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| Section | Chapter 3 General Institution |
| Title | AP 3600 Auxiliary Organizations |
| Code | AP 3600 |
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| Legal | California Education Code, Sections 72670 et. seq. Government Code, Sections 12580 et. seq. Title 5, Sections 59250 et. seq. |
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Recognition and Establishment of Auxiliary Organizations

The Chancellor or designee shall submit a recommendation to the Board of Trustees to establish an auxiliary organization. Auxiliary organizations may be recognized and established by the Board of Trustees for purposes of engaging in activities which further and/or benefit the colleges and their missions.

The District currently recognizes the three college Foundations as auxiliary organizations. The three college Bookstores are not considered to be auxiliary organizations but rather enterprise operations.

In the recognition of an auxiliary organization, there shall be a written Master Agreement between the District and the auxiliary organization which sets forth the purposes of the auxiliary organization as permitted pursuant to Education Code, Section 72670 and Title 5, Section 59250.

The auxiliary organizations shall provide only those services, programs or functions authorized by a written Master Agreement.

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

- The 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 written 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.
- Reimbursement to the District for services performed by the District or by District employees in support of the auxiliary organization.
- The responsibility for maintenance and payment of operating expenses.
- Proposed expenditures for public relations or other purposes which would serve to augment college appropriations for operation of the college.
- The disposition to be made of net earnings derived from the operation of 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 applicable Education Code and Title 5 Sections as well as District Board Policy.

Accounting and Reporting for Auxiliary Organizations

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, and shall implement financial practices that will assure its fiscal viability.

Each auxiliary organization serving the District shall prepare an annual budget of its revenues and expenses and shall provide it to the District prior to the beginning of each fiscal year.

Each auxiliary organization shall have an annual fiscal audit of any and all funds. Copies of the annual audit report shall be submitted for review and acceptance by the District's Board of Trustees.

Auxiliary Organizations in Good Standing

Each year, the Chancellor or designee shall provide to the Board of Trustees a list of all auxiliary organizations in good standing.

The Master Agreement shall address the process and remedies available to an auxiliary organization if the Chancellor or designee has reason to believe that one is not in good standing.

See [Board Policy BP 3600](#).