



Coast Community College District Enterprise, Inc.

A G E N D A

Regular Meeting of the Board of Directors

Thursday, February 16, 2023 at 12:00 noon

Due to COVID-19 gathering restrictions, attendance, and public comment are available telephonically and via Zoom

1-669-900-6833 (US Toll)

Meeting ID: 865 7561 8889

Zoom <https://cccd-edu.zoom.us/j/86575618889>

1. Roll Call

2. Opportunity for Public Comment

Members of the public have the opportunity to address the Enterprise Board of Directors on any item that has been described in this notice. and on any matter within the subject matter jurisdiction of the Enterprise Board of Directors even if the item is not on the agenda. Persons wishing to make comments for this purpose will be recognized at this point in the meeting. Individuals will have up to five minutes per Agenda item, and there is a 20-minute total limit per item. These time limitations may be extended by the Board. The Board cannot respond to these public comments but at the Board's discretion, these matters may be referred to staff or placed on a subsequent agenda for Board consideration.

It is the intention of the Enterprise Corporation to comply with the Americans with Disabilities Act (ADA) in all respects. If, as an attendee or a participant at this meeting, you will need special assistance beyond what is normally provided, the Enterprise Corporation will attempt to accommodate you in every reasonable manner. Please contact the Secretary of the Enterprise Corporation at jcleverger@cccd.edu as soon as possible prior to the meeting to inform us of your particular needs so that appropriate accommodations may be made.

3. Authorization under Brown Act, Government Code § 54953(e), for Conducting Board Meetings Remotely Due to the COVID-19 Emergency Because Meeting in Person Would Present Imminent Risks to the Health or Safety of Attendees

Recommendation: *The Board has reconsidered the circumstances of the state of emergency and finds that the state of emergency continues to directly impact the ability of the Directors to meet safely in person, and state or local officials continue to impose or recommend measures to promote social distancing.*

4. Approval of Minutes from Regular Meeting of December 14, 2022 (attachment #1)

Recommendation: *It is recommended that the Board approves the minutes of December 14, 2022.*

5. Appointment of Officers of the Enterprise

Recommendation: *It is recommended that the Board appoints Julie Clevenger as Secretary for The Enterprise Corp.*

6. Swap Meet Operational Update

- a) **Golden West College**
- b) **Orange Coast College**

7. Financial Reports, and Report and Ratification of Staff Board Deliverables per Master Agreement Requirements, Sections 8, 10, 11, 13, 20 and 28 (Rachel Kubik) (attachment #2)

- **Financials Quarterly Reports**
- **Deliverables per Master Agreement**

Recommendation: *It is recommended that the Board approves the Deliverables for the quarter ending December 31, 2022 as presented and ratifies the purchase orders and checks.*

8. Review, Discussion and Possible Action regarding Conflict of Interest/Code of Ethics/AP 3600 (attachment #3a,b)

Recommendation: *It is recommended that the Board of Directors review the Conflict of Interest/Code of Ethics/AP 3600 and sign the attached Conflict of Interest Statement.*

9. Participation in the July 4th Huntington Beach Parade (attachment #4)

Recommendation: *It is recommended that the Board consider participation in the July 4th Huntington Beach Parade*

10. Future Agenda Items

11. Future Meeting Date

12. Recess to Closed Session

Conducted in accordance with applicable sections of California law. Closed Sessions are not open to the public.

a. Conference with Legal Counsel – Anticipated Litigation.

Significant exposure to litigation pursuant to sub-sections “d-2” and “e-2” of Government Code Sections 54956.9:

Angie De La Paz vs. Coast CCD, Orange County Superior Court Case No. 30-2020-01160473

Crispina Barrita vs. Coast CCD, Orange County Superior Court Case No. 30-2022-01298015

13. Reconvene to Open Session

14. Report of Action in Closed Session (if any)

15. Adjournment



Coast Community College District Enterprise, Inc.

BOARD OF DIRECTORS REGULAR MEETING

December 14, 2022 (Zoom)

MINUTES

1. Call to Order and Roll Call

The meeting was called to order at 12:15 p.m.

Present:

Richard Armendariz, Regina Blankenhorn, Chancellor Yamamura, Lorena Ortega, David Cline (Mr. Cline joined the meeting at 12:25 pm)

Absent: Arlis Reynolds

In Attendance:

Janet Houlihan, Dr. Rich Pagel, Jane Burton, Rachel Snell, Paul Wisner, Maira De La Torre, Rachel Kubik, Julie Clevenger, Joseph Buchman, Jeff Jensen from Crowe LLP),

2. Opportunity for Public Comment

There were no requests to address the Enterprise Board.

3. Authorization under Brown Act, Government Code § 54953(e), for Conducting Board Meetings Remotely Due to the COVID-19 Emergency Because Meeting in Person Would Present Imminent Risks to the Health or Safety of Attendees

On a motion by Chancellor Yamamura, seconded by Ms. Ortega, the Board of Directors voted to extend the authorization to conduct board meetings remotely due to the Covid-19 emergency, because meeting in person would present imminent risks to the health and safety of attendees.

Motion passed unanimously with the following vote:

Ayes:	Mr. Armendariz, Ms. Blankenhorn, Ms. Ortega, and Chancellor Yamamura
Nos:	None
Abstain:	None
Absent:	Mr. Cline

4. Appointment of Officers of the Enterprise

On a motion by Chancellor Yamamura, seconded by Ms. Ortega, the Board of Directors appointed Dr. Rich Pagel to serve as President, Ms. Janet Houlihan to serve as Vice President, Ms. Rachel Kubik to serve as CFO, and Ms. Julie Clevenger and Mr. Erik Fallis to serve as Acting Secretary.

Motion passed unanimously with the following vote:

Ayes:	Mr. Armendariz, Ms. Blankenhorn, Ms. Ortega, and Chancellor Yamamura
Nos:	None
Abstain:	None
Absent:	Mr. Cline

Dr. Pagel thanked Ms. Houlihan and Mr. Wisner for their work and support of the Enterprise, and welcomed Ms. Kubik, Ms. Clevenger, and Mr. Fallis to their new roles.

5. Acceptance of Resignation of Jane Burton as Secretary of the Enterprise

On a motion by Ms. Blankenhorn, seconded by Mr. Armendariz, the Board of Directors voted to accept the resignation of Ms. Burton as Secretary of the Enterprise effective December 19, 2022. The Board thanked Ms. Burton for her years of service to the Enterprise and wished her the best in her retirement.

Motion passed unanimously with the following vote:

Ayes:	Mr. Armendariz, Ms. Blankenhorn, Ms. Ortega, and Chancellor Yamamura
Nos:	None
Abstain:	None
Absent:	Mr. Cline

6. Approval of Minutes from Regular Meeting of September 15, 2022

On a motion by Mr. Armendariz, seconded by Chancellor Yamamura, the Board of Directors voted to approve the minutes of the Regular Meeting of September 15, 2022.

Motion passed unanimously with the following vote:

Ayes:	Mr. Armendariz, Ms. Blankenhorn, Ms. Ortega, and Chancellor Yamamura
Nos:	None
Abstain:	None
Absent:	Mr. Cline

7. Review, Discussion and Possible Action regarding the External Financial Audit 2021-2022

After an overview of the 2021-22 External Financial Audit by Mr. Jeff Jensen from Crowe LLP, on a motion by Mr. Armendariz, seconded by Chancellor Yamamura, the Board voted to approve the audit as presented.

Motion passed unanimously with the following vote:

Ayes: Mr. Armendariz, Ms. Blankenhorn, Mr. Cline, Ms. Ortega, and Chancellor Yamamura
Nos: None
Abstain: None
Absent: None

8. Swap Meet Operational Update

a. Golden West College

Ms. Houlihan provided an update.

b. Orange Coast College

Dr. Pagel provided an update.

9. Financial Reports, and Report and Ratification of Staff Board Deliverables per Master Agreement Requirements, Sections 8, 10, 11, 13, 20 and 28

Mr. Paul Wisner provided the financial update for the Board of Directors for the Quarter ending September 30, 2022.

• Financials Quarterly Reports/Deliverables per Master Agreement

- Statement of Net Assets:
Cash in bank \$896,559
Total Assets: \$1,102,110
- Total Liabilities: \$916,489
- Total Liabilities and Equity: \$1,102,110
- Total Revenue: \$5,338,000
- Master Agreement Expenses: \$4,793,797
- Other Direct Expenses: \$533,470
- Total Expenses: \$5,327,267
- Net Revenue: \$10,733

On a motion by Mr. Armendariz seconded by Mr. Cline, the Board of Directors voted to approve the Statement of Deliverables for Quarter ending September 30, 2022 and ratify the purchase orders and checks.

Motion passed unanimously with the following vote:

Ayes: Mr. Armendariz, Ms. Blankenhorn, Mr. Cline, Ms. Ortega, and Chancellor Yamamura
Nos: None
Abstain: None
Absent: None

10. Further Review, Discussion and Possible Action regarding Proposed Increase in Vendor Rates to Include Comparison Information

Dr. Pagel reported that overall, the vendor rate increases had been rolled out successfully, and he and Ms. Houlihan believed at the present time there was no need for any further action.

11. Review, Discussion and Possible Action regarding the Process Moving Forward regarding Conflict of Interest/Code of Ethics Procedures for the Enterprise Board

The need for the Officers of the Enterprise to complete a Form 700 was discussed, and it was agreed that, moving forward on an annual basis, the Enterprise Directors would sign a Conflict-of-Interest Disclosure. Internal Audit Director, Rachel Snell, offered to provide a form that could be used. This would satisfy AB 3600 Auxiliary Organizations' Good Standing requirement.

12. Future Agenda Items

- a. Conflict of Interest/Code of Ethics/AP 3600
- b. Participation on July 4 HB Parade

13. Future Meeting Date

The next Enterprise Board of Directors meeting was scheduled for February 16 at 12 noon in person.

14. Adjournment

The meeting was adjourned at 1:05 p.m.

Julie Clevenger, Secretary of the Enterprise

Under the Brown Act, the public has the right to receive copies of any non-exempt public documents relating to an agenda item that are distributed to the Board of Directors. Please contact the Office of the Board of Trustees at jclevenger@cccd.edu to the meeting to facilitate the distribution of these documents.

CCCD ENTERPRISE, Inc.
Statement of Net Assets
For the Quarter Ending December 31, 2022

	OCC	GWC	TOTAL
ASSETS			
Cash in Bank - Union Bank	\$ 364,932	\$ 473,175	\$ 838,107
Deferred tax liability asset	-	17,000	17,000
Equipment (Fixed Assets)	50,957	471,858	522,815
Accumulated Depreciation (Equipment)	(35,276)	(442,485)	(477,761)
Total Fixed Assets	\$ 15,681	\$ 29,373	\$ 45,054
Prepaid Expense	\$ 2,422	\$ -	\$ 2,422
Accounts Receivable	800	111,670	112,470
Suspense - Assets	(5.00)	-	(5)
Deferred Expense Payroll & Other Assets	40,000	-	40,000
Total Other Assets	\$ 43,217	\$ 111,670	\$ 154,887
TOTAL ASSETS	<u>\$ 423,830</u>	<u>\$ 631,218</u>	<u>\$ 1,055,048</u>
LIABILITIES			
Accounts Payable	\$ 34,177	\$ 387,229	\$ 421,405
Deferred Income	\$ 143,365	\$ 175,943	\$ 319,308
Reserve for Stale dated Checks	\$ 1,130	160.00	1,290
Accrued Expense	3,168		3,168
Deferred Taxes		(66,900.00)	(66,900)
Due to OCC		\$ 400.00	\$ 400.00
Suspense - Liabilities	-	-	-
Total Other Liabilities	\$ 147,663	\$ 109,603	\$ 257,266
Total Liabilities	\$ 181,840	\$ 496,832	\$ 678,671
EQUITY			
Retained Earnings	\$ 1,300,362	\$ 2,033,773	\$ 3,334,135
Common Stock/Equity	158		158
Dividends	(1,200,000)	(2,025,000)	(3,225,000)
Net Profit	141,470	125,614	267,084
Total Equity	\$ 241,990	\$ 134,387	\$ 376,377
TOTAL LIABILITIES and EQUITY	<u>\$ 423,830</u>	<u>\$ 631,218</u>	<u>\$ 1,055,048</u>

CCCD ENTERPRISE, Inc.
Statement of Revenue and Expenses
For the Quarter Ending December 31, 2022

	OCC	GWC	ACTUALS TOTAL	YTD BUDGET	PROPOSED BUDGET TOTAL
REVENUE					
Sales - Tickets/Spaces	\$ 1,444,110	\$ 1,527,762	\$ 2,971,872	\$ 2,663,500	\$ 5,327,000
Interest, Late & Other Vendor Fees	\$ 9,095	\$ 5,529	\$ 14,624	\$ 5,500	\$ 11,000
Total Other Income	\$ 9,095	\$ 5,529	\$ 14,624	\$ 5,500	\$ 11,000
TOTAL REVENUE	\$ 1,453,205	\$ 1,533,291	\$ 2,986,496	\$ 2,669,000	\$ 5,338,000
MASTER AGREEMENT EXPENSES (#13) (Master Agreement items 8, 10, 11, 22, and 28)					
Management Oversight Fees (#8)	\$ 21,798	\$ 22,916	\$ 44,715	\$ 40,200	\$ 80,400
Rent - Parking Spaces (#10)	432,600	445,410	878,010	\$ 921,270	\$ 1,842,540
Trademark License (#11)	17,500	20,000	37,500	\$ 32,500	\$ 65,000
Salaries, Benefits & Assessments (#22)	227,720	317,657	545,377	\$ 481,841	\$ 963,682
Rent - Facility (#28)	60,000	113,900	173,900	\$ 173,900	\$ 347,800
Campus Assessments (#13 & #21)	390,840	394,988	785,828	\$ 747,188	\$ 1,494,375
Master Agreement Expenses (#13)	\$ 1,150,458	\$ 1,314,871	\$ 2,465,329	\$ 2,396,899	\$ 4,793,797
Other Direct Expenses					
Advertising	\$ -	\$ -	\$ -	\$ 2,500	\$ 5,000
Bank Charges				\$ -	\$ -
Bad Debt		820	820	\$ -	\$ -
Cash Over/Short	(105)	10	(95)	\$ 100	\$ 200
Banking Merchant Fees	7,509	9,483	16,992	\$ 15,350	\$ 30,700
Conferences, Meetings, & Mileage	-		-	\$ 1,900	\$ 3,800
Custodial Supplies			-	\$ -	\$ -
Dues/Memberships	-	525	525	\$ 750	\$ 1,500
Equipment - Purchase	2,340		2,340	\$ 1,250	\$ 2,500
Lease			-	\$ -	\$ -
Depreciation		-	-	\$ 11,450	\$ 22,900
Food & Beverage	-		-	\$ 200	\$ 400
Insurance - Prop/Liab	34,917	-	34,917	\$ 35,000	\$ 70,000
Directors/Officers	8,316	-	8,316	\$ 8,500	\$ 17,000
Legal Fees	3,937	2,400	6,336	\$ 6,100	\$ 12,200
Penalties	-		-	\$ 250	\$ 500
Postage & Printing	542		542	\$ 2,850	\$ 5,700
Permits/Licenses	-	2,481	2,481	\$ 2,105	\$ 4,210
Public Relations	7,500		7,500	\$ 7,500	\$ 15,000
Repair & Maintenance	12,016	8,728	20,745	\$ 2,850	\$ 5,700
Service Maintenance Agreements		13,822	13,822	\$ 480	\$ 960
Supplies	3,506	2,391	5,897	\$ 5,100	\$ 10,200
Technology Software Support		2,460	2,460	\$ 2,500	\$ 5,000
Uniforms			-	\$ 2,500	\$ 5,000
Waste Disposal	80,001	49,687	129,688	\$ 157,500	\$ 315,000
Subtotal Other Direct Expenses	\$ 160,477	\$ 92,806	\$ 253,284	\$ 266,735	\$ 533,470
TOTAL EXPENSES (#20)	\$ 1,310,935	\$ 1,407,677	\$ 2,718,613	\$ 2,663,634	\$ 5,327,267
Taxes	800	-	800	-	-
NET REVENUE/(LOSS)	\$ 141,470	\$ 125,614	\$ 267,083	\$ 5,366	\$ 10,733

CCCD ENTERPRISE, Inc.
Statement of Deliverables
For the Quarter Ending December 31, 2022

Staff Board Deliverables Per Master Agreement Requirements Sections 8, 10, 11, 13, 20, 21, 22, and 28

Section #	Title	Description	Payments thru 12/31/22
8	Management Oversight	Pay 1.5% of gross revenues from Enterprise to District Foundation	\$ 44,715
10	Property License Fee	Pay to District fees per District Board Policy 6700 GWC: 1,260 Parking Spaces x \$7 = \$8,820 x 104 Days/year = \$917,280 OCC: 1,649 Parking Spaces x \$7 = \$11,543 x 104 Days/year = \$1,200,472 Total Amount for Parking Spaces per year : \$2,117,752	\$ 878,010
11	Trademark Licenses	Pay to District Foundation annual fee of \$60,000 to utilize the names "Coast Community College District", "Orange Coast College", and "Golden West College"	\$ 37,500
21	Personnel/Assessments	Reimburse Campuses for Indirect Swap Meet Oversight	\$ 785,828
22	Enterprise Use of Dist Employees	Reimburse District for personnel costs	\$ 545,377
28	Enterprise Use of Dist Facilities	Pay fees to District for Facilities used set forth in Appendix C of Master Agreement GWC: \$152,800 Annually OCC: \$135,000 Annually	\$ 173,900
13	Campus Expenses per Master Agreement	Payments made to District or District Foundation for expenses related to the operation & management of the Enterprise (Total of items 8, 10, 11, 22, and 28)	<u>\$ 2,465,329</u>
	Other Operating Payments	Payments made directly to outside vendors and contractors.	\$ 253,284
20	Total Enterprise Expenses	Ratification/Approval of total Enterprise Expenses	\$ 2,718,613

**RATIFICATION/APPROVAL OF PO
CCCD ENTERPRISE BOARD
OCTOBER - DECEMBER 2022**

PO#	DATE	VENDOR	PO AMOUNT	SITE	OBJECT CODE
70466	10/27/2022	Battery Systems	1,249.18	OCC	7750-524500
OCC Total:			\$ 1,249.18		
GWC-E-2520	11/30/2022	CDW Government	\$ 54.02	GWC	3000-567000
GWC-E-2521	12/19/2022	GWC	\$ 2,090.27	GWC	3000-524500
GWC Total:			\$ 2,144.29		
PO TOTAL:			\$ 3,393.47		

OBJECT CODE	DESCRIPTION	AMOUNT
	<u>Master Agreement # 13 & 20</u>	
7750-524500	Repair & Maint - Equipment	\$ 1,249.18
OCC Total:		\$ 1,249.18
	<u>Master Agreement # 13 & 20</u>	
3000-524500	Repairs & Maintenance	\$ 2,090.27
3000-567000	Supplies	\$ 54.02
GWC Total:		\$ 2,144.29

RATIFICATION/APPROVAL OF CHECKS
CCCD ENTERPRISE BOARD
OCTOBER - DECEMBER 2022

CHECK #	VENDOR	AMOUNT	SPLIT	ACCOUNT	SITE
75793	CCCD FOUNDATION	3,504.60		7750-535300	OCC
75794	COAST COMMUNITY COLLEGE DISTR	33,453.10		7000-202000	OCC
75795	CCCD FOUNDATION	3,122.85		7750-535300	OCC
75796	BURKE, WILLIAMS & SORENSEN, LLP	2,950.50		7750-566300	OCC
75797	C R & R INCORPORATED	2,299.22		7750-527500	OCC
75798	COAST COMMUNITY COLLEGE DISTR	2,916.67		7750-567350	OCC
75799	LOPEZ WORKS INCORPORATED	13,775.00		7750-527500	OCC
75800	OCC ANCILLARY A/R	18,000.00	59,450.00	7750-535200	OCC
		15,000.00		7750-560000	OCC
		10,000.00		7750-522500	OCC
		7,600.00		7750-537400	OCC
		7,600.00		7750-535000	OCC
		1,250.00		7750-568200	OCC
75801	OCC CO-CURRICULAR	92,400.00		7750-444500	OCC
75802	COAST COMMUNITY COLLEGE DISTR	80.02		7750-567000	OCC
75803	HOME DEPOT THE	216.18		7750-443000	OCC
75804	OCC ANCILLARY A/R	213.18		7750-567500	OCC
75805	BATTERY SYSTEMS	1,016.10		7750-524500	OCC
75806	BURKE, WILLIAMS & SORENSEN, LLP	928.00		7750-566300	OCC
75807	COAST COMMUNITY COLLEGE DISTR	39,128.17		7000-202000	OCC
75808	GORM, INC.	1,040.21		7750-443000	OCC
75809	HOME DEPOT THE	85.59		7750-443000	OCC
75810	LOPEZ WORKS INCORPORATED	13,775.00		7750-527500	OCC
75811	SUN ENVIROMENTAL ENGINEERING SERVICES	11,000.00		7750-524000	OCC
75812	CCCD FOUNDATION	3,988.88		7750-535300	OCC
75814	OCC ANCILLARY A/R	102,700.00	144,150.00	7750-535200	OCC
		15,000.00		7750-560000	OCC
		10,000.00		7750-522500	OCC
		7,600.00		7750-537400	OCC
		7,600.00		7750-535000	OCC
		1,250.00		7750-568200	OCC
75815	OCC CO-CURRICULAR	48,048.00		7750-444500	OCC
75816	COAST COMMUNITY COLLEGE DISTR	80.02		7750-567000	OCC
75817	COAST COMMUNITY COLLEGE DISTR	2,916.67		7750-567350	OCC
75818	OCC ANCILLARY A/R	144.51		7750-567500	OCC
75819	C R & R INCORPORATED	2,872.96		7750-527500	OCC
75820	HOME DEPOT THE	437.99		7750-443000	OCC
75821	CCCD FOUNDATION	4,116.98		7750-535300	OCC
75822	COAST COMMUNITY COLLEGE DISTR	37,054.56		7000-202000	OCC
75823	COAST COMMUNITY COLLEGE DISTR	2,916.67		7750-567350	OCC
75824	LOPEZ WORKS INCORPORATED	13,775.00		7750-527500	OCC

RATIFICATION/APPROVAL OF CHECKS
CCCD ENTERPRISE BOARD
OCTOBER - DECEMBER 2022

CHECK #	VENDOR	AMOUNT	SPLIT	ACCOUNT	SITE
75825	OCC ANCILLARY A/R	34,940.00	76,390.00	7750-535200	OCC
		15,000.00		7750-560000	OCC
		10,000.00		7750-522500	OCC
		7,600.00		7750-537400	OCC
		7,600.00		7750-535000	OCC
		1,250.00		7750-568200	OCC
75826	OCC CO-CURRICULAR	51,912.00		7750-444500	OCC

OCC Total: \$ 670,158.63

CHECK #	VENDOR	AMOUNT	SPLIT	ACCOUNT	SITE
6589	E-SoftSys LLC	410.00		3000-564500	GWC
6590	Golden West College	31.95		3000-563200	GWC
6591	Ready Refresh	130.24		3000-534000	GWC
6592	Burke, Williams & Sorensen, LL	2,399.50		3000-566300	GWC
6593	Canon Solutions America, Inc	7.36		3000-564300	GWC
6594	CCCD	3,501.75		3000-535300	GWC
6595	CR&R Inc	6,109.53		3000-527500	GWC
6596	So Cal Property Services	6,650.00		3000-527500	GWC
6597	CCCD	3,439.80		3000-535300	GWC
6598	CCCD	565.67	49,898.48	3000-501000	GWC
		4,998.53		3000-501010	GWC
		39,137.52		3000-502000	GWC
		4,035.13		3000-507000	GWC
		1,161.63		3000-507010	GWC
6599	E-SoftSys LLC	410.00		3000-564500	GWC
6600	Orange County Monstercarts, In	1,729.50		3000-524000	GWC
6601	The Traffic Safety Store	250.22		3000-567000	GWC
6602	Golden West College	31.95		3000-563200	GWC
6603	Orange County Monstercarts, In	876.75		3000-524000	GWC
6604	Ready Refresh	11.25		3000-534000	GWC
6605	The Traffic Safety Store	1,265.55		3000-567000	GWC
6606	CCCD	6,666.66		3000-567350	GWC
6607	CCCD	148,470.00	318,099.16	3000-522510	GWC
		37,966.66		3000-522500	GWC
		131,662.50		3000-535310	GWC
6608	So Cal Property Services	6,650.00		3000-527500	GWC
6609	Staples Credit Plan	253.68		3000-567000	GWC
6610	Canon Solutions America, Inc	12.70		3000-564300	GWC
6611	CCCD	557.16	61,628.18	3000-501000	GWC
		4,998.53		3000-501010	GWC

RATIFICATION/APPROVAL OF CHECKS
CCCD ENTERPRISE BOARD
OCTOBER - DECEMBER 2022

CHECK #	VENDOR	AMOUNT	SPLIT	ACCOUNT	SITE
		50,186.49		3000-502000	GWC
		4,714.50		3000-507000	GWC
		1,171.50		3000-507010	GWC
6612	SteamX, LLC	392.21		3000-524500	GWC
6613	CR&R Inc	6,716.69		3000-527500	GWC
6614	National Flea Market Associati	525.00		3000-563500	GWC
6615	E-SoftSys LLC	410.00		3000-564500	GWC
6616	CCCD	4,475.85		3000-535300	GWC
6617	Ready Refresh	123.25		3000-534000	GWC
6618	So Cal Property Services	6,650.00		3000-527500	GWC
6619	CCCD	557.10	49,442.96	3000-501000	GWC
		4,998.53		3000-501010	GWC
		39,163.24		3000-502000	GWC
		3,562.46		3000-507000	GWC
		1,161.63		3000-507010	GWC
6620	Ace Business Machines, Inc	465.00		3000-564300	GWC
6621	CCCD	3,333.33		3000-567350	GWC
6622	CR&R Inc	5,491.58		3000-527500	GWC
6623	Golden West College	75.00		3000-567000	GWC
6624	GWC Trust	74,235.00	159,049.58	3000-522510	GWC
		18,983.33		3000-522500	GWC
		65,831.25		3000-535310	GWC
6625	Orange County Monstercarts, In	778.88		3000-524000	GWC

GWC Total: \$708,393.54
OCC: \$ 670,158.63
GWC: \$ 708,393.54
TOTAL CHECKS: \$ 1,378,552.17

**CCCD ENTERPRISE BOARD
OCTOBER - DECEMBER 2022**

Check Register Summary of Accounts according to Master Agreement

OCC	ACCOUNT	DESCRIPTION	AMOUNT
		<u>Master Agreement #8</u>	
	7750-535300	Management Oversight Fees	14,733.31
		<u>Master Agreement #10</u>	
	7750-444500	Purchases - Space Rent	192,360.00
		<u>Master Agreement #11</u>	
	7750-567350	Trademark License Fee	8,750.01
		<u>Master Agreement #22</u>	
	7000-202000	Accounts Payable - Payroll	109,635.83
	7750-535200	Management Fees	155,640.00
	7750-560000	Accounting/Tax Expense	45,000.00
		<u>Master Agreement #13 & 20</u>	
	7750-443000	Purchase Supplies	1,779.97
	7750-520500	Insurance	-
	7750-520550	Insurance - Directors & Officers	-
	7750-527500	Waste Disposal	46,497.18
	7750-564700	Equipment - Purchase	-
	7750-566300	Legal Fees	3,878.50
	7750-567000	Office Supplies	160.04
	7750-567500	Postage	357.69
	7750-568000	Printing	-
TOTAL OCC: \$			<u><u>670,158.63</u></u>

**CCCD ENTERPRISE BOARD
OCTOBER - DECEMBER 2022**

Check Register Summary of Accounts according to Master Agreement

GWC	ACCOUNT	DESCRIPTION	AMOUNT
		<u>Master Agreement #8</u>	
	3000-535300	Management Oversight Fees	11,417.40
		<u>Master Agreement #10</u>	
	3000-522510	Rental - Parking Spaces	222,705.00
		<u>Master Agreement #11</u>	
	3000-567350	Trademark License Fee	9,999.99
		<u>Master Agreement #13 & 20</u>	
	3000-524500	Repair and Maintenance - Equipment	392.21
	3000-527500	Waste Disposal Service	38,267.80
	3000-534000	Services	264.74
	3000-563200	Bank Charges	63.90
	3000-564300	Service Maintenance Agreements	485.06
	3000-567000	Supplies	1,844.45
	3000-567300	Permits	-
	3000-567320	Permits - Special	-
	3000-524000	Maintenance Dept. Repairs	3,385.13
		<u>Master Agreement #22</u>	
	3000-501000	Salaries - Contract	1,679.93
	3000-501010	Salaries - Management	14,995.59
	3000-502000	Salaries - Hourly	128,487.25
	3000-507000	Salaries - Fringe Benefits	12,312.09
	3000-507010	Salaries - Fringe Benefits (MGT)	3,494.76
	3000-535310	Campus Assessments	197,493.75
	3000-564500	Technology Software/Support	1,230.00
		<u>Master Agreement #28</u>	
	3000-522500	Rent - Facilities	56,949.99
TOTAL GWC:			\$ 708,393.54

**COAST COMMUNITY COLLEGE
DISTRICT ENTERPRISE
CONFLICT OF INTEREST POLICY**

ARTICLE I – PURPOSE

The purpose of the Conflict of Interest policy is to protect the interest of Coast Community College District Enterprise (the “Enterprise”) when it is contemplating entering into a transaction or arrangement that might benefit or appear to benefit the private interest of an officer or director of the Enterprise. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

ARTICLE II – DEFINITIONS

1. Interested Person

Any member, director, principal, officer or other person associated with the Foundation who has direct or indirect decision-making power with respect to the Enterprise or its business and operations; and who has any direct or indirect personal Financial Interest (defined below) in a proposed transaction or business relationship of the Enterprise is an “Interested Person”

2. Financial Interest

A person has a “Financial Interest” if that person has directly or indirectly, whether through business, investment, family or otherwise, any of the following:

- An ownership or investment position in an entity with which the Enterprise has or proposes to have a business transaction, agreement or any other financial arrangement (a “Financial Arrangement”)
- A compensation arrangement with the Enterprise or with any entity or individual with which the Enterprise has a Financial Arrangement; or
- A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Enterprise has or is negotiating a financial arrangement.

Compensation includes direct or indirect compensation, as well as gifts or favors in excess of \$250 or in the aggregate.

I have received a copy of the Coast Community College District Enterprise Conflict of Interest Policy.

Coast Community College District
ADMINISTRATIVE PROCEDURE
Chapter 3 General Institution

AP 3600 Auxiliary Organizations

References:

Education Code Sections 70902, 72670 et seq., and 76060;
Government Code Sections 12580 et seq.;
Title 5, Sections 59250 et seq.

Definitions

- ☐ **Board of Directors:** The term Board of Directors as used herein means the governing board of an auxiliary organization.
- ☐ **Board:** The term Board as used herein means the Board of Trustees of the Coast Community College District (District).
- ☐ **Board of Governors:** The term Board of Governors as used herein means the Board of Governors of the California Community Colleges.
- ☐ **Chancellor:** The term Chancellor as used herein means the Chancellor of the District or designee.
- ☐ **District:** The term District as used herein means the Coast Community College District.
- ☐ **Associated Student Body:** An organization formed by any group of students from the following Colleges of the District in accordance with the provisions of Education Code Section 76060. At the District, this refers to:
 - Orange Coast College: *Associated Students of Orange Coast College (ASOCC)*
 - Golden West College: *Associated Students of Golden West College (ASGWC)*
 - Coastline Community College: *Associated Student Government Coastline Community College (ASGCCC)*.
- ☐ **Master Agreement:** The written agreement or Charter between the District and the auxiliary organization as set forth in Title 5, Section 59251(b).

Recognition and Establishment of Auxiliary Organizations

An organization wishing to establish itself as an auxiliary organization shall make such request to the President of the College or the Chancellor if at the District Office. Such request must be accompanied by a draft Master Agreement as set forth below, as well as the articles of incorporation, if any, and bylaws. The requesting organization must ensure any agreements and/or governing documents comply with the relevant sections of Title 5 and the Education Code. The President or Chancellor shall review the request and all accompanying documents within 60 business days of receipt and shall submit a recommendation to the Board within 30 business days of approving the request to establish an auxiliary organization that demonstrates it will serve the District's interests. The recommendation includes, but is not limited to:

- The purpose(s) for which the auxiliary organization is to be established;
- Whether the proposed auxiliary organization will primarily serve the District or a particular College;
- The recognized function(s) which the auxiliary organization is intended to perform;
- The proposed bylaws and articles of incorporation (Governing Instruments), if any, for the auxiliary organization, including the size and composition of the Board of Directors; and
- The proposed Master Agreement between the auxiliary organization and the District, or the founding Charter in the case of Associated Student Body, which addresses the requirements of Title 5 Section 59257(j).

The Board shall hold a public hearing on recommendations to recognize and establish auxiliary organizations. After the public hearing, the Board shall announce its approval or rejection concerning the establishment of the organization and all Governing Instruments. After approval, the District shall submit to the California Community Colleges Chancellor's Office all Governing Instruments related to the auxiliary organization for approval prior to the recognition of an auxiliary organization by the District.

Recognized Services, Programs and Functions

The following activities are appropriate for supporting the District and its Colleges:

- Student association or organization activities;
- Bookstores;
- Food and campus services;
- Student union programs;
- Facilities and equipment, including parking;
- Loans, scholarships, grants-in-aid;
- Workshops, conferences, institutes and federal and specially funded projects;
- Alumni activities;
- Supplementary health services;
- Gifts, bequests, devises, endowments and trusts; and
- Public relations programs.

This section shall not be construed to prohibit an auxiliary organization from taking actions essential to satisfy the non-profit corporation or tax laws of the State of California or the federal tax laws.

Operations of commercial services on a campus shall be self-supporting when operated by an auxiliary organization.

Authority and Responsibility of Auxiliary Organizations

All services, programs and activities that may be undertaken by an auxiliary organization shall be maintained for the general benefit of the educational programs of the District. Upon approval by the Board, an auxiliary organization may conduct any of the services, programs and activities listed in these procedures in order:

- To provide the fiscal means and the management procedures that allow the District to carry on educationally related activities not normally funded by State apportionment;

- To eliminate the undue difficulty that would otherwise arise under the usual governmental budgetary, purchasing and other fiscal controls except as expressly prohibited by the Education Code or Title 5, or the District's procedures; or
- To provide fiscal procedures and management systems that allow effective coordination of the auxiliary activities with the District in accordance with sound business practices.

Composition of Boards of Directors

The Board of Directors of each type of auxiliary organization shall have the following composition:

- Student Associations or Student Organizations: The Board of Directors shall consist primarily of students. Each College President or designee(s) may attend and participate in meetings of the Board of Directors in order to advise on applicable policy and law, and to provide for the control and regulation required by Education Code Section 76060.
- Other Auxiliary Organizations: Any other District approved auxiliary organization that is established pursuant to Section 72670 et seq. of the Education Code shall have a Board of Directors appointed in accordance with the organization's articles of incorporation, if any, or bylaws, and consisting of voting membership from one or more of the following categories: administration, staff; members of the community; students.

The size of the Board of Directors of an auxiliary organization shall be at least large enough to accommodate the one or more categories from which board members are selected.

Conduct of Boards of Directors

Members of the Board of Directors are expected to comport to the provisions of Education Code Section 72677, which states: "No member of the Board of Directors of an auxiliary organization shall be financially interested in any contract or other transaction entered into by the board of which he or she is a member. Any contract or transaction entered into in violation of this section is void."

In order to document compliance, members of the Board of Directors for each auxiliary organization shall complete a conflict of interest disclosure on an annual basis and include a commitment of each board member that should a conflict of interest arise at any point during business before the Board, that the board member will disclose the conflict during the public meeting and abstain from voting.

However, no member of the Board of Directors shall be disqualified or deemed guilty of misconduct in office if such member complies fully with the specified exceptions set forth in Education Code Section 72678, specifically:

- a) The fact of such financial interest is disclosed or known to the Board of Directors and noted in the minutes, and the Board thereafter authorizes, approves, or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such financially interested member or members.
- b) The contract or transaction is just and reasonable as to the auxiliary organization at the time it is authorized or approved.

However, the provisions of Education Code Section 72678 above shall not be applicable if any of the following conditions are met:

- a) The contract or transaction is between an auxiliary organization and a member of the Board of Directors of that auxiliary organization.

- b) The contract or transaction is between an auxiliary organization and a partnership or unincorporated association of which any member of the governing board of that auxiliary organization is a partner or in which he/she is the owner or holder, directly or indirectly, of a proprietorship interest.
- c) The contract or transaction is between an auxiliary organization and a corporation in which any member of the Board of Directors of that auxiliary organization is the owner or holder, directly or indirectly, of five percent or more of the outstanding common stock.
- d) A member of an auxiliary organization is interested in a contract or transaction within the meaning of Education Code Section 72677 and without first disclosing such interest to the Board at a public meeting of the Board, influences or attempts to influence another member or members of the Board to enter into the contract or transaction.

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

Bylaws

The bylaws of an auxiliary organization shall include, but shall not be limited to, specifying:

- The number of members of the Board of Directors, the categories from which members shall be selected and the method by which they shall be selected.
- That at least one public business meeting will be held each quarter.
- The time table for the preparation and adoption of its program and annual budget.
- That an attorney admitted to practice in this state and a licensed certified public accountant shall be selected to provide advice and counsel to the Board of Directors. Each shall have experience appropriate to the responsibility and shall have no financial interest in any contract or other transaction entered into by the Board which he/she serves. Neither the attorney nor the certified public accountant needs to be a member of the Board of Directors.
- The procedures for approving expenditures.
- The procedures for accepting gifts, donations, bequests, trusts and specially funded grants and other income.
- Code of Ethics statement.

Master Agreement or Charter between District and Auxiliary Organizations

In the recognition and establishment of an auxiliary organization, there shall be a written Master Agreement between the District and the auxiliary organization, or a written Charter of the Student Government Organization, which sets forth the purposes of the auxiliary organization as permitted under this Procedure, and Title 5 Section 59259.

An auxiliary organization shall provide only those services, programs or functions authorized by a Master Agreement. No other service, program or function shall be permitted or performed unless a Master Agreement between the District and the auxiliary organization is amended to provide otherwise.

The agreement shall include, but is not limited to, the following provisions:

- The recognized services, programs, or functions the auxiliary organization is to manage, operate or administer.
- A statement of the reasons for administration of the functions by the auxiliary organization instead of by the District under usual District procedures.

- The areas of authority and responsibility of the auxiliary organization and the District or College.
- The facilities and services to be made available by the District to permit the auxiliary organization to perform the services, programs or functions specified in the Master Agreement.
- The charge or rental to be paid to the District by the auxiliary organization for the facilities used or services provided in connection with the performance of its function. The charge or rental specified shall be identified in sufficient time before it is incurred so that the organization may determine to what extent it is liable.
- Full reimbursement to the District for services performed by the District or by District employees in support of the auxiliary organization. The reimbursement may be made in the form of intangible benefits that the auxiliary organization provides to the District, such as increased community awareness or other such benefits that are agreed upon by authorized District officials and the auxiliary organization. Such intangible benefits shall be assigned a good-faith reimbursement value by the District. The balance of the reimbursement may be provided through contributions that are agreed upon by District officials and the auxiliary organization including, but not limited to: scholarship awards; fundraising activities, marketing, and promotional events; contributions to student, athletic, and instructional programs; grants for tuition waiver programs; and cash payments. Such contributions shall be measured by their actual value. Student body auxiliary organizations may be exempt from reimbursing all or any portion of the costs for such services. Methods of proration where services are performed by District employees for the organization shall be as mutually determined.
- A mutually agreed upon method of determining in advance to what extent the organization shall be liable for indirect costs relating to specially funded programs (including federally sponsored programs).
- The responsibility for maintenance and payment of operating expenses.
- Proposed expenditures for public relations or other purposes which would serve to augment District appropriations for operation of the District. With respect to these expenditures, the auxiliary organization may expend funds in such amount and for such purposes as are approved by the Board of Directors of the auxiliary organization. The Board of Directors shall file with the Chancellor a statement of such policy on accumulation and use of public relations funds. The statement shall 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.
- The disposition to be made of net earnings derived from the operation of the auxiliary organization, including earnings derived from facilities owned or leased by the auxiliary organization, and provisions for reserves.
- The disposition to be made of net assets and liabilities on dissolution of the auxiliary organization or cessation of the operations under the agreement.
- The covenant of the auxiliary organization to maintain its organization and to operate in accordance with Education Code Sections 72670-72682 and with Title 5 Sections 59250 et seq., and with Board Policy.
- The understanding that the auxiliary organization shall not enter into any contract or other business arrangement involving real property either by lease involving payments of more than \$25,000 per annum and duration terms of more than one year, or by purchase without prior notification and consultation with the Chancellor.

Should an auxiliary organization provide more than one service, program, or function, such service, program, or function may be authorized in one of more written contracts with the District. Such services, programs, and functions thereby performed by an auxiliary organization may also be part

of a joint powers agreement in accordance with Education Code Section 72671 and Government Code Sections 6500 et seq.

Accounting and Annual Financial Audits

The fiscal year of the auxiliary organization shall coincide with that of the District. Each auxiliary organization shall develop an accounting system that is in accordance with generally accepted accounting principles (GAAP).

The Board of Directors of an auxiliary organization shall approve or ratify all expenditures. The auxiliary organization shall implement financial practices that will assure its fiscal viability. Such practices shall include professional management, adequate working capital, adequate reserve funds for current operations, capital replacements, contingencies, and adequate provisions for new business requirements.

Each auxiliary organization shall have an annual fiscal audit of any and all funds. The audit shall be performed by a certified public accountant and include assurance statements that the accounting system complies with GAAP, organizations are self-supporting, and financial operations are viable as defined above. Copies of the annual audit report shall be submitted by the auxiliary organization to the District Fiscal Office, who submits all reports together to the Board and to the California Community Colleges Chancellor's Office within 30 days after it is received by the auxiliary organization. Thereafter, it shall be a public record, except as otherwise provided by law. Such audits may be conducted as part of a fiscal audit of the District itself.

Auxiliary organizations shall annually publish an audited statement of their financial condition, which shall be disseminated as widely as feasible and be available to any person on request. A reasonable fee may be charged to cover the costs of providing a copy. An auxiliary organization shall comply with this requirement by posting financial statements on a District website, in such a manner that the auxiliary organization is identifiable and discernable from the District's financial statements.

The audited financial statements shall be available for inspection by the Attorney General and shall be made available to members of the public. Audit reports should be completed in a manner such that final reports are presented to the Board of Directors of the auxiliary organization prior to the organization's annual report to the Board.

Records and Annual Report of Auxiliary Organizations

Personnel and payroll records shall be maintained as permanent records by each auxiliary organization.

The Board of Directors, or an authorized committee of the board, shall review and approve the compensation, including benefits of the President or Chief Executive Officer and the Treasurer or Chief Financial Officer to assure that it is just and reasonable. This review and approval shall occur initially upon the hiring of the officer, whenever the term of employment, if any, of the officer is renewed or extended, and whenever the officer's compensation is modified. Separate review and approval shall not be required if a modification of compensation extends to substantially all employees.

Adequate records of all other transactions of an auxiliary organization shall be maintained in accordance with Board Policy and Administrative Procedure 3310 Records Retention and Destruction. Transactions of the organization include, but are not limited to, purchases, disbursements, and investments.

An annual report shall be submitted to the Board of Directors of the Foundation auxiliary organizations, the Enterprise Corporation, and to the Chancellor and Board by the second Board meeting in March. The ASBs will present to the Board at the June meeting. The report shall include, if not previously provided, but is not limited to:

- All financial statements required to be filed with the California Community Colleges Chancellor's Office.
- A comparison of budgeted and actual expenditures including prior year audited actuals.
- A description of major accomplishments of the organization.
- A description of improvements proposed for operation of the organization.
- A description of programs and associated budgets for current and/or future fiscal year.
- A description of funds derived from indirect cost payments and the uses of such funds.
- Assessment of good standing using the checklist in Appendix 1 or the results of the compliance review.

Records maintained by an auxiliary organization shall be available to the public to inspect or copy at all times during the office hours of the auxiliary organization, pursuant to and with the exceptions provided in Education Code Sections 72690 et seq.

Insurance

An auxiliary organization shall secure and maintain insurance adequate to protect its operations from catastrophic losses and as required by law. In any insurance policy secured by the auxiliary organization, the District shall be named as additional insured. A copy of each policy or endorsement or insurance certificates setting forth the coverage and limits shall be provided to the District within 30 days from the receipt of the document. In obtaining the insurance coverage, the auxiliary organization shall secure the insurance through the District's Risk Services Department.

Auxiliary Organizations: Use of Facilities

Facilities may be made available by the District to an auxiliary organization to perform the functions specified in these regulations or in an agreement, under the following circumstances:

- The auxiliary organization may occupy, operate and use such District facilities as are mutually identified as appropriate for the functions and/or activities that have been undertaken by the auxiliary organization.
- The auxiliary organization may pay to the District a charge or rental for the District facilities to be used by it in connection with the performance of its function or functions. The charge or rental to be paid by the auxiliary organization shall not require involved methods of computation, and shall be identified by the District and the auxiliary organization in sufficient time before it is incurred so that the auxiliary organization may determine to what extent it shall be liable.
- The charge or rental to be incurred by an auxiliary organization for use of District facilities in excess of five days shall be incorporated into the agreement between the parties. An auxiliary organization shall provide full reimbursement to the District for any services performed by District employees under the direction of the auxiliary organization. Methods of proration where services are performed by District employees for the auxiliary organization shall be simple and equitable.

List of Auxiliary Organizations in Good Standing

The District shall maintain a current list of auxiliary organizations in good standing. Using the checklist in Appendix 1, auxiliary organizations will attest to their compliance with applicable laws, regulations, agreements, and District policies and procedures. All auxiliary organizations which, after

review, are found in compliance with applicable laws, policies and regulations shall be included in the list of good standing. Any changes to the list of good standing shall be submitted by the manager directly responsible for the auxiliary organization to the District Fiscal Office which will submit it to the California Community Colleges Chancellor's Office.

When the Chancellor has reason to believe that a particular organization should be removed from the list of auxiliary organizations in good standing, a notice shall be sent to the Board of Directors and a conference shall be held to determine whether such grounds for removal do in fact exist. The Board of Directors of such organization shall be entitled to participate in this conference, and shall have a minimum of 30 days to prepare for the conference and respond to the issues which have been raised. Based upon such conference, the Chancellor shall decide whether the particular organization shall be removed from the list of auxiliary organizations in good standing.

An organization so removed shall not be permitted to do any of the following:

- Use the name of the District;
- Have as a director any official in the District acting in his/her official capacity;
- Operate a commercial service for the benefit of the District or any of its Colleges; and
- Receive gifts, property or funds to be used for the benefit of the District or any of its Colleges.

If the auxiliary organization is dissolved or ceases operations upon removal from the list of organizations in good standing, its net assets and liabilities shall be distributed according to the terms of the Master Agreement between the organization and the District.

Limitation on Transfer of Funds to Auxiliary Organizations

No funds or resources, other than funds or resources derived from gifts or bequests, shall be transferred by the District to any of its auxiliary organizations for the purpose of either avoiding laws or regulations which constrain community college districts or providing the District with an unfair advantage with respect to the application of any state funding mechanism. Such state funding mechanisms include, but are not limited to, general apportionment funding, capital outlay funding, Extended Opportunity Programs and Services funding, and funding for programs and services for disabled students.

Compliance Review by the Chancellor

The Chancellor shall ensure that all auxiliary organizations are reviewed at least once every five years to determine compliance with Education Code Sections 72670 et seq., the policies, rules and regulations of the Board of Governors, and of the District, as well as Master Agreements, Charters, Articles of Incorporation, if any, and bylaws. The Chancellor delegates the selection of the qualified firm, contractor, or expert to Internal Audit and the District Fiscal Office to conduct this review. This review shall be completed in a manner that allows for timely reporting of good standing and the auxiliary annual reports. The compliance review shall include, but is not limited to the following:

- Assessment of compliance with this Procedure's requirements and timely submission to the Board.
- Results of any transactional testing used to confirm approvals and allowable expenditures
- Verification that data, information, or other reports provided to the Board of Directors, the Chancellor and/or the Board is accurate, complete, and supported.

The results shall be presented to the Board either at the time of the financial audit report or the annual report. The results of this review may also be used to determine good standing. The self-assessment does not need to be completed in the year when the compliance review is conducted. If it is determined that after inspection and review, that certain auxiliary organization procedures and practices are not in compliance with policies, rules and regulations of the Board of Governors and

the District, a recommendation concerning the items of noncompliance shall be communicated in writing to the Chancellor and to the Board of Directors of the auxiliary organization. The Board of Directors shall reply in writing within 30 days, either describing the actions which will be taken, including time table, to bring said procedures and practices into compliance; or describing the reasons why the Board of Directors considers the procedures already compliant.

If the Chancellor considers the proposed corrective actions to be acceptable, the auxiliary organization shall be so informed. A second compliance review shall be held at the end of the time agreed to and the results communicated in writing to the Chancellor and to the Board of Directors.

When the auxiliary organization fails to provide an acceptable proposal for corrective actions or fails to implement successful corrective actions within the agreed upon time, the Chancellor shall inform the Board of Directors of such further action as he/she considers appropriate, which may include a recommendation to the Board of Trustees for termination of the contract.

Revision of Rules and Procedures and Reports to the California Community Colleges Chancellor's Office

Rules and procedures for the administration of auxiliary organizations may be revised as necessary by the Chancellor or designee. The Board of Directors of each auxiliary organization in good standing shall be promptly notified in writing of such revisions and be informed of the date by which any changes in the organization's procedures must be accomplished.

Any such revisions shall be submitted by the manager directly responsible for the auxiliary organization to the District Fiscal Office which submits such revisions to the California Community Colleges Chancellor's Office for approval. The District shall report, as may be required from time to time, on the operation of its auxiliary organizations.

Appendix 1. Checklist to be Used for Determining Good Standing

Name of Organization: _____

Review Date: _____

Instructions: Please answer the following questions in order to complete the annual self-review for compliance and good standing in accordance with BP/AP 3600. Some answers may require an explanation, or in instances where non-compliance was identified, an Action Plan. Use the space below to provide a response.

#	Question	Yes	No	N/A	Explanation Action Plan
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Question #	Question	Yes	No	Explanation/Action Plan
1	Was the annual report presented to the Board of Trustees timely, and did it include all the requirements listed in AP 3600?			
2	Was the annual audit report submitted to the State Chancellor's Office timely, and was evidence of such submission retained by the District Fiscal Office?			_____
3	Has the filing been made with the Secretary of State's Office as required?			
4	Does the manager responsible for overseeing the auxiliary organization attest that it has complied with all the requirements for AP 3600?			

I certify that the information provided above is true and correct and documents of such assurance can be provided upon request.

Print Name/Title: _____

Signature: _____

Ratified December 11, 2013

Ratified April 15, 2015

Ratified June 20, 2018

Ratified November 6, 2019

Ratified April 21, 2021

Ratified April 20, 2022

