

CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO
SANTOS MANUEL STUDENT UNION
BOARD POLICY

SUBJECT: Leadership Scholarship

REFERENCE: SMSU Policies Manual; SMSU Bylaws; SMSU Operating Agreement; CSU Auxiliary Organizations Compliance Guide; Internal Revenue Code § 117; California Government Code §§ 1090, 87100 et seq.; applicable CSUSB financial aid requirements

Policy:

The SMSU Leadership Scholarship is a Board-authorized student financial aid program that may be made available to eligible student members of the Santos Manuel Student Union Board of Directors, subject to approved budget authority, University financial aid administration, and the eligibility standards set forth in this Policy.

The Leadership Scholarship is intended to support qualified educational expenses. It is not compensation, wages, salary, a stipend, or consideration for services rendered. Eligibility for, or the amount of, a Leadership Scholarship shall not be conditioned on hours worked, specific tasks performed, attendance at individual meetings, advocacy, or votes cast by a student Board member.

This Policy is intended to ensure that any Leadership Scholarship program is administered in a manner that is consistent with applicable bylaws, CSU auxiliary requirements, conflict-of-interest standards, financial aid controls, and sound governance practices, including clear prospective criteria, documented recusals, and separation between Board service and personal financial benefit.

For purposes of alignment with future bylaw revisions, references in this Policy to student members of the Board of Directors shall mean those student Board positions recognized as eligible to serve under the then-current SMSU Bylaws and related governing documents.

Standard:

It is the policy of the Santos Manuel Student Union that Leadership Scholarships, if offered, shall be limited, mission aligned, prospectively authorized, and administered as student financial aid rather than remuneration.

All Leadership Scholarships must:

1. Be limited to currently enrolled student members of the SMSU Board of Directors who satisfy the eligibility requirements established by this Policy and the then-current SMSU Bylaws;

2. Be funded only through an approved SMSU budget allocation and subject to availability of funds;
3. Be administered through established University financial aid processes and subject to applicable cost-of-attendance and aid-packaging limitations;
4. Be based on uniform and prospectively established eligibility criteria rather than individualized bargaining or discretionary promises;
5. Be administered with documented conflict-of-interest safeguards, including disclosure and recusal where required; and
6. Comply with applicable CSU auxiliary governance standards and federal and state law.

Leadership Scholarships are discretionary, may be suspended or discontinued by Board action, and are not guaranteed by virtue of Board membership alone.

No officer, employee, or Board member may authorize, promise, or represent the availability of a Leadership Scholarship except as provided in this Policy and in the approved budget and administrative process.

Approval Authority and Governance:

Board Approval Required - The SMSU Board of Directors shall approve the establishment, continuation, suspension, or discontinuation of the Leadership Scholarship program and shall approve the total annual funding allocation through the budget process or other formal Board action.

Financial Scope and Award Administration - The Board of Directors shall approve only the total annual funding allocation for the Leadership Scholarship program through the annual budget or other formal Board action. Individual award amounts shall not be approved by the Board of Directors and shall be determined administratively by the Executive Director, or designee, in coordination with the CSUSB Office of Financial Aid, within the Board-approved total allocation and in accordance with this Policy, applicable University financial aid requirements, and any cost-of-attendance or aid-packaging limitations.

Committee Role - The Finance & Contracts Committee, or successor committee designated by the Board, may review and recommend program funding levels and implementation parameters as part of the budget process, but shall not approve individual awards.

Administrative Authority - The Executive Director, or designee, shall administer the program in coordination with the CSUSB Office of Financial Aid and other appropriate University offices, consistent with this Policy, the approved budget, and applicable campus processes.

Bylaw Alignment - Administrative implementation may use operational criteria tied to Board status, good standing, term of service, resignation, vacancy, or removal only to the extent those concepts are defined by the then-current SMSU Bylaws or other approved governing documents.

Prohibitions:

SMSU shall not:

1. Treat the Leadership Scholarship as compensation, a stipend, payroll, or payment for services;
Condition eligibility or award amount on hours worked, specific assignments completed, attendance at a particular meeting, or any vote or advocacy position;
 2. Permit any student Board member to participate in deliberation, recommendation, or action regarding their own award or a program design decision from which they may reasonably foresee a personal financial benefit;
 3. Issue a Leadership Scholarship outside University financial aid processes or outside the approved budget authority; or
 4. Use the Leadership Scholarship program to circumvent SMSU Bylaws, CSU policy, campus requirements, or applicable conflict-of-interest restrictions.
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Eligibility:

A Leadership Scholarship may be awarded only when all of the following conditions are met:

1. **Board status** - The student must be serving in an at-large student director position on the SMSU Board of Directors. Individuals serving by virtue of an ex officio role, including but not limited to Associated Students, Inc. representatives or other designated ex officio appointments, are not eligible for the Leadership Scholarship.
 2. **Good standing** - The student satisfies any Board-member good-standing requirements and any applicable University academic or enrollment requirements used for financial aid administration.
 3. **Enrollment** - The student is enrolled in the minimum number of units, if any, required by applicable University or financial aid rules for the term in which the scholarship is processed.
 4. **Administrative clearance** - The award can be processed through the CSUSB Office of Financial Aid, and the award does not exceed applicable aid or cost-of-attendance limitations.
 5. **Continued eligibility** - The student remains eligible through the period for which the scholarship is awarded, subject to applicable bylaw and financial aid rules.
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Conflicts of Interest:

Board members, officers, and employees shall comply with applicable conflict-of-interest requirements, including California Government Code §§ 1090 and 87100 et seq., CSU standards, and campus implementing requirements. Required disclosures and recusals shall be documented in the official record. Where a proposed action concerns a scholarship program or funding structure that could confer a reasonably foreseeable personal financial benefit on one or more

current student Board members, affected members shall not participate except as permitted by applicable law and approved governance practice.

Records Retention:

Documentation related to program approval, budget authority, eligibility verification, coordination with financial aid, award processing, conflict-of-interest disclosures, and recusals shall be retained in accordance with SMSU records retention standards and applicable audit requirements.

Procedure:

1. **Program Authorization and Budgeting** - Management shall include any proposed Leadership Scholarship funding in the annual SMSU budget or in other formal Board materials. The Board-approved action shall identify the total program funding authority for the applicable fiscal year. Individual award determinations shall be made administratively within the approved allocation and shall not be returned to the Board for individual approval.
2. **Eligibility Verification** - Prior to processing any award, management shall verify that the student holds an eligible student Board position, remains in good standing under the then-current bylaws and governing documents, and satisfies applicable University and financial aid requirements.
3. **Financial Aid Coordination and Disbursement** - All Leadership Scholarships shall be coordinated with the CSUSB Office of Financial Aid and disbursed only through applicable University financial aid systems. SMSU shall not pay Leadership Scholarships through payroll or informal reimbursement processes.
4. **Conflict-of-Interest Controls** - Student Board members who may benefit from the program shall disclose the interest as required and recuse themselves from discussions, recommendations, and actions regarding funding, criteria, or awards when required by law or policy. Recusals shall be reflected in meeting minutes and other official records.
5. **Changes in Status** - If a student Board member resigns, is removed, becomes ineligible to serve, withdraws from the University, drops below applicable enrollment requirements, or otherwise ceases to qualify under applicable bylaws or financial aid rules, the scholarship may be reduced, cancelled, or adjusted in accordance with University financial aid procedures and applicable administrative determinations.
6. **Annual Review** - Management should review the program annually and recommend any needed revisions to maintain alignment with then-current bylaws, Board structure, financial aid requirements, and CSU auxiliary compliance expectations.