

**OPERATING AGREEMENT
BETWEEN CALIFORNIA STATE UNIVERSITY
AND CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS TORO AUXILIARY
PARTNERS**

This agreement is made and entered into by and between the Trustees of the California State University by their duly qualified Chancellor (CSU) and **California State University, Dominguez Hills Toro Auxiliary Partners** (Auxiliary) serving **California State University, Dominguez Hills** (University). The term of this agreement shall be July 1, 2025 through June 30, 2035.

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 [Cal. Educ Code § 89900 et seq.](#) and [5 CCR § 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 University under the usual state procedures.

2. PRIMARY FUNCTIONS

In consideration of receiving recognition as an official CSU auxiliary organization, Auxiliary agrees that the primary function(s) that the Auxiliary is to manage, operate or administer are listed below as authorized by [5 CCR § 42500](#):

- a. Bookstores, Food Services, and University Services
- b. Loans, Scholarships, Grants-in-Aids, Stipends, and Related Financial Assistance
- c. Externally Funded Projects Including Research, Workshops, Conferences, and Institutes
- d. 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 University. Auxiliary further agrees that it shall not perform any of the functions listed in [5 CCR § 42500](#) unless the function has been specifically assigned in this operating agreement with the University. 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

Auxiliary must operate in conformity with CSU and University policies and under the oversight of the University. As stated in Cal. Educ. Code §§ [89756](#), [89900](#), the University President is primarily responsible for administrative compliance and fiscal oversight of Auxiliary. The University 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 University. The operations and activities of Auxiliary under this agreement shall be integrated with University operations and policies and shall be overseen by the university Chief Financial Officer (CFO) or designee so as to assure compliance with objectives stated in [5 CCR § 42401](#).

Each auxiliary organization shall conduct an annual review and prepare a report of the fiscal viability of the auxiliary organization pursuant to [Cal. Educ. Code § 89904-89905](#) (not including § 89905.5) [5 CCR § 42401\(d\)](#), and [5 CCR § 42404](#). Each auxiliary organization shall prepare and submit a report of the results of the annual review of auxiliary financial standards and control self-assessment to the university president or designee for review and approval by June 30th as outlined in the Annual Review of Auxiliary Financial Standards and Control Self-Assessment section of the [CSU Auxiliary Organizations](#) policy. A record of the approval shall be retained by the university pursuant to the [Records Retention and Disposition Schedules](#) policy.

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

4. OPERATIONAL COMPLIANCE

Auxiliary agrees to maintain and operate its organization in accordance with all applicable laws, regulations and CSU and University 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 university name, resources and facilities ([5 CCR § 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 their 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 **Exhibit 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 a statement of Auxiliary's policy on accumulation and use of public relations funds and attach to this agreement as **Exhibit 2**. 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 [5 CCR 5 § 42408](#), regarding fiscal audits. All fiscal audits shall be conducted by auditors meeting the requirements detailed in the [External Audits](#) section of the [CSU Auxiliary Organizations](#) policy.

The University 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 University 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

University 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 University, the University logo, seal or other symbols and marks of the University, provided that Auxiliary clearly communicates that it is conducting business in its own name for the benefit of University. 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 University.

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

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

Auxiliary shall not delegate the authority to use the University name, logo, seal or other symbol or mark to any person or entity without the prior written approval of the University President or designee. Auxiliary shall cease using the University 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. MODIFICATION OF CORPORATE STATUS

Auxiliary organizations shall notify the university president or designee, and the Chancellor's Office (compliance@calstate.edu) of any changes to their legal, operational or tax status. This includes, but is not limited to amendments to Articles of Incorporation or bylaws, changes in tax-exempt status, bankruptcy filings, dissolution, mergers, or change in name. In the event of changes to governance documents or financial information, auxiliary organizations must also ensure compliance with the requirements outlined in the [Auxiliary Organization Website](#) section of the [CSU Auxiliary Organizations](#) policy.

10. FAIR EMPLOYMENT STATUS

In the performance of this agreement, and in accordance with [Cal Gov. 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 equal opportunity in employment adopted by the CSU.

11. BACKGROUND CHECK 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 policy

Background Checks. Auxiliary will provide confirmation of completed and cleared background checks to the University President/Chancellor upon request, or as established by university policy.

12. DISPOSITION OF ASSETS

Attached hereto as **Exhibit 3** is a copy of Auxiliary's Constitution or Articles of Incorporation (as applicable) which, in accordance with [5 CCR § 42600](#), establishes that upon dissolution of Auxiliary, the net assets other than trust funds shall be distributed to the CSU or to another affiliated entity subject to financial accounting and reporting standards issued by the Government Accounting Standards Board. 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 University 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 University may agree that Auxiliary may use specified University facilities and resources for research projects and for institutes, workshops, and conferences only when such use does not interfere with the instructional program of University and upon the written approval from appropriate University administrators with such specific delegated authority. Auxiliary shall reimburse University for costs of any such use.

14. CONTRACTS FOR CAMPUS SERVICES

Auxiliary may contract with University for services to be performed by state employees for the benefit of Auxiliary. Any agreement must be documented as a contract or written memorandum of understanding between Auxiliary and University. The contract shall among other things, specify the following: (a) full reimbursement to University for services performed by a state employee in accord with [5 CCR § 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 University to provide the specified services to Auxiliary.

15. DISPOSITION OF NET EARNINGS

Auxiliary agrees to comply with CSU and University 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, pursuant to [Cal. Educ. Code § 89904](#); CSU policy [CSU Auxiliary Organizations](#), and CSU policy [Designated Balances and Reserves](#).

16. FINANCIAL CONTROLS

Recovery of allowable and allocable indirect costs and maintenance and payment of operating expenses must comply with CSU policy [Placement and Control of Receipts for University Activities and Programs, 5 CCR § 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 University..

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 Cal. Educ. 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 university authority. Auxiliary agrees that it will not accept a gift that has any restriction that is unlawful.

University Delegation of Authority to Auxiliary regarding Administration of Grants and Contracts is attached as **Exhibit 4**.

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 [Cal. Educ. Code § 89720](#).

18. INDEMNIFICATION

Auxiliary agrees to indemnify, defend and save harmless the CSU, its officers, agents, employees and constituent universities 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 University 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 [California State University Insurance Requirements](#) 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 University 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:

California State University, Dominguez Hills Toro Auxiliary Partners
1000 East Victoria Street
Leo F. Cain Library, Suite 3002
Carson, California 90747

Notice to the University shall be addressed as follows:

California State University, Dominguez Hills
Office of the President
1000 East Victoria Street
Welch Hall, Suite 450
Carson, California 90747

California State University, Dominguez Hills
Procurement and Contracts
1000 East Victoria Street
Welch Hall, Suite 485
Carson, California 90747

Notice to the CSU shall be addressed as follows:

Trustees of the California State University
Attention: Executive Vice Chancellor & CFO, Business and Finance
401 Golden Shore
Long Beach, California 90802

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 canceled. The ninety-day notice provision is not required for a breach noted in Section 12 of this Agreement.

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 universities.

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: 07/24/2025

California State University, Dominguez Hills

By 
Thomas Parham (Jul 24, 2025 22:35:06 PDT)

Dr. Thomas A. Parham, President

Executed on 07/23/2025

California State University, Dominguez Hills

By 
Deborah Wallace (Jul 23, 2025 14:01:05 PDT)

Deborah Wallace, Vice President/CFO, Administration and Finance

Executed on 07/22/2025

California State University, Dominguez Hills

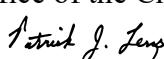
Toro Auxiliary Partners

By 
Tranitra Avery (Jul 22, 2025 09:05 PDT)

Tranitra Avery, Executive Director

Executed on Jul 28, 2025

California State University
Office of the Chancellor

By 
Patrick J. Lenz

Patrick J. Lenz, Interim Executive Vice Chancellor and Chief Financial Officer

Exhibit 1 - Auxiliary Conflict of Interest Policy

(This page intentionally left blank, Refer to Attached Exhibit 1)

Exhibit 2 - Toro Auxiliary Partners Hospitality & Public Relations Funds Policy

(This page intentionally left blank, Refer to Attached Exhibit 2)

Exhibit 3 - Auxiliary Constitution or Articles of Incorporation

(This page intentionally left blank, Refer to Attached Exhibit 3)

Exhibit 4 - University Delegation of Authority to Auxiliary regarding Administration of Grants and Contracts

(This page intentionally left blank, Refer to Attached Exhibit 3)

Board of Directors Conflict of Interest Disclosure Policy

California State University, Dominguez Hills, Toro Auxiliary Partners

PURPOSE

California State University, Dominguez Hills, Toro Auxiliary Partners (“Auxiliary”) is a California nonprofit public benefit, tax-exempt organization. It is also an auxiliary of The California State University subject to the California Education Code and the policies of the CSU.

The Board of Directors of the Auxiliary are governed by this policy in order to establish standards of conduct that ensure that all statutory requirements involving conflicts of interest have been addressed and that Board members have established guidelines applicable to their activities and dealings on behalf of the Auxiliary.

STATEMENT OF POLICY

Members of the Board of Directors of the Auxiliary are subject to the following conflict of interest provisions of the California Education Code (Exhibit A):

§89906 FINANCIAL INTEREST PROHIBITED. No member of the governing board of an auxiliary organization shall be financially interested in any contract or other transaction entered into by the board of which he/she is a member, and any contract or transaction entered into in violation of this section is void.

§89907 EXCEPTION. No contract or other transaction entered into by the governing board of an auxiliary organization is void under the provisions of §89906, nor shall any member of such board be disqualified or deemed guilty of misconduct in office under said provisions, if the circumstances specified in the following subdivisions exists:

- A. The fact of such financial interest is disclosed or known to the governing board and noted in the Minutes, and the governing 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, and
- B. The contract or transaction is just and reasonable as to the auxiliary organization at the time it is authorized or approved.

§89908 CERTAIN PROVISIONS NOT APPLICABLE. The provisions of §89907 shall not be applicable if the circumstances specified in any of the following subdivisions exist:

- A. The contract or transaction is between an auxiliary organization and a member of the governing board 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 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 governing board of that auxiliary organization is the owner or holder, directly or indirectly, of five (5) percent or more of the outstanding common stock.
- D. A member of the governing board of an auxiliary organization is interested in a contract or transaction within the meaning of §89906, 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.

§89909 UNLAWFUL TO UTILIZE NONPUBLIC INFORMATION FOR PERSONAL

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

- A. Each member of the Board of Directors shall on annual basis review prior year transactions and relationships and acknowledge in writing compliance with the above statutory provisions.

PROCEDURES

1. Members of the Board of Directors shall consult with the Auxiliary Board Chair and Auxiliary Executive Director regarding transactions or relationships that may constitute a Conflict of Interest. If a Conflict of Interest is deemed to exist pursuant to such initial consultation, it shall first be reported to the Audit Committee to devise and recommend to the Board a proposed resolution of, or course of action with respect to, the Conflict of Interest.
2. If a Conflict of Interest is deemed by the Auxiliary Board Chair and Auxiliary Executive Director to exist, the Audit Committee shall place the matter on the regular meeting agenda for appropriate action by the Board of Directors. The Board shall discuss the matter in open session, allowing the Director whose conduct is at issue to provide an explanation. The Board shall then by majority vote (not including the vote of any Director whose conduct is at issue) take action regarding the matter. Such action may include, but is not limited to, validation of the transaction pursuant to §89907, if available, validation of the transaction with conditions, censure or removal of the Director, rescission of the transaction, or any other action deemed appropriate by the Board.
3. If a transaction is proposed that may constitute a Conflict of Interest, the Auxiliary Board Chair and Auxiliary Executive Director shall determine whether the proposed transaction represents a conflict that would violate §89906 and, if so, whether to present the proposed transaction to the Board for possible approval in accordance with §89907, if available, or whether the proposed transaction should not be pursued.
4. Members of the Board of Directors shall recuse themselves from the vote on any matter that involves an actual or potential Conflict of Interest involving that Director.

5. Any allegation or evidence of violation of this Conflict of Interest policy by a Director shall be reported to the Auxiliary Board Chair and Auxiliary Executive Director. The Auxiliary Board Chair and Auxiliary Executive Director shall discuss the matter with the Director to obtain additional facts and perspective. If a Conflict of Interest relationship is deemed to exist, it shall be reported to the Audit Committee to devise and recommend to the Board a proposed resolution of, or course of action with respect to, the Conflict of Interest.
6. Officers, Directors or employees may report any allegation or evidence of violation of this Conflict of Interest policy, or irregularities in accounting or financial matters, to the Audit Committee Chair and Auxiliary Executive Director. The Audit Committee, in consultation with the Auxiliary Board Chair and Auxiliary Executive Director, shall then take proper action to investigate the matter and recommend a response to the allegations. Employees who report suspected Conflicts of Interest or financial or accounting irregularities shall be protected from any retaliation as a result of the report.
7. All members of the Auxiliary Board of Directors shall annually submit a Conflict-of-Interest Disclosure Form to the Auxiliary Executive Director. All Board of Directors members must submit these disclosures within 30 days of request from the Auxiliary. If a member has not submitted their form within 30 days, the Auxiliary Executive Director shall notify the Auxiliary Board Chair, who shall formally communicate its required submittal to the member. If the disclosure form is not received within 15 days of the Audit Committee Chair's communication, the issue will be placed on the Audit Committee's agenda for discussion and recommended action to the Board of Directors, including the possibility of censure and/or removal from the Board.

EXHIBIT A

CALIFORNIA EDUCATION CODE

Section #:

89906 No member of the governing board of an auxiliary organization shall be financially interested in any contract or other transaction entered into by the board of which he is a member, and any contract or transaction entered into in violation of this section is void.

89907 No contract or other transaction entered into by the governing board of an auxiliary organization is void under the provisions of Section 89906, nor shall any member of such board be disqualified or deemed guilty of misconduct in office under said provisions, if the circumstances specified in the following subdivisions exist:

- (a) The fact of such financial interest is disclosed or known to the governing board and noted in the minutes, and the governing 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, and
- (b) The contract or transaction is just and reasonable as to the auxiliary organization at the time it is authorized or approved.

89908 The provisions of Section 89907 shall not be applicable if the circumstances specified in any of the following subdivisions exist:

- (a) The contract or transaction is between an auxiliary organization and a member of the governing board 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 is the owner or holder, directly or indirectly, or a proprietorship interest.
- (c) The contract or transaction is between an auxiliary organization and a corporation in which any member of the governing board 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 governing board of an auxiliary organization is interested in a contract or transaction within the meaning of Section 89906, 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.

89909 It is unlawful for any person to utilize any information, not a matter of public record, which is received by him by reason of his membership on the governing board of an auxiliary organization, for personal pecuniary gain, regardless of whether he is or is not a member of the governing board at the time such gain is realized.

TORO AUXILIARY PARTNERS HOSPITALITY & PUBLIC RELATIONS POLICY
(Updated 12.08.2022)

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100 PURPOSE

In accordance with California State University Hospitality Policy (ICSUAM 1301.00), California State University, Dominguez Hills Toro Auxiliary Partners (“Toro Auxiliary Partners”) hospitality expenses that are necessary, reasonable in amount, appropriate to the occasion, and consistent with the mission and fiduciary responsibilities of California State University, Dominguez Hills (“University”) for activities that promote the University to the public and in connection with official University business, are permissible, as defined by this Policy (“Policy”).

This Policy materially aligns with University policy and governs the manner and extent to which hospitality may be provided to employees, students, donors, guests, visitors, volunteers, or other individuals as part of a business meeting; recreational, sporting, or entertainment event; or other occasion that promotes the mission of the University. The Policy also addresses employee morale-building functions and meals provided to prospective employees. Expenses incurred for meals while traveling on University or Toro Auxiliary Partners business (i.e., meals purchased by the individual traveling) are not hospitality and are governed by the University or Toro Auxiliary Partners travel policy. In instances when an individual acts as an official host while travelling on University or Toro Auxiliary Partners business, hospitality provisions governed by this Policy apply.

Expenditures submitted to the Toro Auxiliary Partners for community relations expenses must be made in accordance with CSU Executive Order 761; 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; and 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, or 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.

200 SCOPE

University’s Hospitality Policy dated March 25, 2019 states “This Policy governs the appropriate use of state, auxiliary organization, sponsored program administration, private-purpose trust, and agency funds unless legally exempted or otherwise restricted, i.e., documented fund agreements. University and its auxiliaries will comply with additional restrictions when established by funding sources.” This Policy is in conformance with the Trustees of the California State University for campuses and auxiliaries, and (per Education Code §42402) each auxiliary shall operate in conformance with the policy of the Board of Trustees and its campus. Toro Auxiliary Partners, in its endeavors to support the mission of the University and to align policies and procedures for best business practice, outlines in this Policy what are acceptable uses of auxiliary funds.

The Toro Auxiliary Partners shall maintain documentation for expenditures consistent with good business practices, and in keeping with applicable documentation standards required by federal, state, and local governments. Good business practices include documentation procedures adequate to allow an efficient annual fiscal audit. The Toro Auxiliary Partners shall also provide special documentation to assure expenditures are made consistent with the constraints attached to certain sources of funds.

1. Where funds are received for research and grants or educational projects, or are held as trust or

agency funds, documentation must be maintained as required by the entity providing the funds.

2. In the administration of restricted funds, the Toro Auxiliary Partners must maintain adequate documentation to be able to demonstrate that the expenditures are made in a manner consistent with the restrictive conditions.

300 AUTHORITY

Authority for this Policy is pursuant to California Education Code sections 89044, 66600, 89030, and 89035, and Integrated CSU Administrative Manual (ICSUAM) 1301.00.

400 ALLOWABLE EXPENDITURES

Hospitality expenses must be directly related to or associated with the active conduct of official University or Auxiliary business. When an employee acts as an official host, the occasion must serve a clear University business purpose, with any personal benefit derived by the official host or other employees merely incidental to the purpose of the event. In addition, the expenditure of funds for hospitality should be cost effective and in accordance with the best use of public funds.

All hospitality expenses must be approved by the appropriate approving authority ("Approving Authority"). When using a Philanthropic Toro Auxiliary Partners account, expenditures over \$750.00 must receive Dean, VP, or Department Head approval. When determining whether a hospitality expense is appropriate, the approving authority must evaluate the importance of the event; costs that will be incurred; benefit to be derived from the expense; availability of funds; and any alternatives equally effective in accomplishing the desired objectives.

Following are examples of occasions when the provision of hospitality is permitted under this Policy (fund restrictions still apply):

- The University hosts or sponsors business meetings that further the instructional mission of the University and serve a clear business purpose;
- The University hosts official guests who have an interest that benefits the University;
- The University hosts receptions in conjunction with conferences, meetings of learned societies or professional organizations, student events such as commencement exercises, and events or meetings of other University related groups such as alumni associations;
- The University hosts or participates in community relations or fundraising events to promote the university, enhance partnerships, recognize distinguished service, or cultivate donors;
- Hospitality, which includes the provision for meals, catered events, promotional materials, gifts, and travel expenses for official guests of the University or Toro Auxiliary Partners. Hospitality also includes expenses for activities that promote the University or Toro Auxiliary Partners to the public with the expectation of benefits/goodwill accruing directly or indirectly to University or Toro Auxiliary Partners.
- 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.
- Membership and participation in the activities of community groups and local non-profit organizations

which promotes the engagement of the University with the community.

- Official University programs/activities that promote students, faculty, or staff; professional development; and/or donor cultivation and stewardship. Such activities may include, but are not limited to, campus receptions, public ceremonies, and auxiliary board and advisory committee meetings.
- Awards in recognition of service or achievement directly benefiting the University or Toro Auxiliary Partners.
- Gifts given or bestowed upon an individual, group, or entity with the expectation of benefit/goodwill accruing to the University or Toro Auxiliary Partners.
- Promotional materials distributed to promote the name and brand of the University or the Toro Auxiliary Partners.
- Employee relations for events such as employee recognition, service awards, or retirement gatherings.
- Business related meals, when it is necessary for employees to conduct official University or Toro Auxiliary Partners business during a meal.
- 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.
- 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 Toro Auxiliary Partners where such participation is reasonably intended to achieve the community relations objectives of the University or Toro Auxiliary Partners.
- Flower purchases for official University or Toro Auxiliary Partners functions such as commencement, award ceremonies, seminars, and other official campus events. Additionally, flowers may be purchased for funeral arrangements for deceased employees, retired employees or donors. Monetary contributions to a non-profit charity, research or educational organization are permitted in lieu of flowers.
- The University hosts events for the benefit of employee morale (e.g., Staff Appreciation Day and the annual campus holiday celebration), employee recognition and length of service award presentation of at least five years of service (e.g., annual service awards).

Refer to Exhibit A – Hospitality Guideline Matrix for additional details comparing state-funded allowable expenses and Toro Auxiliary Partners allowable expenses.

401 EMPLOYEE MEETINGS

Meals or light refreshments provided to employees may be permitted under certain circumstances if the expenses occur infrequently and are reasonable and appropriate to the business purpose. Meals or light refreshments provided to employees solely for their convenience, and not for the purpose of conducting University/Toro Auxiliary Partners business are considered taxable income by the IRS and are therefore not permitted under this Policy.

- Meals or light refreshments should be limited to no more than twelve times per year, per group.
- Meals or light refreshments provided to a group should be counted on an event basis, e.g., a two-day meeting should be counted as one event in determining compliance with these guidelines.

Meals or light refreshments provided during a business meeting must be modest and reasonably priced. Where meals are involved, they must be necessary and integral part of the business meeting, and not a matter of personal convenience, e.g., the cost of meals for employees from the same work location are allowable if a working lunch is included as part of a scheduled meeting.

When a meeting takes place over an extended period and the agenda includes a working meal, there may be justification that the meal is integral to the business function. Examples include:

- A meeting where there is a scheduled speaker during the meal period;
- A meeting where the participants work through the meal period;
- Circumstances where it would be too time-consuming or disruptive for participants to take a meal break away from the meeting location.

Maximum Per-Person Expenses for Employee Meals

The Toro Auxiliary Partners Chief Financial Officer is required to establish maximum per-person expenses allowable for hospitality meals and light refreshments provided during meetings and events to employees and official guests. Maximum per-person expenses include the total cost of food, beverages, labor, sales tax, delivery fees, tips, and other service fees. Tips and gratuities generally may not exceed 20% of the total bill. The maximum allowable expenses shall be reviewed and documented periodically by Toro Auxiliary Partners's Chief Financial Officer and communicated to University constituents.

Effective October 01, 2020, maximum per-person expenses allowable during meetings and events are provided in section 401.1 of this Policy and shall remain in effect until the Toro Auxiliary Partners Chief Financial Officer indicates otherwise. On a case-by-case basis, when there is a compelling rationale to do so, hospitality expenditures exceeding the maximum-per person amount may be permitted. Documentation of a compelling rationale to approve an exception to the maximum per-person amount must be documented by attaching a memo or other form of approval that has been signed by the respective Vice President or Designee and the University Chief Financial Officer, to the expense.

Specifically, employee business meals or entertainment expenses must conform to Internal Revenue Service ("IRS") regulations; no employee business meal or entertainment expenditure that is considered taxable income under IRS regulations will be reimbursed or paid. An employer's reimbursement of an employee business meal or entertainment expense may be considered taxable income to an employee if:

- The activity is not directly related to the employee's job;
- The expense is lavish or extravagant under the circumstances;
- The expense is not substantiated with supporting documentation;
- Supporting documentation must include an itemized receipt.

401.1 Toro Auxiliary Partners Maximum Per-Person Meal Expenses for Meetings & Events Attended by University Employees and Official Guests

Food and beverages provided to employees may be permitted when doing so serves a University business purpose and if the expenses occur infrequently, are reasonable and modestly priced, and appropriate to the business purpose. Providing meals or light refreshments in support of a University business purpose must be limited to no more than twelve times per year, per group or department. Refer to the University Hospitality Policy for additional requirements.

Aligning with the University's Hospitality Policy, effective October 01, 2020, the following are approved Toro Auxiliary Partners and University maximum per-person meal and light refreshment expenses that may be incurred during meetings and events attended by University or Toro Auxiliary Partners employees and official University or Toro Auxiliary Partners guests:

| Meal Type | Maximum Per-Person |
|--------------------|--------------------|
| Breakfast | \$30 |
| Lunch | \$35 |
| Dinner | \$60 |
| Light Refreshments | \$20 |

Maximum per person expenses include the total cost of food, beverages, labor, sales tax, delivery fees, tips, and other service fees. Tips and gratuities generally may not exceed 20% of the total bill. The maximum allowable amounts shall be reviewed and documented periodically by the Chief Financial Officer and communicated to Toro Auxiliary Partners constituents.

The maximum per-person rates allowable during meetings and events effective shall remain in effect until the Toro Auxiliary Partners Chief Financial Officer determines otherwise.

401.2 Meal Expenses

A. Business-Related Meals

When it is necessary for employees to conduct official University or Toro Auxiliary Partners business during a meal, they may be reimbursed if substantiated by an itemized receipt and an approved Payment Request Form. Business-related meals cannot be claimed on a Travel Expense Form or paid to the employee as per diem.

B. Meals at Conferences, Workshops, or Meetings

Where a registration or other fee for a convention, conference, or workshop includes meals, the employee's travel claim should not include reimbursement for meal expenses provided by the event or included with registration fees. In the event the employee must forgo the provided meal for health reasons, a receipt must be submitted for the meal that is purchased in lieu of the provided meal. A justification for the expense must accompany the claim. Total daily meal reimbursement cannot exceed approved CSU caps.

402 SPOUSES, DOMESTIC PARTNERS AND SIGNIFICANT OTHERS

Hospitality provided to the spouse, domestic partner, or significant other of an employee may be permitted when doing so serves a University business purpose such as ceremonial functions, fundraising events, alumni gatherings, athletic games, and community events. Such an individual's presence is considered to serve a University business purpose if they have a significant role in the proceedings or makes an important contribution to the success of the event. An agenda, invitation, or similar documentation should be included with the hospitality authorization form and payment record.

403 STUDENTS AND PROSPECTIVE STUDENTS

Hospitality provided to students and prospective students may be permitted when it furthers the educational mission of the campus. Permissible activities during which hospitality may be provided include recruitment efforts, student programs, student organization events, student recognition events, fundraising and other community events, and commencement. Hospitality provided to student athletes and recruits must be in accordance with the rules of the intercollegiate athletic association's national governing board, e.g., National Collegiate Athletic Association.

404 AWARDS AND PRIZES

Employee Awards and Prizes

Awards and prizes provided to employees in conjunction with University-wide events for exceptional contributions and superior accomplishments and for length of service of five years or longer are permissible, as are awards and prizes provided to employees participating in University-wide morale-building events and appreciation activities that serve a business purpose, such as the annual Staff Appreciation Day.

Awards and prizes should be infrequent and conservative in value. Awards and prizes are subject to specific fund restrictions and availability of funds, non-State Toro Auxiliary Partners and Toro Auxiliary Partners funds may be used to provide cash and cash-equivalent awards and prizes above \$50 to students, University employees, and Auxiliary employees for exceptional contributions and for other University business purposes in conjunction with a University-wide event or activity. Cash and cash-equivalent awards and prizes, including gift cards, gift certificates, and meal vouchers with a specific dollar value provided to employees are always reportable as wages, no matter how small the value. A non-cash award or prize may have a taxable consequence to an employee if it does not meet the IRS definition of de minimis (less than \$100 and infrequent).

Subject to specific fund restrictions and availability of funds, non-State funds may be used to provide non-cash awards and prizes above \$100 to University & Auxiliary employees and students for exceptional contributions and for other University business purposes in conjunction with a University-wide event or activity. If Toro Auxiliary Partners funds are used, it is the responsibility of the department conferring the award or prize to notify Payroll of cash and cash-equivalent awards given to employees, as well as non-cash awards or prizes that do not meet the IRS definition of de minimis.

Furthermore, departments are required to complete the Toro Auxiliary Partners Employee Gift & Award Reporting Form for cash and cash equivalent awards and for non-cash awards, and submit them to Toro Auxiliary Partners Payroll for processing. The Payroll department will enter the employees' SSN information on these forms.

Awards honoring student excellence are permissible. In addition, providing awards and prizes to students via University events and activities that serve a business purpose, such as via the University Athletics Toro Rewards program, is allowed, as is providing meal vouchers to students via the Toro Food Pantry (subject to Financial Aid reporting). Cash and cash-equivalent awards and prizes provided to students, including gift cards, gift certificates, and meal vouchers with a designated dollar value are always reportable to the Financial Aid office, no matter how small the value.

Subject to specific fund restrictions and availability of funds, Toro Auxiliary Partners funds may be used to provide cash and cash-equivalent awards and prizes above \$50 to students. It is the responsibility of the department conferring the award or prize to notify the Financial Aid Office of cash and cash-equivalent awards and prizes provided to students, including the student identification number of award recipients. Departments also are responsible for reporting non-cash awards or prizes provided to students to Toro Auxiliary Partners Accounting Services staff, who are responsible for tracking the cumulative value of non-cash awards or prizes and notifying the IRS should the cumulative value of non-cash awards meet or exceeds \$600 during a calendar year, which Toro Auxiliary Partners is required to report as income to the recipient. Subject to specific fund restrictions and availability of funds, non-State funds may be used to provide non-cash awards and prizes above \$100 to University students for exceptional contributions and for other University business purposes in conjunction with a University-wide event or activity.

405 GIFT CARDS

Subject to IRS tax laws and Financial Aid reporting (for students), gift cards are permissible only for the following:

- Incentives to students to participate in a non-researched (grant) funded survey;
- Incentives to anyone, including employees, to participate in a research funded survey or study, within the terms of the grant and the grant serves an instructional purpose (subject to IRS tax laws);
- Awards and recognition;
- Incentives to participate in the Athletics Toro Rewards program;
- Distribution of Campus Food Pantry meal vouchers;
- As the result of an opportunity drawing related to a University business activity.

As of the implementation of this procedure on January 25, 2021, cash-equivalent cards such as Visa, Master, American Express, Discover, etc., are not allowable-. Toro Auxiliary Partners reserves the right to amend this policy at a future date if a need is adequately identified.

Approvals – All gift card purchases, or other cash-equivalent awards or prizes must be approved by a VP, Dean, or Division Head. Grant expenditures require a Post-Award analyst's approval. Per item gift card expenses of \$500 and above must be approved by the Toro Auxiliary Partners CFO. All gift card total requests of \$5000 or more must be approved by the Toro Auxiliary Partners Executive Director.

Once approval is obtained and cash-equivalent items have been purchased, the receipt or vendor invoice for P-card or direct purchases must be submitted to Toro Auxiliary Partners Accounts Payable along with all other required documentation.

Additionally, departments must hold gift cards, gift certificates, meal vouchers, and non-cash awards and prizes in a secured location such as a locked cabinet or safe, per ICSUAM 6330.00. See Cash Receipting and Check Handling Policy for additional details.

500 UNAUTHORIZED EXPENDITURES

Personal Benefit

Hospitality expenses that are of a personal nature and not related to the active conduct of official University business are not permitted using state funds and will not be paid or reimbursed by the University. Some of the items listed below may be permitted by Toro Auxiliary Partners. Please refer to Exhibit A, Hospitality Guideline Matrix. The California gift of public funds doctrine set forth in the California Constitution, article XVI §6, prohibits the giving or lending of public [state] funds to any person or entity, public or private, unless there is a public purpose. Examples of personal events and activities include, but are not limited to, birthdays, weddings, anniversaries, baby showers, memorial services, bereavement, retirement parties, farewell gatherings, and get-well expenses. Additionally, providing a gift card, gift basket, flowers, or other cash-equivalent or non-cash gift as a thank you to consultant, guest speaker, or employee at another campus is not permitted. Unauthorized expenditures also include those not in compliance with the Toro Auxiliary Partners hospitality policy as provided herein.

600 ALLOWABLE FUNDING SOURCES

Hospitality expenses may be paid from various fund sources, subject to the restrictions outlined below:

601 STATE FUNDS SUBJECT TO RESTRICTIONS

- Employee recognition and official presentations in conjunction with University-wide events for exceptional contributions, or length of service awards for five years of service or longer.
- Awards and prizes to employees for exceptional contributions, to students for excellence, and individuals to participate in a research-funded survey or study.
- Official employee morale-building and appreciation activities that serve a business purpose.
- Food and beverages or entertainment services that serve a business purpose.
- Alcoholic beverages, memberships in social organizations, and tobacco products may be permissible with Toro Auxiliary Partners funds subject to policies and fund directives. Tobacco products are only allowed for Grants and Contracts tobacco research. Furthermore, Hospitality expenses will not be paid or reimbursed for membership in social organizations, activities or entertainment services that discriminate based on race, color, religion, national origin, ancestry, age, gender, sexual orientation, marital status, veteran status, or disability.

602 AUXILIARY ORGANIZATION FUNDS

Hospitality expenses are allowable using Toro Auxiliary Partners funds provided the expense serves a bona fide business purpose. Auxiliary organization funds may be used to pay for alcoholic beverages, formal awards and service recognition, entertainment services, gifts, membership in social organizations and promotional items to the extent these purchases are not restricted by other applicable laws, regulations, or funding source agreements.

Gifts are items of value given or bestowed upon an individual, group, or entity with the expectation of a benefit accruing to the University, including donor or volunteer recognition. Gifts also include

"get well" or memorial floral or other arrangements made on behalf of the University in the event of a serious illness, injury, or death of a University employee; an individual external to the University who had a close educational, community, business, or philanthropic relationship with the University; a student; or death of a member of an employee's immediate family. Memorial donations may be provided subject to funding source restrictions.

CSU hospitality policy permits approved alcohol expenses using Toro Auxiliary Partners funds (unless the specific fund source prohibits such purchases).

Alcohol purchases need to be pre-approved by the Dean or VP of the department making the purchase. Alcohol and food purchases should be placed on separate checks. Tips and gratuities must not exceed 20% of the total bill for alcoholic beverage purchases. Justification on how the purchase furthers the University's mission must be provided.

Effective January 1, 2017, California AB 1887 prohibits state-funded travel to a state that authorizes discrimination based on sexual orientation, gender identity, and gender expression; voids or repeals existing state or local protections against such discrimination; or creates an exemption to anti-discrimination laws to permit such discrimination. AB 1887 identifies California State Universities as an entity covered by the law. The Toro Auxiliary Partners may allow travel to states prohibited under this law, if the funds being used were not derived from California state agencies. Travel to prohibited states must be approved by the Toro Auxiliary Partners Executive Director prior to travel.

603 SPONSORED PROGRAMS ADMINISTRATION

Federal or local government contract and grant funds may only be used to pay hospitality expenses specifically authorized in the contract or grant, or by agency policy. In the event of a conflict between agency and Toro Auxiliary Partners policy, the stricter of the two policies shall apply. Federal Funds may not be used to purchase alcoholic beverages unless the expenditure is specifically research involving alcohol or tobacco products and aligns with Toro Auxiliary Partners Policy and Procedures.

700 APPROVAL OF TRANSACTIONS

- All hospitality expenses must be approved by the appropriate Approving Authority.
- Individuals with approval authority may not approve their own hospitality expenses and individuals may not approve hospitality expenses of their supervisor. The exception to this is approval of the President's hospitality expenditures by the University Chief Financial Officer or equivalent.
- Written approval by both the respective Approving Authority and the Toro Auxiliary Partners Chief Financial Officer is required to purchase cash, gift cards, or other cash-equivalent awards or prizes with per item expenses \$500 or above.
- Approval by the respective Approving Authority is required for meals or light refreshments planned for employee-only meetings or events.
- Requests for payment or reimbursement for meals and light refreshments provided during meetings and events attended by official University guest(s) must include the name(s) and affiliation of meeting or event attendees and the business purpose benefiting the campus.

- Approval by the Toro Auxiliary Partners Executive Director or designee is required for recreational, sporting, or entertainment event hospitality expenses.
- Approval by the Toro Auxiliary Partners Executive Director or designee is required for hospitality expenses for a spouse or domestic partner of an employee.

800 DEFINITIONS

Approving Authority – a person to whom authority has been assigned in writing (i.e., AVP, Dean, Executive Director, or designee, provided that designee is in a managerial position or above) to approve hospitality expenses.

Auxiliary Organization Funds – University auxiliary organizations are separate legal entities authorized via the Education Code to provide essential services to students and employees. Auxiliary organizations operate in association with campuses pursuant to special written agreements and are authorized to perform specific functions that contribute to the educational mission of the campus. These organizations are subject to applicable state and federal laws and regulations.

Catering is defined as foods that need preparation and are provided by DH Catering. These typically require a controlled environment from preparation to service that are under the guidelines of the LA County Health Department. This includes safety and sanitation, as well as holding temperatures throughout preparation and serving process for both hot and cold food items.

All restaurants under contract with CSUDH Toro Auxiliary Partners Dining Services can be used as options for catering (i.e., Panda Express, Green Olive, Subway, and Every Table, as well as operations directly under Toro Auxiliary Partners oversight).

Catering Exception – Event catering falls exclusively under the purview of Campus Dining. All catering completed by an entity other than Campus Dining shall be considered an exception and needs to be approved by stakeholders as instructed within this Policy.

De Minimis – Small in value relative to total compensation. There is no set dollar amount in the law for nominal prizes or awards. (The IRS gave advice at least once, in 2001, that a benefit of \$100 did not qualify as de minimis).

Designee - A person to whom signature authority has been delegated, by the original Approving Authority. A designee may not further designate authority without first notifying the original Approving Authority. Fiscal responsibility remains with original Approving Authority. Designees must be in managerial position or above.

Employee Meetings – Meetings serving a University business purpose and generally administrative in nature, e.g., meetings of the Academic Senate, meetings of deans and directors, employee morale functions, extended formal training sessions, conferences, extended strategic planning sessions, and meetings of appointed workgroups and committees. An employee-only meeting or event is one at which no official guest is in attendance. Students invited by the official host and whose presence at the event is integral to the business purpose of the meeting or event, are considered official guests. Students attending a meeting or event in their role as student assistant employees, are employees, not official guests. Also, for hospitality purposes, University employees and employees of auxiliary

organizations are not considered guests.

Fundraising Event – Events conducted for the sole or primary purpose of raising charitable funds, where participants make a charitable contribution and a purchase of fair market value of goods or services.

Hospitality includes the following:

- Entertainment Services – Reasonable expenditures as part of an event including, but not limited to, equipment and venue rentals, décor, music, and performers.
- Food and Beverage – The provision of meals (catered or restaurant) or light refreshments.
- Light Refreshments – Includes non-alcoholic beverages, hors d'oeuvres or appetizers, pastries, and cookies.
- Awards and Prizes – Something of value given or bestowed upon an individual, group, or entity in recognition of service to the University or achievement benefiting the University, with the expectation of benefit accruing to the University, or for other occasions that serve a bona fide business purpose.
- Promotional Items – Items that display the name, logo, or other icon identifying the University, such as a keychain, coffee mug, calendar, or clothing. When employees are required to wear clothing bearing the campus logo while working, e.g., during an event such as commencement, these expenses fall within regular business expense requirements and are not subject to the provisions of this Policy.

Social Organizations – University clubs, athletic clubs, service clubs, civic organizations, and other organizations that provide a venue for members to host events or serve as a means for promoting goodwill in the community. Memberships in business leagues, chambers of commerce, trade associations, and professional organizations are considered regular business expenses and are not governed by this Policy.

Official Host – A University employee who is responsible for hosting guests at a meeting, conference, reception, activity, or other University business event.

Official Guest – A person invited by an official host to attend a University meeting, conference, reception, activity, or event. Examples of official guests include employees visiting from another work location, donors, candidates for University faculty, staff or administrative positions, students, volunteers, members of the community, and media representatives. Students attending a meeting or event in their role as student assistant employees are not official guests under this Policy.

Private-Purpose Trust and Agency Funds - Trust or agency funds held by the University in a trustee or custodial capacity (assets equal liabilities) on behalf of third parties and subject to applicable laws and the written agreements applicable to the funds about any hospitality expenditures.

Public Purpose – Business purpose consistent with the mission and fiduciary responsibilities of the University.

Sponsored Program Administration Funds – Grants and contracts from federal, state, local

government, or private sources.

Sponsorship – Contribution to the cost of an event in return for advertising or promoting the University. This includes the cost of purchasing a table at external events.

State Funds – Monies appropriated by the legislature, either as part of the budget process or continuously appropriated (e.g., tuition and fees) and all other funds within Fund 0948 are considered state funds under this Policy. This includes, but is not limited to, State University Parking Revenue Fund, State University (Health) Facilities Revenue Fund, State University Continuing Education Revenue Fund, CSU Dormitory Revenue Fund, Lottery and Miscellaneous Trust Funds subject to restrictions established for the fund.

Student Organizations – As defined by Executive Order 1068, Student Activities, “Formal Chartering and Recognition Policies.”

Work Location – The campus where the individual is employed.

900 CATERING EXCEPTION POLICY

A portion of revenue earned by Toro Auxiliary Partners is distributed back to the University to support the University’s mission. Operating under the direction and responsibility of the Toro Auxiliary Partners, Campus Dining Services (including all Retail Dining/Food Operations), and DH Catering have exclusive rights to provide all food services on campus. The Toro Auxiliary Partners is recognized by the Los Angeles County Health Department as the only authorized and permitted food service provider for the campus. In addition, the Toro Auxiliary Partners holds the only campus Alcohol Beverage License issued by the State of California. Any catering activities held on campus must be provided by Campus Dining Services and DH Catering. Any food or beverage purchases that are not directly related to off-campus entertainment require a Catering Exception.

Any event or program that takes place on campus and does not use Toro Auxiliary Partners dining services for catering requires the Catering Exception. Exemption from using Campus Dining Services or DH Catering may be considered for campus events held outside the Loker Student Union through submittal of Toro Auxiliary Partners’ Catering Exception Form. A Catering Exception Form is available at Toro Auxiliary Partners’ main office (WH360), Campus Dining offices, or online. All Catering Exceptions must be reviewed and approved by the Director of Commercial Services or designee. Adherence to this Policy shows the campus’s commitment to the services providing a variety of 11 dining services on campus: 4 franchises and 7 self-operated locations.

Catering Services are available 7 days a week, based on reservation bookings. Please plan a minimum of one (1) work week in advance when ordering catering. Please reserve a room first, prior to making catering arrangements. Room reservations can be made with Loker Student Union Reservations. Exclusivity rights on campus must allow DH Catering first right of refusal to maintain quality and consistency as well from a marketing perspective. Catering that is allowed from another source should indicate at the event where the food originated. Any food item that isn’t provided and sold by Campus Dining, DH Catering, or Vendor Restaurants located on campus (i.e., Subway, Everytable, Panda Express, Green Olive, Toro Fresh, 1910 Café, DH Sports, Toro Fresh, Union Grind, Booked & Brewed, Grab n Go’s, and food items sold in our University Bookstore) and are not defined as “packaged foods” or does not fall under the definition for “potluck”, require a Catering Exception Form. Catering Exception forms are not needed for Potlucks or Packaged Foods.

Exterior Catering Companies – These can only be used after an exemption is granted by Dining Services. Part of granting the exemption is to review the application to ensure the food vendor the department wishes to use is a recognized and licensed food vendor and follows Los Angeles County guidelines.

901 ITEMS THAT DO NOT NEED A CATERING EXCEPTION FORM

Potlucks

Attendees of the “potluck” provide prepared food and beverages to be shared with other attendees. The individuals who provide food or beverages at “potlucks” are solely responsible for the safety of the food, its storage and serving, and any illnesses or injuries that may arise from consuming the food.

Potlucks are NOT a University or Toro Auxiliary Partners function. Toro Auxiliary Partners or University funds cannot be used to provide food for a potluck event.

Packaged Foods

Food packaging is packaging for food and sold by reputable stores. A **package** provides protection, tampering resistance, and special physical, chemical, or biological needs. It may bear a nutrition facts label and other information about **food** being offered for sale. These items still must comply with manufacturing and health department requirements for temperature holding.

1000 RECORD RETENTION

In accordance with CSU record retention policies, accounts payable records for Hospitality expenses will be retained for four (4) years from the end of the fiscal year of the record item. Any taxable item records will be retained for six (6) years. Administrative & Financial Records will be retained for seven (7) years to ensure all CSU record retention policies and regulatory requirements are met or exceeded.

1100 SUBMITTAL REQUIREMENTS

A Payment Request, properly indicating that it is for a hospitality or public relations expenditure, must be approved by the authorized account signer. Signature stamps are not acceptable. The account signer approving the authorization is responsible for ascertaining the necessity and reasonableness of the authorization and for ensuring 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, except in the case of reimbursements to the University President, wherein the campus CFO shall approve. Payment Requests 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:

- **Description** – Description of the expense.
- **Purpose** – Specific and detailed information regarding the business purpose for the expenditure and the business benefit expected to be gained because of the expenditure. Must also include how the expense serves the mission of the University and/or Toro Auxiliary Partners. Generic statements such as "promotes positive relations," "community relations," or "employee relations" are not acceptable.

- **Relationship** – Names of the persons included and their affiliation to the University/Toro Auxiliary Partners. When a donor's or participant's name needs to be kept confidential, indicate as either "confidential" or "anonymous" or participant reference number. Not required for campus-wide events.
- **Event** – Event Flyer or Agenda required for events.
- **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 Lost Receipt Form must be completed.

Exhibit A

HOSPITALITY GUIDELINE MATRIX

| Hospitality Expense | State Funds (All University Funds) (1) | Auxiliary Organization Toro Auxiliary Partners (2) |
|--|--|---|
| Food and beverage (excluding alcohol) provided for meetings/events that have a business purpose | YES | YES |
| Food and beverage (excluding alcohol) provided for meetings with donors as cultivation | YES | YES |
| Food and beverage (excluding alcohol) provided for student meetings/events | YES | YES |
| Food and beverage (excluding alcohol) provided for recruitment/interview | YES | YES |
| Food and beverage (excluding alcohol) provided for retreat | YES | YES |
| Employee service recognition awards | YES | YES |
| Retirement award – trophy, plaque with 5+ years of service | YES | YES |
| Employee morale-building function | YES | YES |
| Promotional items | YES | YES |
| Entertainment services – décor, equipment/furniture/venue rental, music, performers | YES | YES |
| Student achievement/excellence award | YES | YES |
| Incentive for survey participation | YES | YES |
| Opportunity drawing/door prize for events that have a business purpose | YES | YES |
| Sponsorship | YES | YES |
| Coffee or water bottles if purchased for office guests | YES | YES |
| Entertainment event – tickets, sporting, recreational | YES | YES |
| Supplies for campus food pantry | YES | YES |
| Campus Dining meal vouchers | YES | YES |
| Alcoholic beverage, including tax, gratuity, and service charges | NO | YES |
| Employee social events, examples but not limited to, anniversaries, retirement, farewell gatherings | NO | YES |
| Gift - gift card, gift basket, flowers, cards, CSUDH promotional items, for bereavement, retirement, farewell, get well, thank you, etc. | NO | YES |
| Membership in social organization | NO | YES |
| Tobacco products | NO | YES |
| Coffee or water bottles/water delivery service for employee convenience | NO | YES |

(1) Subject to University policies and directives regarding use of funds

(2) Subject to Toro Auxiliary Partners policies and directives regarding use of funds

**RESOLUTION TO AMEND
THE ARTICLES OF INCORPORATION, FIRST ARTICLE, OF THE CALIFORNIA
STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION**

WHEREAS, the California State University, Dominguez Hills Foundation (the “Foundation”) is a recognized auxiliary organization of the California State University (the “University”) incorporated as a 501(c)(3) non-profit public benefit corporation in April of 1968 and is a California corporation authorized by Articles of Incorporation endorsed and filed with the Office of the Secretary of State of the State of California; and,

WHEREAS, the Articles of Incorporation, name the Foundation as the California State University, Dominguez Hills Foundation; and

WHEREAS, as part of an organizational rebrand, the Foundation is changing its name to California State University, Dominguez Hills (CSUDH) Toro Auxiliary Partners (“Auxiliary”); and

WHEREAS, the Auxiliary management has prepared a Certificate of Amendment of Articles of Incorporation, in accordance with the regulations of the Secretary of State of the State of California, for submittal to the Secretary of State, which amends the name; and,

THEREFORE, IT IS RESOLVED AS FOLLOWS:

RESOLVED, that the Board of Directors of the Auxiliary recognizes the above recitals as true and correct and adopts them as findings of fact; and,

RESOLVED, that the Board of Directors of the Auxiliary hereby amend the First Article of the Articles of Incorporation of this corporation to read as follows:

FIRST: The name of this corporation shall be California State University, Dominguez Hills (CSUDH) Toro Auxiliary Partners; and,

RESOLVED, that the Board of Directors approves the Certificate of Amendment of Articles of Incorporation; and,

RESOLVED, that the Secretary-Treasurer and Chair of the Board of Directors are hereby directed to execute the Certificate of Amendment of Articles of Incorporation, Name Change Only.

Adopted this 20th day of September 2022.

Attest: Gilbert Ivey (Oct 13, 2022 19:11 PDT)

Gilbert Ivey
Secretary/Treasurer
Board of Directors,
California State University,
Dominguez Hills Toro Auxiliary Partners

Nicole Harper Rawlins
(Oct 13, 2022 19:29 PDT)

Nicole Harper Rawlins
Chair
Board of Directors,
California State University,
Dominguez Hills Toro Auxiliary
Partners

CERTIFICATE OF AMENDMENT OF ARTICLES OF INCORPORATION

The undersigned certify that:

1. They are the Chair of the Board of Directors and the Secretary-Treasurer, respectively, of the California State University, Dominguez Hills Toro Auxiliary Partners, a California corporation.
2. The Fourth Article of the Articles of Incorporation of this corporation is amended to read as follows:

Upon the dissolution of this corporation, net assets other than trust funds shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code (or corresponding section of any future federal tax code) or to a government for public purposes, as approved by the President of California State University, Dominguez Hills and by the Chancellor of the California State University. Trust funds shall be distributed consistent with the terms of the trust instruments and section 501(c)(3) of the Internal Revenue Code (or corresponding section of any future federal tax code).

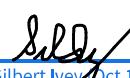
3. The foregoing amendment to the Articles of Incorporation has been duly approved by the Board of Directors of the corporation.
4. The foregoing amendment of the Articles of Incorporation has been duly approved by the required vote of the members of the corporation.

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: October 13, 2022


Nicole Harper Rawlins (Oct 13, 2022 19:29 PDT)

Nicole Harper Rawlins
Chair of the Board of Directors


Gilbert Ivey (Oct 13, 2022 19:11 PDT)

Gilbert Ivey
Secretary-Treasurer



Secretary of State Certificate of Status

I, SHIRLEY N. WEBER, PH.D., California Secretary of State, hereby certify:

Entity Name: CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS TORO
AUXILIARY PARTNERS
Entity No.: 0543848
Registration Date: 04/09/1968
Entity Type: Nonprofit Corporation - CA - Public Benefit
Formed In: CALIFORNIA
Status: Active

The above referenced entity is active on the Secretary of State's records and is authorized to exercise all its powers, rights and privileges in California.

This certificate relates to the status of the entity on the Secretary of State's records as of the date of this certificate and does not reflect documents that are pending review or other events that may impact status.

No information is available from this office regarding the financial condition, status of licenses, if any, business activities or practices of the entity.

IN WITNESS WHEREOF, I execute this certificate and affix
the Great Seal of the State of California this day of
November 22, 2022.

A handwritten signature in black ink, appearing to read "S. N. Weber".

SHIRLEY N. WEBER, PH.D.
Secretary of State



Certificate No.: 061808725

To verify the issuance of this Certificate, use the Certificate No. above with the Secretary of State Certification Verification Search available at bizfileOnline.sos.ca.gov.



California Secretary of State

Business Programs Division

1500 11th Street, Sacramento, CA 95814

Request Type: Certified Copies

Issuance Date: 11/22/2022

Entity Name: CALIFORNIA STATE UNIVERSITY
DOMINGUEZ HILLS TORO
AUXILIARY PARTNERS

Copies Requested: 1

Formed In: CALIFORNIA

Receipt No.:

Entity No.: 0543848

Certificate No.: 061805719

Entity Type: Nonprofit Corporation - CA - Public

Document Listing

| Reference # | Date Filed | Filing Description | Number of Pages |
|-------------|------------|---------------------------------|-----------------|
| B1166-5975 | 11/18/2022 | Amendment - Name Change Only | 1 |

** * *** * ***** * ***** End of list * * * * * * * * * *

I, SHIRLEY N. WEBER, PH.D., California Secretary of State, do hereby certify on the Issuance Date, the attached document(s) referenced above are true and correct copies and were filed in this office on the date(s) indicated above.

IN WITNESS WHEREOF, I execute this
certificate and affix the Great Seal of the
State of California on November 22, 2022.



A handwritten signature in black ink, appearing to read "S. N. WEBER".

SHIRLEY N. WEBER, PH.D.
Secretary of State

To verify the issuance of this Certificate, use the Certificate No. above with the Secretary of State Certification Verification Search available at bizfileOnline.sos.ca.gov.

Administration of Grants and Contracts
Addendum to Auxiliary Operating Agreement
Between Trustees of the California State University,
California State University, Dominguez Hills
And
California State University, Dominguez Hills Toro Auxiliary Partners

This is an addendum to the Operating Agreement between the Trustees of the California State University (CSU) and California State University, Dominguez Hills Toro Auxiliary Partners (Auxiliary) serving California State University, Dominguez Hills(Campus), effective from July 1, 2025 through June 30, 2035, and authorizes the Auxiliary to perform the function “7. Externally Funded Projects Including Research, Workshops, Conferences and Institutes” as specified in 5 CCR (California Code of Regulations) 42500.

With this addendum, Campus designates Auxiliary as:

- The primary Sponsored Program Administrator (SPA) for the Campus;
- A SPA for specific types of grants and contracts for Auxiliary primary business purpose.¹

Auxiliary will ensure that all proposals for external funding are reviewed by the President or designees to provide programmatic and fiscal written approval in accordance with CSU systemwide [Sponsored Programs Administration](#) policy (formerly EO 890).²

Auxiliary, when acting as SPA, agrees to provide grant and contract administration services in compliance with all CSU (see [Sponsored Programs Administration](#) policy), Campus, and Auxiliary policies related to sponsored program administration, federal and state regulations, and funding agency (sponsor) regulations and guidelines.

Approved:

California State University, Dominguez Hills


Thomas Parham (Jul 24, 2025 22:35:06 PDT)

07/24/2025

Dr. Thomas A. Parham
President

Date

California State University, Dominguez Hills Toro Auxiliary Partners


Tranitra Avery (Jul 22, 2025 09:05 PDT)

07/22/2025

Tranitra Avery
Executive Director

Date

¹ For example: certain grants may be awarded to the associated students (AS) auxiliary that directly support AS programs; or a non-profit foundation may require the grant recipient to be qualified under a particular IRS code, such as 501(c)(3) or its subsections. In either case, the auxiliary accepting the grant may choose to enter into an agreement with the Campus primary SPA for more effective grant administration.

² The Sponsored Programs Administration policy incorporates the relevant policy sections from EO890, including proposal review and approval requirements.