

General Institution  
DRAFT as of 4/9/13

## BP 3600 AUXILIARY ORGANIZATIONS

### References:

Education Code Sections 72670 et seq.;  
Title 5 Sections 59250 et seq.

The Board may recognize and approve auxiliary organizations established for the purpose of providing to the District any and all supportive services, specialized programs and functions identified in Title 5.

The Chancellor shall establish the administrative procedures necessary to fully comply with California law relating to auxiliary organizations, and to submit this policy and those procedures to the Chancellor for the California Community Colleges as required by law. At a minimum, the procedures shall address the subjects required by Title 5.

Recognition and establishment of auxiliary organizations shall include a public hearing on the recommendation to recognize or establish an auxiliary organization; Board approval of the auxiliary organization; and approval of a written agreement between the District and the auxiliary organization describing the services, programs or functions to be performed. All such written agreements shall comply fully with the requirements of Title 5 Section 59257(j).

Any auxiliary organization recognized by the Board shall conduct its business in accordance with the administrative procedures adopted by the Chancellor pursuant to this policy. Notwithstanding anything contained in the administrative procedures, any auxiliary organization recognized by the Board shall comply with Education Code provisions regarding:

- the composition of a board of directors and the way in which it conducts its meetings;
- conducting an annual audit;
- employing its work force;
- expending and appropriating its funds, and keeping its records.

No funds or resources, other than funds or resources derived from gifts or bequests, shall be transferred by the District to any of its auxiliary organizations for the purpose of either avoiding laws or regulations that constrain community college districts or providing the District with an unfair advantage with respect to any state funding

mechanism. Such state funding mechanisms include, but are not limited to, general apportionment funding, capital outlay funding, Extended Opportunity Programs and Services funding, and funding for programs and services for disabled students.

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**NOTE:** The **red ink** signifies language that is **legally required** and recommended by the Policy and Procedure Service and its legal counsel. This document was reviewed by Chancellor's Cabinet on April 8, 2013 and by Judy and Lorenzo on April 9, 2013.

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**Date Adopted:**

*(This is a new policy recommended by the Policy and Procedure Service)*

## Legal Citations for BP 3600

### Education Code Sections 72670 et seq.

**72670.** The governing board of a community college district may establish auxiliary organizations for the purpose of providing supportive services and specialized programs for the general benefit of its college or colleges. As used in this article, "auxiliary organization" may include, but is not limited to, the following entities:

(a) Any entity in which any official of a community college district participates as a director as part of his or her official position.

(b) Any entity formed or operating pursuant to Article 4 (commencing with Section 76060) of Chapter 1 of Part 47.

(c) Any entity which operates a commercial service for the benefit of a community college or district on a campus or other property of the district.

(d) Any entity whose governing instrument provides in substance both of the following:

(1) Its purpose is to promote or assist a community college or district, or to receive gifts, property and funds to be used for the benefit of the community college or district or any person or organization having an official relationship therewith.

(2) Any of its directors, governors, or trustees are either appointed or nominated by, or subject to, the approval of the governing board of the district, an official of the district, or selected, ex officio, from the membership of the student body or the faculty or the governing board or the administrative staff of the district.

(e) Any entity which is designated as an auxiliary organization by the district governing board.

**72670.5.** (a) The Board of Governors of the California Community Colleges may establish auxiliary organizations for the purpose of providing supportive services and specialized programs for the general benefit of the mission of the California Community Colleges.

(b) As used in this article:

(1) "Auxiliary organization" may include, but is not limited to, the following entities:

(A) Any entity whose governing instrument provides in substance both of the following:

(i) That its purpose is to promote or assist the Board of Governors of the California Community Colleges, or to receive gifts, property, and funds to be used for the benefit of the Board of Governors of the California Community Colleges or any person or organization having an official relationship therewith.

(ii) That any of its directors, governors, or trustees are either appointed or nominated by, or subject to, the approval of the Board of Governors of the California Community Colleges or an official of the California Community Colleges, or selected, ex officio, from the membership of the Board of Governors or the administrative staff of the California Community Colleges.

(B) Any entity which, exclusive of the foregoing subdivisions of this section, is designated as an auxiliary organization by the Board of Governors of the California Community Colleges.

(2) "District governing board" includes the Board of Governors of the California Community Colleges, unless the context requires otherwise.

(c) Any agreement between the Board of Governors of the California Community Colleges and an auxiliary organization established pursuant to this section shall provide for full reimbursement from the auxiliary organization to the Board of Governors of the California Community Colleges for any services performed by the employees of the board under the direction of, or on behalf of, the auxiliary organization.

72671. An auxiliary organization may enter into a joint powers agreement with any federal, state, or local governmental entity pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government **Code**.

72672. (a) A certified public accountant shall be selected by each auxiliary organization described in Section **72670**. Upon being notified of the certified public accountant selected by an auxiliary organization, the district shall forward the applicable auditing and reporting procedures to the selected certified public accountant. In accordance with procedures prescribed by the Board of Governors of the California Community Colleges, such certified public accountant shall annually audit any and all community college auxiliary funds. The auxiliary organizations shall contract for and receive such audit annually, and shall submit such audit to the district governing board and to the board of governors. Auxiliary organizations shall annually publish an audited statement of their financial condition which shall be disseminated as widely as feasible and be available to any person on request. When an auxiliary organization primarily serves a single community college of the district, publication in the campus student newspaper shall be deemed compliance with this requirement. When an auxiliary organization serves the district governing board, distribution of the published audited statement of its financial condition at a regularly scheduled meeting of the district governing board shall be deemed compliance with this requirement.

(b) When an auxiliary organization primarily serves a single community college of the district, the president of that community college, and when an auxiliary organization primarily serves a district, the superintendent of the district, shall be responsible for ascertaining that all expenditures are in accordance with policies of the district governing board, the propriety of all expenditures, and the integrity of the financial reporting made by auxiliary organization.

(c) The purposes and operations of an auxiliary organization shall be conducted in conformity with general regulations established by the board of governors and with implementing regulations which shall be established by each district governing board prior to the establishment of an auxiliary organization. The implementing regulations established by a district shall be submitted to, and approved by, the chancellor's office prior to the recognition of an auxiliary organization by that district. At such time as a district may recognize an auxiliary organization, it shall submit a copy of the articles of incorporation, bylaws, or other governing instruments of the auxiliary organization to the chancellor's office. The accounting procedures of such auxiliary organizations shall be comparable to those that govern the auxiliary organizations established under Chapter 7 (commencing with Section 89900) of Part

55. The regulations shall include provisions requiring the governing board of each auxiliary organization to provide salaries, working conditions and benefits for the full-time employees of each auxiliary organization which are comparable to those provided district employees performing similar services; provided, however, that the regulations may permit retirement benefits, or permanent status benefits, or both, to be withheld from temporary and executive employees of each auxiliary organization. For the purposes of this subdivision, a "temporary employee" is (1) an employee employed for a research project, workshop, institute, or other special project funded by any grant, contract, or gift; or (2) an employee whose contract of employment is for a fixed term not exceeding three years.

For the purposes of this subdivision, an "executive employee" is any management employee with responsibility for the development and execution of auxiliary organization policy and includes, but is not limited to, general managers, business managers, directors, and similar positions. For those full-time employees whose duties are not comparable to classes in the district, the salaries established shall be at least equal to the salaries prevailing in other educational institutions in the area or commercial operations of like nature.

(d) Retirement benefits may be provided by other than the Public Employees' Retirement System. A contract for participation in the Public Employees' Retirement System in accordance with the terms and conditions of the public employees' retirement law shall be deemed to satisfy fully the requirements of subdivision (c) with respect to retirement.

Notwithstanding subdivision (c), the regulations established by the district governing board may exempt the board of directors of any newly created auxiliary organization from the requirement of providing retirement benefits for a period not to exceed three years from the date that the auxiliary organization is established.

72673. Student body organizations not formed or operating pursuant to Article 4 (commencing with Section 76060) of Chapter 1 of Part 47; student or faculty societies, social clubs, fraternities, and sororities; and alumni associations shall be exempt from the provisions of this article, unless any such organization, society, club, fraternity, sorority, or association has been established as an auxiliary organization pursuant to the provisions of this article.

This section shall not be construed to alter or limit the powers of the district governing board to establish rules and regulations governing organizations which maintain an official relationship with a college or district or which uses the name or facilities of the college or district.

72674. Each auxiliary organization formed pursuant to this article, shall have a board of directors composed, both as to size and categories of membership, in accordance with regulations established by the district governing board.

Each board of directors shall, during each fiscal year, hold at least one business meeting each quarter. The board of directors shall have the benefit of the advice and counsel of at least one attorney admitted to practice law in this state and at least one licensed certified public accountant. Neither the attorney at law nor the certified public accountant need be members of the board of directors.

No auxiliary organization shall accept any grant, contract, bequest, trust, or gift, unless it is so conditioned that it may be used only for purposes consistent with policies of the district governing board.

Each board of directors of an auxiliary organization shall conduct its business in public meetings in accordance with the provisions of Chapter 9 (commencing with Section 54950) of Part 1 of the Government **Code**.

72675. (a) The board of directors of an auxiliary organization shall approve all expenditures and fund appropriations. Appropriations of funds for use outside of the normal business operations of the auxiliary organization shall be approved in accordance with district policy and regulations by an officer designated by the district governing board.

(b) The district governing board, in accordance with regulations of the Board of Governors of the California Community Colleges, shall do all of the following:

(1) Institute a standard systemwide accounting and reporting system for businesslike management of the operation of these auxiliary organizations.

(2) Implement financial standards that will ensure the fiscal viability of these various auxiliary organizations. The standards shall include proper provision for professional management, adequate working capital, adequate reserve funds for current operations and capital replacements, and adequate provisions for new business requirements.

(3) Institute procedures to ensure that transactions of the auxiliary organizations are within the educational mission of the district.

(4) Develop policies for the appropriation of funds derived from indirect cost payments not required to implement paragraph (2). Uses of these funds shall be regularly reported to the district governing board.

72676. Operations of commercial services on a campus, such as a food service or bookstore, or such commercial services as may be provided in a student union, shall, when operated by an auxiliary organization, be self-supporting.

Any surplus funds from commercial operations shall be used for such purposes as are consistent with regulations of the district governing board.

72677. No member of the board of directors of an auxiliary organization shall be financially interested in any contract or other transaction entered into by the board of which he or she is a member. Any contract or transaction entered into in violation of this section is void.

72678. No contract or other transaction entered into by the board of directors of an auxiliary organization is void under the provisions of Section 72677; nor shall any member of such board be disqualified or deemed guilty of misconduct in office under such provisions, if both of the following conditions are met:

(a) The fact of such financial interest is disclosed or known to the board of directors and noted in the minutes, and the board thereafter authorizes, approves, or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such financially interested member or members.

(b) The contract or transaction is just and reasonable as to the auxiliary organization at the time it is authorized or approved.

72679. The provisions of Section 72678 shall not be applicable if any of the following conditions are met:

(a) The contract or transaction is between an auxiliary organization and a member of the board of directors of that auxiliary organization.

(b) The contract or transaction is between an auxiliary organization and a partnership or unincorporated association of which any member of the governing board of that auxiliary organization is a partner or in which he or she is the owner or holder, directly or indirectly, of a proprietorship interest.

(c) The contract or transaction is between an auxiliary organization and a corporation in which any member of the board of directors of that auxiliary organization is the owner or holder, directly or indirectly, of 5 percent or more of the outstanding common stock.

(d) A member of the board of directors of an auxiliary organization is interested in a contract or transaction within the meaning of Section 72677, and without first disclosing such interest to the governing board at a public meeting of the board, influences or attempts to influence another member or members of the board to enter into the contract or transaction.

72680. It is unlawful for any person to utilize any information, not a matter of public record, which is received by the person by reason of his or her membership on the board of directors of an auxiliary organization, for personal pecuniary gain, regardless of whether he or she is or is not a member of the board at the time such gain is realized.

72682. An auxiliary organization that was in existence on August 31, 1980, shall continue to operate under Article 6 (commencing with Section **72670**) of Chapter 6 of Part 45, as it read immediately prior to August 30, 1980, until the time, if any, that the organization is recognized pursuant to this article.

## Government Code Sections 12580 et seq.

**12580.** This article may be cited as the Supervision of Trustees and Fundraisers for Charitable Purposes Act.

12581. This article applies to all charitable corporations, unincorporated associations, trustees, and other legal entities holding property for charitable purposes, commercial fundraisers for charitable purposes, fundraising counsel for charitable purposes, and commercial coventurers, over which the state or the Attorney General has enforcement or supervisory powers. The provisions of this article shall not apply to any committee as defined in Section 82013 which is required to and does file any statement pursuant to the provisions of Article 2 (commencing with Section 84200) of Chapter 4 of Title 9.

12581.2. As used in this article, "solicitation" or "soliciting" for charitable purposes means any request, plea, entreaty, demand, or invitation, or attempt thereof, to give money or property, in connection with which any of the following applies:

(a) Any appeal is made for charitable purposes.

(b) The name of any charity, philanthropic or charitable organization, is used or referred to in any such appeal as an inducement for making any such gift.

(c) Any statement is made to the effect that the gift or any part thereof will go to or be used for any charitable purpose or organization.

(d) The name of any organization of law enforcement personnel, firefighters or other persons who protect the public safety is used or referred to as an inducement for transferring any money or property, unless the only expressed or implied purpose of the solicitation is for the sole benefit of the actual active membership of the organization.

12582. "Trustee" means (a) any individual, group of individuals, corporation, unincorporated association, or other legal entity holding property in trust pursuant to any charitable trust, (b) any corporation or unincorporated association which has accepted property to be used for a particular charitable purpose as distinguished from the general purposes of the corporation or unincorporated association, and (c) a corporation or unincorporated association formed for the administration of a charitable trust, pursuant to the directions of the settlor or at the instance of the trustee.

Title 5 Sections 59250 et seq.

## **Cal. Admin. Code tit. 5, s 59250**

### TITLE 5. EDUCATION DIVISION 6. CALIFORNIA COMMUNITY COLLEGES CHAPTER 10. COMMUNITY COLLEGE ADMINISTRATION SUBCHAPTER 4.5. AUXILIARY ORGANIZATIONS ARTICLE 1. SCOPE AND DEFINITIONS

s 59250. Scope.

(a) The governing body of a community college district may establish auxiliary organizations for the purpose of providing supportive services and specialized programs for the general benefit of its college or colleges, as determined by the governing board. Such organizations shall be established and maintained in accordance with the provisions of article 6 (commencing with section 72670) of chapter 6, part 45 of the Education Code, and the regulations contained in this chapter.

(b) Other organizations which provide supportive services and specialized programs for the general benefit of colleges, which are authorized by other provisions of law, need not be established as an auxiliary organization pursuant to this chapter. If, however, an organization is not established as an auxiliary organization in accordance with the provisions of this chapter, its powers and duties will continue to be defined by the other provisions of law which provide for its establishment and operation.

(c) An auxiliary organization which was in existence on or before August 31, 1980, may continue to operate under the provisions of article 6 (commencing with section 72670) of chapter 6, part 45 of the Education Code, as it read on August 30, 1980. Such organizations, however,



shall operate only in accordance with the provisions of former article 6; and shall not, unless established and maintained in accordance with the provisions of this chapter, be vested with any additional authority or flexibility that may be provided by this chapter and the current article 6 (commencing with section 72670) of chapter 6, part 45 of the Education Code.

5 CCR § 59251  
Cal. Admin. Code tit. 5, § 59251

TITLE 5. EDUCATION  
DIVISION 6. CALIFORNIA COMMUNITY COLLEGES  
CHAPTER 10. COMMUNITY COLLEGE ADMINISTRATION  
SUBCHAPTER 4.5. AUXILIARY ORGANIZATIONS  
ARTICLE 1. SCOPE AND DEFINITIONS

§ 59251. Definitions.

For the purposes of this subchapter, the following definitions shall be applied:

(a) Auxiliary organization: An "auxiliary organization" is an entity authorized by section 72670 of the Education Code which is established by the governing board in accordance with the provisions of this subchapter and Article 6 (commencing with section 72670) of chapter 6, part 45, division 7, title 3 of the Education Code.

(b) Written agreement: A "written agreement" is an agreement between a community college district and an auxiliary organization which may implement or otherwise address the requirements of subdivision (j) of section 59257 of this subchapter.

Note: Authority cited: Sections 66700, 70901 and 72672, Education Code. Reference: Article 6 (commencing with Section 72670), Chapter 6, Part 45, Division 7, Title 3, Education Code.

5 CCR § 59255  
Cal. Admin. Code tit. 5, § 59255

TITLE 5. EDUCATION  
DIVISION 6. CALIFORNIA COMMUNITY COLLEGES  
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SUBCHAPTER 4.5. AUXILIARY ORGANIZATIONS  
ARTICLE 2. DISTRICT RESPONSIBILITIES

§ 59255. Conditions for Establishment.

The following conditions must be met before an auxiliary organization may be established by a community college district:

(a) The district's governing board must adopt implementing regulations for auxiliary organizations. Such regulations must, at least, address the subjects specified in section 59257 of this subchapter;

(b) The district's implementing regulations must be reviewed and approved by the Chancellor of the California Community Colleges;

(c) The particular auxiliary organization being established may only provide recognized services or functions as specified in section 59259;

- (d) The district governing board must approve the establishment of the auxiliary organization; and
- (e) The district must at such time as it recognizes an auxiliary organization, submit to the Chancellor any written agreement with an auxiliary organization, as well as the articles of incorporation, bylaws, or other governing instrument of the particular auxiliary organization.

Note: Authority cited: Sections 66700, 70901 and 72672, Education Code. Reference: Article 6 (commencing with Section 72670), Chapter 6, Part 45, Division 7, Title 3, Education Code.

5 CCR § 59257  
Cal. Admin. Code tit. 5, § 59257

TITLE 5. EDUCATION  
DIVISION 6. CALIFORNIA COMMUNITY COLLEGES  
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SUBCHAPTER 4.5. AUXILIARY ORGANIZATIONS  
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§ 59257. Implementing Regulations.

Each district governing board wishing to establish an auxiliary organization must adopt implementing regulations, and submit such regulations to the Chancellor for approval. The implementing regulations must contain provisions which address at least the following subjects:

- (a) Provisions which set forth the district's method for recognizing an auxiliary organization, which procedure must include a public hearing prior to such recognition;
- (b) Provisions which limit authorized auxiliary organizations to those performing recognized functions described in section 59259;
- (c) Provisions which implement section 72674 of the Education Code, regarding composition and meetings of boards of directors of auxiliary organizations;
- (d) Provisions which implement subdivision (a) of section 72672 of the Education Code, regarding the audit of auxiliary organizations;
- (e) Provisions which implement subdivision (c) of section 72672 of Education Code, regarding salaries, working conditions, and benefits for full-time employees of auxiliary organizations;
- (f) Provisions which implement section 72675 of the Education Code, regarding expenditures and fund appropriations by auxiliary organizations. In implementing subdivision (b)(2) of section 72675, the district regulations may specify different standards for different types of auxiliary organizations.
- (g) Provisions which establish recordkeeping responsibilities of auxiliary organizations;
- (h) Provisions which establish a procedure for periodic review of each auxiliary organization by the district to insure that it is complying with sections 72670-72682 of the Education Code, district implementing regulations, any written agreement with the district, and its articles of incorporation or bylaws; and
- (i) Provisions which prohibit the district from transferring any of its funds or resources other than funds or resources derived from gifts or bequests, to any of its auxiliary organizations, when the purpose of such transfer is either to avoid laws or regulations which constrain community college districts or to provide the district with an unfair advantage with respect to the application of any state funding mechanism. Such state funding mechanisms include, but are not limited to, general apportionment funding, capital outlay funding, Extended Opportunity Programs and Services funding,

and funding for programs and services for students with disabilities.

(j) Provisions which shall specify the following:

(1) The function or functions which the auxiliary organization is to manage, operate or administer;

(2) A statement of the reasons for administration of the functions by the auxiliary organization instead of by the college under usual district procedures;

(3) The areas of authority and responsibility of the auxiliary organization and the college;

(4) The facilities to be made available, if any, by the district to permit the auxiliary organization to perform the functions specified in the implementing regulations or written agreement;

(5) The charge or rental to be paid to the district by the auxiliary organization for any district facilities used in connection with the performance of its function. The charge or rental specified shall not require involved methods of computation, and should be identified in sufficient time before its incurrence so that the auxiliary organization may determine to what extent it shall be liable therefor;

(6) Full reimbursement to the district for services performed by district employees under the direction of the auxiliary organization. No more than 50% of the reimbursement by an auxiliary organization may be made in the form of non-monetary benefits that the auxiliary organization provides to a community college district, such as increased community awareness or other such benefits that are agreed upon by district officials and the auxiliary organization. Such non-monetary benefits shall be assigned a good-faith reimbursement value by the district. Methods of proration where services are performed by district employees for the auxiliary organization shall be simple and equitable;

(7) A simple and stable method of determining in advance to what extent the auxiliary organization shall be liable for indirect costs relating to federally-sponsored programs;

(8) The responsibility for maintenance and payment of operating expenses;

(9) The proposed expenditures for public relations or other purposes which would serve to augment district appropriations for operation of the college. With respect to expenditures for public relations or other purposes which would serve to augment district appropriation for the college, the auxiliary organization may expend funds in such amount and for such purposes as are approved by the board of directors of the auxiliary organization. The governing board shall name a designee who shall file with the governing board a statement of auxiliary organizations' policies on accumulation and use of public relations funds. The statement will include the policy and procedure on solicitation of funds, source of funds, amounts, and purpose for which the funds will be used, allowable expenditures, and procedures of control;

(10) The disposition to be made of net earnings derived from the operation of facilities owned or leased by the auxiliary organization and provisions for reserves;

(11) The disposition to be made of net assets on cessation of the operations under the agreement;

and

(12) Provisions which require a covenant of the auxiliary organization to maintain its existence throughout the period of the agreement and to operate in accordance with sections 72670-72682 of the Education Code, and with the regulations contained in this subchapter as well as district implementing regulations.

In addressing the requirements of this subdivision in its district implementing regulations, a district may provide for such requirements in a written agreement or agreements with an auxiliary organization. The agreement shall provide for all requirements of this subdivision which have not been addressed in the district implementing regulations. Notwithstanding subdivision (e) of section 59255, if the requirements of this subdivision are provided for in the written agreement rather than the district's implementing regulations, the auxiliary organization may not be recognized by the district until the agreement is submitted to the Chancellor for approval.

Note: Authority cited: Sections 66700, 70901 and 72672, Education Code. Reference: Article 6 (commencing with Section 72670), Chapter 6, Part 45, Education Code.

5 CCR § 59259  
Cal. Admin. Code tit. 5, § 59259

TITLE 5. EDUCATION  
DIVISION 6. CALIFORNIA COMMUNITY COLLEGES  
CHAPTER 10. COMMUNITY COLLEGE ADMINISTRATION  
SUBCHAPTER 4.5. AUXILIARY ORGANIZATIONS  
ARTICLE 2. DISTRICT RESPONSIBILITIES

§ 59259. Recognized Functions.

The functions to be undertaken by auxiliary organizations are for the purpose of providing activities which are an integral part of the community college educational programs. The following supportive services and specified programs which may be developed and operated by auxiliary organizations have been determined by the Board of Governors to be appropriate:

- (a) Student association or organization activities;
- (b) Bookstores;
- (c) Food and campus services;
- (d) Student union programs;
- (e) Facilities and equipment;
- (f) Loans, scholarships, grants-in-aids;
- (g) Workshops, conferences, institutes, and federal projects;
- (h) Alumni activities;
- (i) Supplementary health services;
- (j) Gifts, bequests, devises, endowments and trusts; and

(k) Public relations programs.

Note: Authority cited: Sections 66700, 70901 and 72672, Education Code. Reference: Sections 72670 and 72672, Education Code.

5 CCR § 59263  
Cal. Admin. Code tit. 5, § 59263

TITLE 5. EDUCATION  
DIVISION 6. CALIFORNIA COMMUNITY COLLEGES  
CHAPTER 10. COMMUNITY COLLEGE ADMINISTRATION  
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§ 59263. Auxiliary Organizations in Good Standing.

(a) Each district which establishes one or more auxiliary organizations shall prepare and keep current a list of auxiliary organizations in good standing. All auxiliary organizations which, after periodic review in the manner specified by district implementing regulations, are found to be in compliance with applicable laws and regulations, shall be included on this list.

(b) When the chief executive officer or other designee of a district has reason to believe that a particular organization should be removed from this list, he or she shall give the board of directors of such organization reasonable notice that a conference will be held to determine whether grounds for removal do in fact exist, and representatives of said board shall be entitled to be present at such conference and to be heard. Based upon such conference, the chief executive officer or other designee shall recommend to the district governing board whether a particular organization should be removed from the list. The district governing board may, in its sole discretion, remove such an auxiliary organization from said list, and may make such other provisions consistent with law as may be appropriate with respect to an auxiliary organization not included on said list.

Note: Authority cited: Sections 66700, 70901 and 72672, Education Code. Reference: Section 72672, Education Code.

5 CCR § 59265  
Cal. Admin. Code tit. 5, § 59265

TITLE 5. EDUCATION  
DIVISION 6. CALIFORNIA COMMUNITY COLLEGES  
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ARTICLE 2. DISTRICT RESPONSIBILITIES

§ 59265. Ongoing Responsibilities.

Each district governing board which establishes one or more auxiliary organizations shall:

(a) Insure that an audit on each auxiliary organization is performed annually in the manner prescribed by subdivision (a) of section 72672 of the Education Code; and that a copy of said audit is submitted to the Chancellor;

(b) Submit any changes in district implementing regulations to the Chancellor for approval;

(c) Submit to the Chancellor any changes made in any written agreement, articles of incorporation, bylaws or other governing instrument pertaining to any established auxiliary organization;

(d) Periodically review each auxiliary organization for compliance with Education Code sections 72670-72682, the regulations contained in this subchapter and district implementing regulations, any written agreement, and the auxiliary organization's articles of incorporation, bylaws or other governing instrument. Such review shall be conducted in accordance with the procedure specified in the district implementing regulations;

(e) Prepare and keep current a list of auxiliary organizations in good standing in the manner provided for in section 59263. A copy of the initial list of auxiliary organizations in good standing, as well as any updated version of such list shall be forwarded to the Chancellor; and

(f) Report to the Chancellor, as may be required from time to time, on the operations of its auxiliary organizations.

Note: Authority cited: Sections 66700, 70901 and 72672, Education Code. Reference: Article 6 (commencing with Section 72670), Chapter 6, Part 45, Division 7, Title 3, Education Code.