

## CONFLICTS OF INTEREST CODE

The Governing Board desires to maintain the highest ethical standards and help ensure that decisions are made in the best interest of the charter's and the public. In accordance with law, Board members shall disclose any conflict of interest and, as necessary, shall abstain from participating in the decision.

### **Adoption**

The Governing Board hereby adopts this Conflict of Interest Code ("Code"), which shall apply to all governing board members, candidates for member of the board, and all other designated employees of Blue Oak Charter School ("BOCS").

### **Designated Employees**

Employees of BOCS, Board members and candidates, who hold positions that involve the making or participation in the making, of decisions that may foreseeably have a material effect on any financial interest, shall be designated employees. The designated positions are listed in Exhibit "A" attached to this policy and incorporated by reference herein.

Additionally, the Corporations Code prohibits a nonprofit corporation from having a board composed of more than 49% of "interested persons." (Corporations Code Section 5227.) "Interested persons" are those who receive compensation from the corporation, either as employees or contractors, or any family members of such persons.

### **Statement of Economic Interests: Time of Filing**

Each designated employee, including governing board members and candidates, shall file a Statement of Economic Interest Form 700 ("Statement") at the time and manner prescribed below, disclosing reportable investments, interests in real property, business positions, and income required to be reported under the category or categories to which the employee's position is assigned in Exhibit A.

An investment, interest in real property or income shall be reportable if the business entity in which the investment is held, the interest in real property, the business position, or source of income may foreseeably be affected materially by a decision made or by participation in the decision by the designated employee by virtue of his or her position. The specific disclosure responsibilities assigned to each position are set forth in Exhibit B.

### **Statements Filed with the BOCS**

All Statements shall be supplied by BOCS. All Statements shall be filed with BOCS. BOCS's filing officer shall make and retain a copy and forward the original to the County Board of Supervisors.

### **Contents of Initial Statements**

Initial Statements shall disclose any reportable investments, interests in real property and business positions held on the effective date of the Code and income received during the twelve (12) months prior to the effective date of the Code.

### **Disqualification**

No designated employee shall make, participate in making, or try to use his/her official position to influence any BOCS decision which he/she knows or has reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the official or a member of his or her immediate family or on:

Any business entity or real property in which the designated employee has a direct or indirect investment or interest worth one thousand dollars (\$1,000) or more.

- Any source of income totaling two hundred fifty dollars (\$250) or more provided or promised to the designated employee within twelve months prior to the decision. (This category does not include gifts or loans made at regular rates by commercial lending institutions.)
- Any business entity in which the designated employee is the director, officer, partner, trustee, employee, or any kind of manager.
- Any donor of gifts totaling \$250 or more in value provided or promised to the designated employee within twelve months prior to the decision; any intermediary or agency for such a donor.

No designated employee shall be prevented from making or participating in any decision to the extent that his/her participation is legally required for the decision to be made. (The need to break a tie vote does not make the designated employee's participation legally required.)

### **Manner of Disqualification**

When a designated employee determines that he/she should not make a decision because of a disqualifying interest, he/she should submit a written disclosure of the disqualifying interest to his/her immediate supervisor. The supervisor shall immediately reassign the matter to another employee and shall forward the disclosure notice to BOCS Executive Director, who shall record the employee's disqualification. In the case of a designated employee who is head of an agency, this determination and disclosure shall be made in writing to his/her appointing authority.

Governing Board members shall disclose a disqualifying interest at the meeting during which consideration of the decision takes place. This disclosure shall be made part of the Board's official record. The Board member shall then refrain from participating in the decision in any way.

**Definition of Terms**

As applicable to a charter school, the definitions contained in the Political Reform Act of 1974, the regulations of the Fair Political Practices Commission, specifically California Code of Regulations Section 18730, Government Code 1090, and any amendments or modifications to the Act and regulations are incorporated by reference to this Code.

Adopted:

01/2005

Revised:

11/2012

**EXHIBIT A**

**Designated Positions**

- I. Persons occupying the following positions are designated employees and must disclose financial interests in all categories defined in Exhibit B (i.e. categories 1, 2, and 3).
  - A. Members of the Governing Board
  - B. Candidates for Member of the Governing Board
  - C. Executive Director of BOCS ~~Charter School~~
  - D. Assistant Director
  - E. Other Employees
- II. Persons occupying the following positions are designated employees and must disclose financial interests defined in Category 1 of Exhibit B.
  - A. Facilities Manager
  - B. Other Employees<sup>3</sup>
- III. Persons occupying the following positions are designated employees and must disclose financial interests defined in Categories 2 and 3 of Exhibit B.
  - A. Facilities Manager
  - B. Business Office Assistant
  - C. Contractor
  - D. Other Employees<sup>4</sup>

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<sup>1</sup> The Director may determine, in writing, that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultant's duties and based upon that description, a statement of the extent of disclosure requirements. The Director's determination is a public record and shall be retained for public inspection in the same manner and location of interest code.

<sup>2</sup> "Other Employees" include any employee occupying a position that requires the employee to make a governmental decision that foreseeably and materially affects a personal financial interest, source of income, or a business position in a business entity.

<sup>3</sup> "Other Employees" include any employee with authority to make purchases that may foreseeably and materially affect an investment and/or business position in business entities or who are in a position to influence a governmental decision that may foreseeably and materially affect an investment and/or business position in a business entity.

<sup>4</sup> "Other Employees include employees with authority to make purchases that may foreseeably and materially effect investments and business positions in business entities which provide services, supplies, materials, or equipment in which the employee has authority to purchase.

## **EXHIBIT B** **Disclosure Categories**

### **Category 1 Reporting:**

- A. Interest in real property which is located in whole or in part either (1) within the boundaries of the District, or (2) within two miles of the boundaries of the District, including any leasehold, beneficial or ownership interests or option to acquire such interest in real property, if the fair market value of the interest is greater than \$1,000. (Interests in real property of an individual include a business entity's share of interest in real property of any business entity or trust in which the designated employee or his or her spouse owns, directly, indirectly, or beneficially, a ten percent interest or greater.)
- B. Investments in or income from persons or business entities which are contractors or subcontractors which are or have been within the previous two-year period engaged in the performance of building construction or design within the District.
- C. Investments in or income from persons or business entities engaged in the acquisition or disposal of real property within the jurisdiction. (Investment includes any financial interest in, or security issued by a business entity, including but not limited to common

stock, preferred stock, rights, warrants, options, debt instruments and any partnership interest or other ownership interests.) (Investments of any individual include a pro rata share of investments of any business entity or trust in which the designated employee or his or her spouse owns, directly, indirectly, or beneficially, a ten percent interest or greater.) (Investment does not include a time or demand deposit in a financial institution, shares in a credit union, any insurance policy, or any bond or other debt instrument issued by any government or government agency.)

(No investment or interest in real property is reportable unless its fair market value exceeds

\$1,000. No source of income is reportable unless the income received by or promised to the public official aggregates \$250 or more in value or \$50 or more in value if the income was a gift during the preceding 12-month reporting period.

**Category 2 Reporting:**

- A. Investments in or income from business entities which manufacture or sell supplies, books, machinery, or equipment of the type utilized by the department for which the designated employee is Manager or Director. Investments include interests described in Category 1.

**Category 3 Reporting:**

- A. Investments in or income from business entities which are contractors or subcontractors engaged in the performance of work or services of the type utilized by the department for which the designated employee is Manager or Director. Investments include the interests described in Category 1.