCH FONG EU, Secretary of State

KENNETH BILLINGS AND JOHN D. WELTY certify that:

1. They are the Chairman and Secretary respectively of THE AGRICULTURAL FOUNDATION OF CALIFORNIA STATE UNIVERSITY, FRESNO, a California nonprofit, public benefit corporation.
2. The following amendments to the Articles of Incorporation have been approved by the Board of Directors.
 - a. Article II of the Articles of Incorporation is amended to read as follows:

In accordance with the provisions of Section 9913 of the California Corporations Code, this corporation elects to be governed by all of the provisions of the California Nonprofit Public Benefit Corporation Law not otherwise applicable to this corporation under Section 9910-9927 of the Code.

- b. Article III is amended to read as follows:

This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes.

- c. Article IV is amended to read as follows:

The charitable purpose for which this corporation is organized is to promote and assist the educational services of the School of Agricultural Sciences of California State University, Fresno.

- d. Article V is amended to read as follows:

This corporation shall have all benefits, privileges, rights and powers created, given, extended or conferred upon nonprofit corporations by the provision of the California Nonprofit Benefit Corporation Law, all other applicable laws and any additions or amendments thereto.

- e. Article VI is amended to read as follows:

This corporation is not organized, nor shall it be operated, for pecuniary gain or profit, and does not contemplate the distribution of gains, profits or dividends to its directors or to any private individual. The property, assets, profits, and net income of this corporation are irrevocably dedicated to the charitable purposes set forth in Article IV, and no part of the profits or net income of this corporation shall ever inure to the benefit of any private individual except that this provision shall not be construed so as to prevent the payment to employees of reasonable compensation for services actually rendered to this corporation.

- f. Article VII is amended to read as follows:

No substantial part of the activities of this corporation shall consist of the carrying on of propaganda, or otherwise attempting to influence legislation, nor shall this corporation participate or intervene in any political campaign (including publishing or distribution of statements) on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986.

- g. Article IX is amended to read as follows:

The number of directors, the manner in which they shall be chosen and removed from office, their qualifications, powers, duties, and tenure of office, the manner of filling vacancies on the Board, and the manner of calling and holding meetings of directors, shall be as stated in the Bylaws.

- h. Article X is amended to read as follows:

This corporation shall have no members other than the persons constituting its Board of Directors. The persons constituting its Board of Directors shall, for the purpose of any

statutory provision or rule of law relating to nonprofit corporations otherwise, be taken to be the members of such corporation and exercise all the rights and powers of members thereof.

i. Article XI is amended to read as follows:

Upon dissolution of this corporation, net assets, other than trust funds, shall be distributed to one or more nonprofit corporations organized and operated for the benefit of the California state University, Fresno, and approved by the President of the University and by the Board of Trustees of The California State University. Such nonprofit corporation or corporations must be qualified for Federal income tax exemption under Section 501(c)(3) of the United States Internal Revenue Code of 1986 and be organized and operated exclusively for charitable purposes.

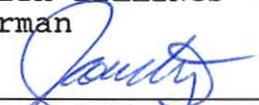
j. Article XII is added to the Articles of Incorporation to read as follows:

The Articles of Incorporation of this corporation shall be amended only by the vote of a majority of the total voting membership of the Board of Directors, providing that the amendment has been submitted in writing at the previous regular meeting.

2. The Corporation has no members.



KENNETH BILLINGS
Chairman



JOHN D. WELTY
Secretary

VERIFICATION

Each of the undersigned declares under penalty of perjury that the statements contained in the foregoing certificate are true and correct of his/her own knowledge.

Executed at Fresno, California

On December 15, 1992.



KENNETH BILLINGS
Chairman



JOHN D. WELTY
Secretary