



CAL STATE SAN BERNARDINO

# University Enterprises Corporation

New Board Member Orientation  
FY 24-25

## UEC and Auxiliary Organizations

- ❖ University Enterprises Corporation (UEC) is an auxiliary organization formed as a separate 501(c)(3) legal entity under California Corporation law in 1962.
- ❖ Auxiliary organizations in the California State University (CSU) are non-profit organizations which are separate legal entities that operate pursuant to written operating agreement with the CSU Board of Trustees, have separate governing boards with close campus linkages and follow all legal and policy rules established by the CSU system and the respective campus Administration.
- ❖ Auxiliary organizations were created to perform essential functions associated with a postsecondary educational institution, which under California law were difficult, cumbersome, or legally restricted for the university and were not supported by state funding. The California State University (CSU) established a network of supplemental services that complement the core academic programs at each campus and provide the full range of educational experiences expected by its students.

## UEC & Auxiliary Organizations (Continued)

- ❖ Administered within the following hierarchy:
  - California Statutes (Gov. Code and Ed. Code)
  - Trustee Regulations (Title 5)
  - Standing Board of Trustees Orders
  - Trustee Resolutions
  - Executive Orders of the Chancellor
  - Procedural Directives from Chancellor's Office
  - CSUSB Policies and Regulations
  - UEC Policies and Regulations

# UEC Background Information

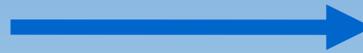
- ❖ UEC supports the university's educational mission by providing quality services that complement the instructional program. The University depends upon UEC to provide services that cannot be supported with state funds.
- ❖ UEC is responsible for commercial operations on campus including, but not limited to, dining services, bookstore, convenience stores, and vending services. The respective service providers are:
  - Beverage & Pouring Rights (*PepsiCo*)
  - Coyote Bookstore (*Follett Higher Education Group*)
  - Concessions (*Chartwells Higher Education*)
  - Dining Services (*Chartwells Higher Education*)
  - Vending (*First Class Vending*)
- ❖ UEC is the second largest employer on campus with 600 to 700 total employees. UEC in combination with our two contract service providers, Chartwells and Follett, employs over 450 students annually.

- UEC also serves as the grantee for federal, state and local funding for research and sponsored projects.
- UEC is the second largest employer on campus with 600 to 700 total employees. UEC and our two contract service providers, Sodexo and Follett, employs over 450 students annually.
- UEC is totally self supported. No CSU allocations (General Fund appropriations)

# UEC Commercial Operation Partnerships



**BOOKSTORE**  
San Bernardino



## UEC Background Information Continued

- ❖ UEC also serves as the grantee for federal, state, and local funding for research and sponsored projects:
  - Hundreds of projects
  - Dozens of Principal Investigators (PI's)
  - \$40.0 million+ in expenditures
- ❖ Fiscal management of Children's Center and Infant Toddler Lab School
- ❖ UEC is totally self supported. No CSU allocations (General Fund appropriations or student fees)

## Oversight Responsibility

- ❖ Title 5, provides that the CSU Board of Trustees have overall responsibility for administering activities of the CSU.
- ❖ The President of CSUSB is directly responsible by state statute for ascertaining that all expenditures by auxiliary organizations are in accordance with policies of the Trustees.
- ❖ The Chancellor requires the President to designate a campus officer responsible for certain duties that, in part, involve auxiliary organizations. That designee for CSUSB is the VP, Finance & Administration Services.

## Board and Committee Composition

- ❖ Composition of the Board of Directors must consist of the following voting membership:
  - Administration and Staff
  - Faculty
  - Students
  - Non-campus personnel
  
- ❖ Each member of the Board is encouraged to serve on one or more Subcommittees:
  - Audit
  - Commercial Enterprises
  - Finance
  
- ❖ The CSU Board of Trustees determines what functions are appropriate for auxiliary organizations to perform.



# Board of Directors Roles and Responsibilities

- ❖ Organizational Governance
  - Authority
  - Accountability
  
- ❖ Key Roles of the Board
  - Oversight
  - Approve annual budget
  - Oversee financial management
  - Approve programs/services
  - Minimize exposure to risk

## Board of Directors Roles and Responsibilities (Continued)

- ❖ Participate in governance of UEC
- ❖ Work on committees
- ❖ Serve as a UEC ambassador in the campus community
- ❖ Act as a resource to UEC
- ❖ Act in Accordance with Legal Standards for Non-Profits:
  - Duty of Care:
    - Stay informed
    - Competence expected
    - Exercise reasonable care
  - Duty of Loyalty:
    - Undivided allegiance; act in best interests of UEC

# Conflict of Interest

- ❖ Conflict of Interest Regulations -
  - Subject to provisions of Nonprofit Corporation Law
  - Subject to standards in the California Education Code for Auxiliary Governing bodies
  - Annual Conflict of Interest disclosure

## Sources of Pertinent Information

- ❖ Bylaws
- ❖ Articles of Incorporation
- ❖ Audited Financial Statements for the Year Ended June 30, 2023
- ❖ Form 990 for the Year Ended June 30, 2023
- ❖ Auxiliary Organizations Association (AOA) Roles & Responsibilities of Auxiliary Governing Boards
- ❖ Compilation of Policy & Procedures for CSU Auxiliary Organizations
- ❖ Conflict of Interest Disclosure
- ❖ This information can be found at: [uec.csusb.edu](http://uec.csusb.edu)

## Board Officers and Consultants

### ❖ Board Officers

- Chair: Dr. Paz Olivérez – VP, Student Affairs
- Vice Chair: Valerie Zellmer – Community Director
- Treasurer: Dr. Sam Sudhakar – VP, Finance, Technology & Operations
- Board Secretary: Taewon Yang – Faculty Director

### ❖ Board Consultants

- CPA/Auditor: CliftonLarsonAllen LLP
  - David Robydek, Principal (626) 204-7324
- Insurance Broker: Alliant Insurance Services
  - Dan Howell (415) 403-1426
- Legal Counsel:
  - Andrew Beechko, Esq. (909) 798-6179 for corporate matters
  - Richard Bromley, Esq. (310) 256-3077 for labor law matters

## Staff Contacts

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