

**OPERATING AGREEMENT
BETWEEN CALIFORNIA STATE UNIVERSITY
AND SAN JOSÉ STATE UNIVERSITY RESEARCH FOUNDATION**

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 José State University Research Foundation (Auxiliary) serving San José State University Research Foundation (University). The term of this agreement shall be October 1, 2025, through September 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 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 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:

7/g Externally Funded Projects Including Research, Workshops, Conferences, and Institutes

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

10. FAIR EMPLOYMENT STATUS

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

11. BACKGROUND CHECK 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 [University 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:

San José State University Research Foundation
One Washington Square

San José, CA 95192-0139

Notice to the University shall be addressed as follows:

Dr. Cynthia Teniente-Matson, University President
One Washington Square
San José, CA 95192-0002

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: 7/22/2025

San José State University

Signed by:
By Cynthia Teniente-Matson
BA56DA146800485...
Cynthia Teniente-Matson, President

Executed on 6/30/2025

San José State University Research Foundation

DocuSigned by:
By [Signature]
34809E1507154A9...
Andrew Exner, Executive Director

Executed on Jul 23, 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: Standards-of-Conduct-Policy-2015-8-25

Exhibit 2 - Auxiliary Accumulation and Use of Public Relations Funds policy: FA. 02-15-001

Exhibit 3 - Auxiliary Constitution or Articles of Incorporation: Certified-Filed-Amended-and-Restated-Articles-of-Incorporation-filed-10-20-2017

Exhibit 4 - University Delegation of Authority to Auxiliary regarding Administration of Grants and Contracts; 2024 memo from M. d'Alarcao

Exhibit 1: Auxiliary Conflict of Interest Policy

Standards-of-Conduct-Policy-2015-8-25,
SJSU Research Foundation

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 unlawful⁷ 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
<i>Related Party Questionnaire and Conflict of Interest Certification</i>	Required of each Board member. Must be renewed annually.
<i>Signature Authorization Certification</i>	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
<i>Standards of Conduct</i>	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:




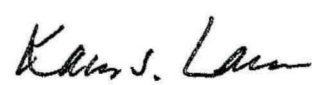
Title	Name	Signature	Date
Executive Director	Sandeep Muju		8/26/15
Senior Director, HR	Cheree Aguilar-Suarez		8/26/15
Director, Office of Sponsored Programs	Jeanne Dittman		8/26/15
Interim Director, Finance and Accounting	Kam Lam		8/26/15

Exhibit 2: Source and Use of Public Relations Funds Policy

FA. 02-15-001 Rev A.
SJSU Research Foundation

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:

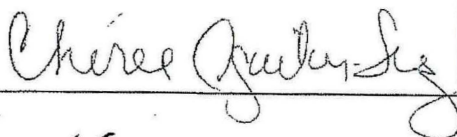
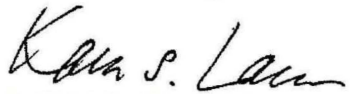
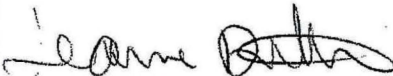

Title	Name	Signature	Date
Deputy Executive Director/ Senior Director, HR	Cheree Aguilar-Suarez		6/9/15
Interim Director, Finance and Accounting	Kam Lam		6/9/15
Director, OSP	Jeanne Dittman		6/9/15
Interim Chief Operating Officer	Pamela Stacks	 by CA.	6/9/15

Exhibit 3: Auxiliary Constitution or Articles of Incorporation

**Certified Filed Amended and Restated Articles of Incorporation filed 10/20/2017
SJSU Research Foundation**

A0804531

FILED *jar*

Secretary of State
State of California

OCT 20 2017 *OP*

0413254

**CERTIFICATE OF AMENDMENT AND RESTATEMENT
OF THE
ARTICLES OF INCORPORATION**

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Andrew Hale Feinstein and Rajnesh Prasad certify that:

1. They are the President and the Secretary, respectively, of San José State University Research Foundation, a California nonprofit public benefit corporation.

2. The Articles of Incorporation of this corporation are hereby amended and restated as set forth in the attached Articles of Incorporation, which are incorporated by this reference as if set forth in full in this Certificate.

3. The foregoing amendment and restatement has been duly approved by this corporation's Board of Directors.

4. This corporation has no members.

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

DATED: 9/22, 2017

Andrew Hale Feinstein, President

DATED: 9/14, 2017

Rajnesh Prasad, Secretary

A0804531

ARTICLES OF INCORPORATION

OF

**SAN JOSÉ STATE UNIVERSITY
RESEARCH FOUNDATION**

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. The specific purposes of this corporation are as described in Article III. 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.

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(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 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 any time may be authorized by the Board of Directors 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**

This 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 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.

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ARTICLE VII
Irrevocable Dedication and Dissolution

This corporation irrevocably dedicates its assets for the benefit of 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.

ARTICLE X
Voting

Each 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.



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.

OCT 28 2017 *apo*

Date: _____

Alex Padilla

ALEX PADILLA, Secretary of State

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

2024 memo from M. d'Alarcao
SJSU Research Foundation

To: Executive Director
San José State University Research Foundation

From: Marc d'Alarcao, PhD
Interim Vice President for Research and Innovation, San José State University
President of the Board of Directors, SJSU Research Foundation
Dean, College of Graduate Studies, San José State University

Subject: Authorized Organizational Representatives

Date: December 4, 2024

The Authorized Organizational Representative is the individual who is authorized to act for the research program or project applicant and to assume the obligations imposed by the Federal, State, and local laws, regulations, requirements, and conditions that apply to grant applications or grant awards.

In my position as the President of the Board of Directors of the San José State University Research Foundation, I hereby grant the following positions the authority of the Authorized Organizational Representative for all research programs and projects routed through the San José State University Research Foundation Office of Sponsored Programs and to assume all obligations imposed by the Federal, State, and local laws, regulations, requirements, and conditions that apply to grant applications or grant awards:

- Interim Associate Vice President of Research, San José State University, and
- Director of Sponsored Programs, San José State University Research Foundation.

Please let me know if you have any questions.

Thank you.

DocuSigned by:

57EBBAC2E477412...
MARC D'ALARCAO

Administration of Grants and Contracts
Addendum to Auxiliary Operating Agreement
Between Trustees of the California State University,
San José State University,
And
San José State University Research Foundation

This is an addendum to the Operating Agreement between the Trustees of the California State University (CSU) and San José State University Research Foundation (Auxiliary) serving San José State University (Campus), effective from October 1, 2025, through September 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:

San José State University

Signed by:



Cynthia Teniente-Matson
President

9/10/2025

Date

San José State University Research Foundation

DocuSigned by:



Andrew Exner
Executive Director

8/19/2025

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.