

**Office of the President  
California State University, Chico**



**Executive Memorandum 18-018**

**July 25, 2018**

**From:** Gayle E. Hutchinson, President

**Subject:** Interim Executive Memorandum for Oversight of Ancillary Units  
(including Campus Centers and Institutes)

Upon the recommendation of the Academic Senate and the concurrence of the Provost, I approve the Interim Executive Memorandum for Oversight of Ancillary Units, including Campus Centers and Institutes, effective immediately.

<b>Policy Title:</b>	EM 18-018 Interim Executive Memorandum for Oversight of Ancillary Units (including Campus Centers and Institutes)
<b>Contact:</b>	President and Ancillary Units Review Committee (AURC)
<b>Supersedes:</b>	EM 02-007
<b>Revision:</b>	
<b>Enabling Legislation or Executive Order:</b>	AA-2014-18 replacing EO 751

**Interim Executive Memorandum for Oversight of Ancillary Units (including Campus Centers and Institutes)**

This Interim Executive Memorandum (EM) establishes policies and procedures for the approval and oversight of all ancillary units (AUs), including campus centers and institutes (CCI), on the California State University, Chico (Chico State) campus, and creates the Ancillary Units Review Committee (AURC). These policies and procedures incorporate the Chancellor's Office Coded Memo AA-2014-18 (Centers and Institutes: Guidelines Replacing Executive Order 751), are consistent with other applicable CSU and campus policies, and supersede EM 02-007.

**SCOPE**

This policy encompasses the approval and oversight of all campus AUs affiliated with the Division of Academic Affairs at Chico State.

**POLICY**

The following policy (including responsibility and procedures) is organized by the following sections: 1) Definition and Need for Ancillary Units (AUs); 2) Functions of AUs; 3) Reporting;

- 4) Charge of the AU Review Committee (AURC); 5) AU Proposal Requirements and Structure;
- 6) AU Review, Reporting, Continuation and Discontinuation; and 7) Appendices.

## **1. DEFINITION AND NEED FOR ANCILLARY UNITS (AUs)**

Ancillary Units are formally recognized entities of Chico State that, while distinct from the university, are mutually beneficial. More specifically, AUs relate to the public missions of the California State University system and Chico State, are affiliated with Academic Affairs, and support the success of students and faculty. They must not utilize state resources for private gain. This policy does not apply to system-wide affinity groups, state or federal centers governed by their authority, or campus central administrative and service units.

AUs include co-curricular centers, institutes, symphonies, museums, ecological preserves/reserves, councils, consortia, or similar entities that support Chico State's academic mission and that are housed in the Division of Academic Affairs. This policy does not therefore apply to other entities (e.g., the Student Health Center) that primarily advance non-academic functions of the University or are housed and funded in other divisions. This policy applies to all AUs currently established as well as those that may be developed in the future.

An AU:

- A. Must directly or indirectly benefit Chico State students, faculty and staff; and
- B. Must serve a substantially different purpose than one already being fulfilled by an established department, unit, or college; and
- C. Is organized around a scholarly, creative, research, education, and/or public service activity that combines the interests and expertise of individuals, departments or administrative units, and may draw on expertise of others external to the campus or the academy; and
- D. May offer services to constituents beyond the campus community (e.g., individuals as well as private and public entities). While an AU serves the campus community, its focus is not exclusively internal; and
- E. Is aligned with the mission and strategic plan of the college that oversees the AU and of the university; and
- F. May be provided some initial support in the form of assigned time, office space, equipment, staff support, etc., although it is expected that most AUs will generate enough external funding to become largely self-sustaining; and
- G. Coordinates external funding support through the Research Foundation (RF), whose purpose is to help develop and administer activities that aid and supplement Chico State's educational mission, and utilizes the benefits provided by the RF.

## **2. FUNCTIONS OF AUs**

AUs do not confer degrees or offer for-credit academic degree instruction, except in the role of supporting those units with such authority. Although faculty are encouraged to collaborate with AUs, AUs cannot serve as the home department for faculty. Upon coordination with the RF, RF

staff may be affiliated with an AU. Depending on the function of an AU, its activities will vary and may include:

- A. Providing opportunities for professional development of faculty and staff through teaching, research, scholarly and creative activities, and public service.
- B. Fostering and facilitating interdisciplinary efforts among disciplines, departments and across colleges, in addition to other public and/or private partners.
- C. Providing a clearinghouse for information of interest to professionals, including conducting workshops and conferences for continuing education.
- D. Enhancing the curriculum by facilitating and supplementing the academic experience of students.
- E. Other functions as stated in the organizational document and approved following the process described below.

### **3. OVERSIGHT**

The President is delegated the responsibility for the approval and oversight of AUs in accordance with existing CSU policy (see ICSUAM 1000.0, Delegation of Authority to Obligate the University, CSU Policy Manual for Contracting and Procurement). Oversight authority may be delegated to the Provost, who may also delegate direct responsibility to the respective Dean of the college under which the AU operates. AUs can have multiple sources of funding. While this funding may include Chico State general funds, these funds will normally be seed funds to support the launching of an AU. AUs should ultimately become financially self-sufficient (or nearly so).

This EM establishes an AU Review Committee (AURC) to review applications for the establishment, suspension, and dissolution of AUs, AU annual reports, and every seven years after their establishment, an AU continuance application. These reviews and reports will form the basis of AURC consultation with the Dean(s) responsible for oversight of an AU or AUs. The(se) Dean(s) is/are then responsible for communicating the results and their College's interests in the AU to the Provost and then the Academic Senate. The Academic Senate and the Provost then consults with the President on the results of these deliberations; the President has ultimate authority in determining the status of any AU at Chico State. In some cases, such as when federal or state entities regulate the services of the AU, the AU may need to establish a formal governance relationship with the board of the RF, who serve as the legal entity holding the 501(c)3 status under which the AU may operate. The RF board shall be consulted to review and comment prior to a decision on the AU's status.

### **4. CHARGE OF THE AU REVIEW COMMITTEE (AURC)**

As a new committee of the Academic Senate, the AURC meets on a regular basis (or as needed) during the academic year to provide review and consultation relating to AU establishment, performance documented through annual reviews, continuance, and dissolution. This charge includes but is not limited to:

- Alignment of AU activities with the mission and strategic plans of the CSU and Chico State
- Financial operations and sustainability of the AU

- Personnel roles within the AU
- Productivity derived from AU activities
- Notable accomplishments of the AU
- Recommendations for AU establishment, continuance, modification, merging, or dissolution

## **Membership**

The AURC is chaired by a faculty member of the committee and includes the following additional members that will each have two-year appointments with the option for renewal:

- Three principal investigators (PIs), at least one of whom is an AU Director (all must have a significant record of obtaining and managing externally funded projects and/or gifts, and must be from different colleges) selected in consultation with the Academic Senate Executive Committee.
- Two faculty appointed by the Academic Senate Executive Committee.
- One Dean or Associate Dean.
- The Associate Vice President of Research and Sponsored Programs

Note: At least one of the AURC members must have some expertise in financial analysis and risk management. An additional member or two of the AURC may be appointed by the AURC chair if needed to provide this expertise. No member of the committee may vote in decisions about an AU in which they, their department, or their college is affiliated.

## **5. AU PROPOSAL REQUIREMENTS AND STRUCTURE**

### **Authorization to Plan and Establish**

To request authorization to plan and establish a new AU, the faculty and/or staff member wishing to plan and establish should first consult with the Dean(s) of the unit(s) where the AU will be established. At this time, the Provost's office is also alerted with sufficient information about the plan to seek approval for the establishment of a new AU or a change in status for an existing AU. Pending this initial consultation, the faculty and/or staff member will submit to the AVRP, as Chair of the AURC, a Request for Authorization to Plan and Establish (proposal) that shall include the following information:

- Relevance of the proposed AU to the mission of Chico State, the CSU, the North State, and/or other key stakeholders.
- Mission, goals, and objectives of the proposed AU and an explanation of why these cannot be met within the existing university structures.
- Description of how the proposed AU differs from other existing AUs and units at Chico State, and proposed relationships with them.
- Description of the personnel needed and their responsibilities (including the name of the proposed director).
- Organizational structure, including the composition of the AU's Leadership Board.
- Estimated funding needed to initiate and sustain the proposed AU for seven years and potential sources of funding during that period. Identify specifically what campus resources will be necessary to establish and maintain the AU.

- Estimated space, facilities, and equipment needs and plans for meeting these needs.
- An assessment of any actual or potential risks involved as well as a plan of how to manage such risks.
- If relevant, information about the inter-institutional nature of the proposed AU with regard to mission, leadership, activities, funding, or other aspects.
- Proposed timeline for establishing the AU. If a time-limited AU is proposed (e.g., one established only for the duration of certain external funding), provide estimated ‘sunset date.’

### **Director/Leadership Board**

In consultation with the relevant administrator or Dean, the AU Director shall establish and maintain a Leadership Board whose charge is to identify opportunities for the AU, provide guidance for the future of the AU, and help establish opportunities for productive networking. The Leadership Board shall have a minimum of three members, at least two selected from the faculty in consultation with the relevant dean, and at least one an external stakeholder (e.g., public, private, or community entity). The Leadership Board will meet at least once per year and the minutes will become part of the Annual Report (instructions detailed below). AU Directors are responsible for the day-to-day programmatic, fiscal, and personnel decisions associated with the AU.

The AU Director will:

- Consult with the Dean’s(s’) office(s) in the college(s) under which the AU is overseen;
- Coordinate programmatic activities;
- Seek external funding where appropriate;
- Convene periodic Leadership Board meetings;
- Respond to assessment and administrative program review processes; and
- Ensure the viability of the AU in meeting its objectives.

The Leadership Board makes recommendations to the AU and AU Director on programmatic direction(s). In consultation with the Dean(s) (or Dean’s(s’) designee), the Director has ultimate hiring and fiscal responsibility. Directors oversee AU management, such as the appointing and staggering terms of board members, developing bylaws, Memoranda of Understanding (MOUs) or other governing documents, and general operations of the AU.

The AURC will evaluate the Request for Authorization to Plan and Establish an AU and determine the most appropriate review and oversight bodies (in particular, relevant administration and faculty committees or members) from which to solicit comments and coordinate a comment period. At the conclusion of this period, the AURC will recommend to the Dean(s) whether or not the new AU should go forward. After a review or consultation with the Provost, Dean(s), and the Academic Senate, the President will make the ultimate decision.

## **6. AU REVIEW, REPORTING, CONTINUATION, AND DISCONTINUATION**

All AUs initially report to the AURC, submitting an Annual Report by October 1<sup>st</sup>. The Annual Report shall include content directly associated with the AU's activities and how the AU contributed to each activity. The format for reporting is provided in Appendix A.

In addition to the sections described in Appendix A, full financial accounting must include:

- Detailed reporting of center income (grants/contracts, fee for service, program income, fixed price work, donations, state funds).
- Expenditure information for the most recent fiscal year including personnel salaries and wages, operating expenses, equipment, travel, contractors, other costs, F&A and surplus use and balance.
- AUs may have multiple sources of funding. If currently supported by Chico State general funds, AUs should also include progress towards independence from state support.
- All sources of funds as well as the use of funds shall be identified in the Annual Report.

AU Directors are responsible for the day-to-day programmatic, fiscal, and personnel decisions of the AU. Whether the Director's position is that of faculty or non-faculty, the appointment is made in accordance with existing policies and procedures for such appointments. The qualifications of the proposed Director in the Request for Authorization to Plan shall be reviewed by the overseeing Dean(s), AVRPP, and Provost in advance of any decision. The overseeing Dean(s) will have ultimate authority to appoint a Director or propose an alternative selection. The Director may appoint associate or assistant directors, subject to approval of the supervising administrative officer.

### **Seven-year Review of AUs (Continuation Review)**

Active AUs must undergo regular review to ensure ongoing alignment with departmental, college and/or institutional missions and resources, success in accomplishing stated objectives, and sound fiscal status and practices. Management of an established AU includes monitoring and reviewing AU activities and plans through periodic contact and reporting, and modifying AU activities and plans as required. An AU must undergo a Continuation Review at least once every seven (7) years. If, at any time, the overseeing Dean(s), the AURC, relevant faculty, staff, or administrator (who may receive complaints from the campus community) has or have legitimate concerns about an AU's operations or the AU Director, they may consult with the Provost. Subsequently, The AU's Director may either undergo a performance review and/or be asked to prepare a Request for Continuation prior to the end date of its term. If so, she or he will be given three months to submit materials. Copies of all notices, requests, reviews and recommendations shall be filed in the University Office of Research and Sponsored Programs.

Additional or more frequent major evaluations may be necessary if mandated by the AURC, the President, the AU's charter, bylaws, or funding agency.

The following flow chart illustrates the sequence of review:



To initiate the Continuation (Seven-Year) Review process, the AU Director will complete a self-study, using a format that is appropriate for the AU and agreed upon by the Dean(s) and Director. The purpose of the self-study is to collect data related to the AU's goals and objectives, with specific attention to the reason for establishing the AU and the accountability plan. The self-study will focus on the following:

- Mission, goals, and objectives, and their relationship to those of the university
- The degree to which the AU's mission, goals, and activities are unique
- Significant accomplishments in the past seven years in research, instruction, public service and engagement, and/or other relevant productivity
- Success in achieving the AU's mission and reaching desired outcomes
- How and to what extent the AU promotes interdisciplinary work
- University and community partnerships (if applicable)
- Client feedback as appropriate to the mission of the AU
- Quality and quantity of scholarly and/or public service activity by faculty, professional staff, and students
- Organizational structure, including number and types of personnel
- Summary budget data for past seven years, including amount and sources of funding, changes in funding over the years, number and types of grants and contracts, and administrative costs
- Responsible fiscal oversight as determined by financial audit and professional evaluation demonstrating that the AU is being managed properly
- Vision for the future of the AU, including program improvement plans

When the Director completes the self-study, the AVRP and AURC will review the self-study documents and deliver recommendations to the overseeing Dean(s). The seven-year report will address the following:

- The degree to which the mission of the AU is realistic, feasible, and capable of meeting the needs of the university and wider community
- The extent to which the AU's mission, goals, and activities are distinct from other AUs or university units
- The degree of success in achieving the AU's mission and reaching desired outcomes
- Adequacy of programs and initiatives in fulfilling research, instruction, and/or public service missions and meeting the needs of constituents and stakeholders
- Quality of the student experience and success in career placement (if applicable)
- Effectiveness of leadership, organizational structure, and administrative resources
- Quality of institutional relationships
- Adequacy of funding and facilities; for recently-established AUs, congruence of current budget with budget proposed at inception
- Description and amount of space currently occupied

- Acquisition of equipment, instrumentation, or other tangible assets of a permanent or semi-permanent nature with a value in excess of \$5,000
- The program's plans for the future and the feasibility of the plans
- Recommendations for improving academic and administrative effectiveness

The Dean(s) will then add their comments and recommendations to those of the reviewers and forward the self-study, the reviewers' report, and the Dean(s)' comments to the AURC, which will review all the documents and make its recommendations. All recommendations will be compiled and made available to the Academic Senate along with an Executive Summary regarding (1) the AU's continued viability, (2) an action plan for changes or improvements, and (3) a timeline for the next review. The AURC and other levels of review may recommend that the AU be discontinued. Upon completion of the review, the Academic Senate will submit a recommendation to the President, who will make the ultimate decision on the AU's status, in accordance with CSU policy. If an AU is granted continuation, its term will be extended for a period of up to seven additional years before another review is required. This decision will be communicated to relevant campus parties. All review materials shall be centrally archived in the University Office of Research and Sponsored Programs.

### **Discontinuation of AUs**

An AU may be discontinued for a variety of reasons, including lack of fiscal resources for sustainability, termination of a supporting grant or award, lack of alignment with departmental, college, or institutional missions or objectives, or other extraordinary circumstances. Following a major review or upon a formal written request from the overseeing Dean(s) explaining the need to eliminate the AU, the AURC may recommend to the Academic Senate that the AU be discontinued. If the Academic Senate determines that discontinuation is warranted, it will make a recommendation to the President. The AVRP may also place an AU on probation with the stipulation that deficiencies be corrected within a specific period of time. The President may discontinue an AU for any of the reasons or circumstances mentioned above.

The overseeing Dean(s), in collaboration with the AU Director, will develop a plan for phasing out the unit to allow for orderly termination or transfer of contractual obligations and to find alternative employment for full-time staff. The phase-out period may not be for more than one year after the end of the academic year in which final approval is given to discontinue the AU.

### **Merging of AUs**

To maximize efficiency, to create synergies, and for financial reasons, AUs may be merged with one another. While new AUs need to follow the process for establishment as outlined above, existing AUs may be merged through a less onerous process. Similar to the process outlined earlier in this document above for the Discontinuation of AUs, the overseeing Dean(s) need(s) to make a formal written request to the AURC that justifies and supports the merging of specific AUs. The AURC may then recommend to the Academic Senate that the AUs are merged into a new AU. If the Academic Senate determines that the merger is warranted, it will make a recommendation to the President, who makes the final determination.



**Other Applicable Policies**

This coded memorandum does not supersede any other applicable policies that apply to AUs, including the Integrated CSU Administrative Manual (ICSUAM 13680.0), coded memoranda, or any other applicable CSU policies.

**7. APPENDICES****A. Annual Reporting Template**

**Note: While this is an Interim EM, if a final EM is put into place, it will be reviewed and revised (if needed) at least every five years.**

Ancillary Unit (AU) Annual Report  
 As required by EM \_\_\_\_ (replacing 02-007)  
 AU name:  
 College Name:  
 Reporting Dates: 7/1/XXXX – 6/30/XXXX



**University Contract, or Grant Activity:**

Description of funding development

<b>CHC Grant and Contract Applications (Funded/Pending/Not Funded)</b>						
<b>Current Funded Projects</b>	<b>Funder</b>	<b>Contract Amount</b>	<b>Annual Amount</b>	<b>Indirect Rate</b>	<b>Implementation Date</b>	<b>PI/CO-PI/Leads</b>
<i>Farmer's Market Promotion Program</i>	USDA	\$99,995	\$49,999	5%	In Progress	C. Wolff, S. Bianco & S. McQuaid
<b>Continued Funding Total:</b>		<b>\$0</b>	<b>\$0</b>			

<b>Pending Projects</b>	<b>Funder</b>	<b>Contract Amount</b>	<b>Annual Amount</b>	<b>Indirect Rate</b>	<b>Implementation Date</b>	<b>PI/CO-PI</b>
<i>Ca Specialty Crops for Rural Northern CA Schools</i>	CDFA	\$449,879	\$165,978	5%	10/1/2015	S. Bianco, K. Gruneisen & S. McQuaid
<b>Anticipated Total</b>		<b>\$0</b>	<b>\$0</b>			

<b>2015 Grant Applications: Not Funded</b>	<b>Contract Amount</b>	<b>Annual Amount</b>	<b>Indirect Rate</b>	<b>PI/CO-PI</b>
<i>Connecting Agriculture to Schools 2</i>	\$399,772	\$141,842	5%	C. Wolff & S. Bianco