OPERATING AGREEMENT
BETWEEN CALIFORNIA STATE UNIVERSITY
AND SAN JOSE STATE UNIVERSITY RESEARCH FOUNDATION

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This agreement is made and entered into by and between the Trustees of the California State University by their duly qualified Chancellor (CSU) and San Jose State University Research Foundation serving San Jose State University. The term of this agreement shall be October 1, 2015 through September 30, 2025.

1. PURPOSE

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

2. PRIMARY FUNCTION OF THE AUXILIARY

In consideration of receiving recognition as an official CSU auxiliary organization, Auxiliary agrees, for the period covered by this agreement, that the primary function(s), which the Auxiliary is to manage, operate or administer is/are (*Check each category that applies):*

[ ] Student Body Organization
[ ] Student Union
[ ] Housing
[ ] Philanthropic
[X] Research, Workshops. Institutes, Conferences
[ ] Real Property Acquisition / Real Property Development
[ ] Commercial

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

1. Loans, Scholarships, Grants-in-Aids, Stipends, and Related Financial Assistance
2. Externally Funded Projects Including Research, Workshops, Conferences, and Institutes
3. Instructionally related Programs and activities, including Agriculture, Athletics, Radio and Television Stations, Newspapers. Films, Transportation. Printing and other Instructionally Related Programs and Activities
4. Gifts, bequests, devises, endowments, trusts and similar funds
5. Public relations, fundraising, fund management, and similar development programs
6. Acquisition, development, sale, and transfer of real and personal property including financing transactions related to these activities

Auxiliary agrees to receive and apply exclusively the funds and properties coming into its possession toward furthering these purposes for the benefit of CSU and the Campus. Auxiliary further agrees that it shall not perform any of the functions listed in CCR tit.5, §42500 unless the function has been specifically assigned in this operating agreement with the Campus. Prior to initiating any additional functions, Auxiliary understands and agrees that CSU and Auxiliary must amend this agreement in accordance with Section 18, *Amendment*.

3. CAMPUS OVERSIGHT AND OPERATIONAL REVIEW

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

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

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

4. OPERATIONAL COMPLIANCE

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

5. CONFLICT OF INTEREST

No officer or employee of the CSU shall be appointed or employed by Auxiliary if such appointment or employment would be incompatible, inconsistent or in conflict with his or her duties as a CSU officer or employee. Auxiliary has established and will maintain a conflict of interest policy. The Auxiliary's Conflict of Interest Policy is attached as **Attachment 1**.

6. EXPENDITURES AUGMENTING CSU APPROPRIATIONS

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

7. FISCAL AUDITS

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

The Campus chief financial officer (CFO) shall annually review, and submit a written evaluation to the Chancellor's Office in accordance with Section 17, Notices, *of* the external audit firm selected by the Auxiliary. This review by the Campus CFO must be conducted prior to the Auxiliary engaging an external audit firm and annually thereafter. If the Auxiliary has not changed audit firms, and the audit firm was previously reviewed and received a satisfactory evaluation, a more limited review may be conducted and submitted.

8. USE OF NAME

Campus agrees that Auxiliary may, in connection with its designated functions as a CSU auxiliary organization in good standing and this agreement, use the name of the Campus, The Campus logo, seal or other symbols and marks of the Campus, provided that Auxiliary clearly communicates that it is conducting business in its own name for the benefit of Campus. All correspondence, advertisements, and other communications by Auxiliary must clearly indicate that the communication is by and from Auxiliary and not by or from CSU or Campus.

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

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

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

9. CHANGE OR MODIFICATION OF CORPORATE STATUS

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

10. FAIR EMPLOYMENT PRACTICES

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

11. DISPOSITION OF ASSETS

Attached hereto as **Attachment 3** is a copy of Auxiliary's Constitution or Articles of Incorporation (as applicable) which establishes that upon dissolution of Auxiliary, the net assets other than trust funds shall be distributed in accord with, CCR tit.5, §42600. 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.

12. USE OF CAMPUS FACILITIES

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

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

13. DISPOSITION OF NET EARNINGS

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

14. ACCEPTANCE, ADMINISTRATION, AND USE OF GIFTS

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

A. Authority to Accept Gifts

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

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

B. Reporting Standards

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

15. INDEMNIFICATION

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

16. INSURANCE

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

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

17. 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:

San Jose State University Research Foundation
Office of the Executive Director
210 N. 4th Street
San Jose, California 95112

Notice to the CSU shall be addressed to:

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

Notice to the Campus shall be addressed as follows:

Office of the President
San Jose State University
One Washington Square
San Jose, California 95192

18. AMENDMENT

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

19. 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.

20. TERMINATION

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

21. REMEDIES UPON TERMINATION

Termination by CSU of this agreement pursuant to Section 20, *Termination*, may result in Auxiliary's removal, suspension or probation as a CSU auxiliary in good standing, and loss of any right for Auxiliary to use the name, resources or facilities of CSU or any of its campuses.

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

22. 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: 9-16, 2015

San Jose State University

By Susan Martin

Susan Martin, Interim President

Approved: 9-2, 2015

San Jose State University

By

Josee Larochelle, Interim VP Admin & Finance

Executed on 8/31, 2015

San Jose State University Research Foundation

By

Sandeep Muju, Executive Director

Executed on 9-24, 2015

California State University
Office of the Chancellor
Contract Services and Procurement

By

Attachment 1

Conflict of Interest Policy

SJSU Research Foundation
Standards of Conduct Policy
Human Resources

Policy No.:	HR. 01-37-001 Rev. A
Effective Date:	08/01/2015
Supersedes:	N/A – Initial Release
Publication Date:	08/2015

1.0 Purpose

The *San José State University Research Foundation Standards of Conduct Policy* restates statutory standards of conduct applicable to the Board members, and establishes a policy framework of parallel standards for volunteers, employees, and other representatives of the San José State University Research Foundation ("Research Foundation" or "organization").

2.0 Responsibility

The Research Foundation executive director and the Research Foundation leadership team are responsible for implementation, maintenance, and oversight of this policy. All Research Foundation Board members, officers, employees, and others representing the Research Foundation are responsible for complying with and adhering to this policy.

3.0 Scope

This policy applies to all San José State University Research Foundation Board members, officers, employees, and others representing the Research Foundation.

4.0 Definitions

Not applicable.

5.0 Policy

The San José State University Research Foundation is a nonprofit public benefit corporation and its Board members, officers, employees and others representing the Research Foundation have a fiduciary duty to exercise care, skill, and sound judgment in all Research Foundation affairs.

There are "self-dealing transaction" standards that generally apply to the "interested" board members of such corporations. See *California Corporations Code § 5233.*

However, as an auxiliary organization operating within the California State University system, the San José State University Research Foundation is subject to standards generally considered more stringent covering **governing board transactions** involving financially interested directors, as expressed in *California Education Code §§89906-09*. This policy statement restates these standards for Board members, and establishes parallel standards for

Research Foundation employees, volunteers, and others having a business relationship with the organization.

Some Board members, officers and employees may also be state employees or officers subject to statutory and Board of Trustees requirements distinct from the requirements set forth in this statement. This policy applies to all Board members.

Every Board member has an affirmative duty to know and understand the conflict of interest standards, and to disclose to the Board any known real or perceived transaction conflict, and to step aside from Board deliberations and actions on such matters.

5.1 Financially Interested Director Transactions under Education Code Standards

Except in certain circumstances, a Board member must avoid *transactions of the board* in which the Board member has a financial interest.[1] The term, *transactions of the board*, includes contracts approved by the Board of Directors. To do so is "misconduct in office" and the transaction breaching this prohibition is void, unless it meets a two-element circumstance exclusion test:[2]

- Is the transaction just and reasonable as to the organization *when approved*; and
- Was the financial interest disclosed or known to the Board and noted in the meeting minutes, followed by a favorable, good faith board vote sufficient for the action without including the interested director(s)?

But there are several *circumstance exceptions* to the application of the above two-element exclusion test, any one of which revives the prohibition:

- The transaction is directly between the interested Board member(s) and the organization.[3]
- The transaction is between the organization and a partnership or unincorporated association in which a Board member(s) holds an ownership, partnership or other proprietary interest.[4]
- The transaction is between the organization and a corporation in which the interested Board member(s) owns or directly or indirectly holds more than a five percent (5%) of the outstanding common stock.[5]
- The Board member(s) fails to disclose to the Board the financial interest in the transaction at a public meeting, then influences or attempts to influence one or more Board members in entering into the transaction.[6]

[1] *Cal Ed Code* Section 89906.
[2] *Ibid* Section 89907.
[3] *Ibid* Section 89908(a).
[4] *Ibid* Section 89908(b).
[5] *Ibid* Section 89908(c).
[6] *Ibid* Section 89908(d).

Thus, in summary, the following transactions are specifically deemed *impermissible*:

- Any transaction, other than an employment contract, directly between the organization and a Board member.
- Any transactions between the organization and a partnership or unincorporated association in which a Board member is a partner, or owner, or holder, directly or indirectly, of a proprietorship interest.
- Any transaction between the organization and a for-profit corporation, in which the organization's Board member is the owner or holder, directly or indirectly, of 5 percent or more of the outstanding common stock.

On the other hand, the following transactions are *permissible* if the Board follows the procedure described in Section 6.1 below:

- Transactions between the organization and a for-profit corporation in which a Board member is the owner or holder, directly or indirectly, of less than 5 percent of the outstanding common stock.
- Transactions between the organization and a for-profit corporation on whose governing body a Board member serves as a director and owner or holder, directly or indirectly, of less than 5 percent of the outstanding common stock.
- Transactions between the organization and a nonprofit corporation on whose governing body a Board member serves as a director.

5.2 Self-Dealing Director Transactions under Corporations Code

Transactions of the Research Foundation that involve a Board member with a material financial interest may be subject to *Corporations Code* self-dealing standards **not** covered by the *California Education Code* (described in Section 5.1 above). The following are typical examples of permissible transactions under Corporations Code standards (either not covered by, or represent a potentially higher standard than the Education Code):

- Setting compensation for board members or Board members as officers;
- Employment contract between organization and Board member;
- Actions that are part of the organization's public or charitable purposes, when approved in good faith and without unjustified favoritism (even if one or more Board members or their families benefit as part of the class of persons intended to benefit from the program);
- Other organization transactions involving an "interested" Board member(s) who have no actual knowledge of the transaction, **and** the financial interest in the other party to the transaction does not exceed the lesser of 1% of gross receipts for the preceding fiscal year, or $100,000; or
- The approval prior to or after the transaction is obtained from the Attorney General, or through the validation process prescribed by statute by the governing board, or by a committee or officer authorized by the board.

5.3 Other Actions or Transactions

Research Foundation directors, officers, employees, volunteers, or designated agents or other representatives shall not engage in self-dealing actions or transactions in which they have a personal pecuniary interest. Examples include, acceptance of compensation, advances, discounts, loans, gifts, entertainment or other favors in actual or perceived exchange for, or to influence organization actions, judgments or transactions.

The organization encourages the prompt disclosure of any such conflict, real or perceived, to the Research Foundation executive director for review and determination. In the case of the Research Foundation executive director, disclosure shall be made to the Board chair for review and determination consistent with this policy statement.

5.4 Use of Information for Pecuniary Gain

It is unlawful[7] and against organization policy for any person, including Board members, employees, volunteers, or organization agents or other representatives 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, organization employment, or relationship with the organization, for personal pecuniary gain, regardless of whether he or she is or is not a Board member, employee, or otherwise engaged with the organization at the time such gain is realized.

6.0 Related Policy Information

The procedures described in this section are related to this policy.

6.1 Board Deliberations and Actions under Financial Interest Circumstances

Any Board member with an actual or apparent financial interest in a pending or completed transaction shall promptly disclose to the nature and scope of that interest to the designated officer(s), and thereupon be recused from participating in any deliberations or actions by the Board on that matter. The Board meeting minutes shall note the disclosure and recusal. The Board shall then make a determination whether or not the transaction permissible and just and reasonable for the organization at that time and under the circumstances. If so, the Board may then authorize, approve, or validate the transaction in good faith by a vote sufficient for the purpose of the action without counting the vote(s) of such financially interested Board member(s).

6.2 Board Member Initial and Annual Certification

Each Board member shall initially and annually thereafter receive, review, complete, sign and return a *Related Party Questionnaire and Conflict of Interest Certification* in accordance with written procedures established by the executive director of the charged with implementing this policy statement.

[7] *Ibid*, Section 89909.

6.3 Purchasing/Expenditure Authorization Certification

Research Foundation employees or others with purchasing and expenditure authority shall receive, review, sign, and return the *Signature Authorization Certification*, in a form prescribed by written procedures, acknowledging the following prohibitions and certifying that they will avoid them:

- Engaging in or having any personal pecuniary interest in any business, transaction, or incurring any obligation which conflicts with or gives the appearance of conflicting with or impairing independent judgment in the discharge of duties owed the organization;
- Accepting money, tips, or other considerations for work required or expected in the regular course of organization duties;
- Self-referring organization clients, donors, or customers, or recommending others with which there is a personal pecuniary interest;
- Accepting gifts, gratuities or other favors from those having a business relationship, or prospect of a relationship, with the organization; or
- Disclosing organization information, not a matter of public record, without authority, or using such information for pecuniary gain.

7.0 Required Forms

This table contains a list of forms and special tools referenced in this document.

Form	Description of Use
Related Party Questionnaire and Conflict of Interest Certification	Required of each Board member. Must be renewed annually.
Signature Authorization Certification	Required of all Research Foundation employees or others with purchasing and expenditure authority.

8.0 References and Related Information

California Education Code Sections 89906-09

California Corporations Code Sections 5233

9.0 Record Retention

All documents and records are maintained in accordance with SJSU Research Foundation *Record Retention* requirements.

Record	Retention
Standards of Conduct	This document is effective until further revised or updated. Outdated or revised documents will be maintained in accordance with Research Foundation Record Retention requirements. The Research Foundation will maintain the signed original and electronic copies of the approved policy and all updates and replacements.

SJSU Research Foundation Policy Approvals:

Title	Name	Signature	Date
Executive Director	Sandeep Muju		8/26/15
Senior Director, HR	Cheree Aguilar-Suarez	Cheree Aguilar	8/26/15
Director, Office of Sponsored Programs	Jeanne Dittman	Jeanne Ditt	8/26/15
Interim Director, Finance and Accounting	Kam Lam	Kam S. Lam	8/26/15

Attachment 2

Public Relations Funds Policy

SJSU Research Foundation
Source and Use of Public Relations Funds Policy

Finance and Accounting

Policy No.:	FA. 02-15-001 Rev .A
Effective Date:	06/04/2015
Supersedes:	N/A – Initial Release
Publication Date:	06/04/2015

1.0 Purpose

To provide policy guidance on the accumulation and use of funds by the San Jose State University Research Foundation (SJSURF) for public relations purposes.

2.0 Responsibility

The Executive Director or his/her designee is charged with the responsibility of implementing this policy through procedures, guidelines and forms, if needed.

3.0 Scope

Per Title 5 California Code of Regulations §42502(i), each auxiliary organization shall maintain a policy on the "accumulation and use of public relations funds if such funds are obtained and used by the auxiliary organization to augment State appropriations for public relations." The policy must 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."

4.0 Definitions

Not Applicable.

5.0 Policy

5.1 Solicitation and Accumulation of Public Relations Funds

SJSURF generally does not solicit public relations funds and does not provide public relations funds to San Jose State University (SJSU) President or other SJSU administrators.

5.2 Procedures

Any expenditure of SJSURF funds for purposes of public relations shall only be at the request of the SJSURF Executive Director. The source of funds would be SJSURF Central Office operating accounts. Pursuant to the SJSURF's purchasing policies and procedures, the request shall be accompanied by appropriate supporting documentation, with dates, purpose and individuals or groups involved, location, and amounts clearly stated, and any other requirements.

5.3 Source of Public Relations Funds

Public relations funds may be sourced from SJSURF-held Discretionary funds, indirect cost recovery funds generated by research projects, workshops, conferences and other self-supported programs, as approved by the SJSURF Board of Directors in the Central Office operating budget.

Public Relations expenditures must clearly advance the objectives of the SJSURF, the SJSU and the California State University; and be consistent with applicable procurement and accounting practices. All expenditures must be appropriate for campus authorized educational, research, and community services purposes.

5.4 Policy Filing

SJSURF shall file a copy of this policy with the California State University Chancellor's Office, per the requirements of Title 5 California Code Regulations §42502(i).

6.0 Related Policy Information

Not Applicable.

7.0 Required Forms

Not Applicable.

8.0 References and Related Information

Title 5 California Code of Regulations §42502(i)

General Accepted Accounting Principles (GAAP)

9.0 Record Retention

All documents and records are maintained in accordance with SJSU Research Foundation *Record Retention* requirements.

SJSU Research Foundation Policy Approvals:

Title	Name	Signature	Date
Deputy Executive Director/ Senior Director, HR	Cheree Aguilar-Suarez	Cheree Aguilar-Suarez	6/9/15
Interim Director, Finance and Accounting	Kam Lam	Kam S. Lam	6/9/15
Director, OSP	Jeanne Dittman	Jeanne Dittman	6/9/15
Interim Chief Operating Officer	Pamela Stacks	Pamela Stacks by CA.	6/9/15

Attachment 3

Articles of Incorporation

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SJSU | RESEARCH FOUNDATION

RECEIVED
FINANCE

AUG 24 2015

FILED
Secretary of State
State of California

AUG 07 2015

RESTATED ARTICLES OF INCORPORATION
OF SAN JOSÉ STATE UNIVERSITY RESEARCH FOUNDATION

Andrew Hale Feinstein and Sandeep Muju certify that:

1. They are the President and Secretary, respectively, of San José State University Research Foundation.

2. The following amended and restated Articles of Incorporation of this corporation have been approved by the Board of Directors:

ARTICLE I
Name

The name of this corporation is:

SAN JOSÉ STATE UNIVERSITY RESEARCH FOUNDATION.

ARTICLE II
Corporate Status

This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public purposes. This corporation elects to be governed by all of the provisions of the Nonprofit Corporation Law of 1980 not otherwise applicable to it under Part 5.

ARTICLE III
Purposes

This Corporation is organized and operated solely for the benefit of San José State University. This corporation is organized as an auxiliary organization under Section 89900, et seq. of the California Education Code, exclusively for educational and charitable purposes within the meaning of Section 501(c)(3) and Section 509(a) of the Internal Revenue Code of 1986 as amended and for the following purposes:

(a) To operate exclusively for purposes within the meaning of the California Revenue and Taxation Code, Section 23701(d) (or corresponding provisions of any future California Revenue Law).

(b) Subject to the direction and approval of the University President or designee: to administer research projects and externally sponsored programs on behalf of the University, or other authorized auxiliary functions at San José State University, for the benefit of students, faculty, staff, and alumni in order to enhance and support the educational mission of the University; to operate as an integrated part of the University; and to apply the funds and properties coming into its control toward furthering University objectives.

(c) Subject to the direction and approval of the University President or designee, to purchase, own, sell and encumber and otherwise deal in and with such real and personal property as the Board of Directors or members of this corporation may find or consider to be suited to the primary purpose of advancing the welfare of San José State University and for promoting the common educational interests of San José State University.

(d) To do or refrain from doing any lawful act or thing which at anytime may be authorized by the Board of Directors or members of this corporation, so long as the doing or refraining from doing the lawful act will advance the welfare of San José State University.

ARTICLE IV
Conformity with Law

The corporation shall be an auxiliary organization to San José State University, and shall conduct its operations in conformity with the California statutes governing such organizations (Chapter 7, commencing with Section 89900, of Part 55, Division 8, Title 3 of the Education Code) and the Regulations adopted by the Board of Trustees of California State University (Subchapter 6, commencing with Section 42400, of Chapter 1, Division 5 of Title 5 of the California Code of Regulations) as required by the Education Code, Section 89900(c).

ARTICLE V
Exempt Status

No part of the net earnings of this corporation shall inure to the benefit of or be distributable to its members, directors, officers, or other private persons, except that this corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article III hereof.

ARTICLE VI
Limitation on Activities

No substantial part of the activities of this corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and this corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.

ARTICLE VII
Irrevocable Dedication and Dissolution

This corporation irrevocably dedicates its assets for the benefit San José State University. 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 Board of Directors, the President of San José State University, 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).

ARTICLE VIII
Officers and Directors

The Officers and number of Directors, their qualifications, powers, duties, terms of office, manner of removal and filling vacancies on the Board, and the manner of calling and holding meetings of Directors, shall be as stated in the Bylaws.

ARTICLE IX
Members

This corporation shall have no members other than the persons constituting its Board of Directors. The Board of Directors shall, under any statute or rule of law, be the members of this corporation and shall have all the rights and powers members would otherwise have.

ARTICLE X
Voting

Each voting member of the Board of Directors shall have one vote. There shall be no proxy voting permitted for the transaction of any of the business of this corporation.

ARTICLE XI
Amendment

The Articles of Incorporation of this corporation may be amended only by resolution of the Board of Directors adopted by the majority vote of the Board of Directors.

3. The foregoing restated Articles of Incorporation have been approved by the required vote of the members.

Verification

Each of the undersigned declares under penalty of perjury under the laws of the State of California that the statements in the foregoing certificate are true and correct of his or her own knowledge, and that this declaration was executed on the date below at San José, California.

Date: July 31, 2015

Andrew Hale Feinstein, President
SJSU Research Foundation Board of Directors

ATTEST:

Sandeep Muju, Secretary
SJSU Research Foundation Board of Directors

I hereby certify that the foregoing transcript of 4 page(s) is a full, true and correct copy of the original record in the custody of the California Secretary of State's office.

AUG 18 2015

Date:

ALEX PADILLA, Secretary of State