

GOVERNING BOARD CONFLICT OF INTEREST POLICY



“Climbing Toward College & Career Readiness”

CONFLICT OF INTEREST CODE

I. ADOPTION

In compliance with the Political Reform Act of 1974, California Government Code Section 87100, et seq., Ararat Charter School hereby adopts this Conflict of Interest Code (“Code”), which shall apply to all governing board members, candidates for member of the governing board, and all other designated employees of Ararat Charter School (“Charter School”), as specifically required by California Government Code Section 87300. As the Charter School has agreed to comply with conflict of interest provisions of Government Code Section 1090, et. seq., in addition to the Political Reform Act, this Code also conforms to the requirements of Government Code Section 1090.

II. DEFINITION OF TERMS

As applicable to a California public 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, and any amendments or modifications to the Act and regulations are incorporated by reference to this Code.

III. DESIGNATED EMPLOYEES

Employees of this Charter School, including governing board members and candidates for election and/or appointment to the governing board, 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.

IV. STATEMENT OF ECONOMIC INTERESTS: FILING

Each designated employee, including governing board members and candidates for election and/or appointment to the governing board, shall file a Statement of Economic Interest (“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 participated in 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 Charter School. All Statements shall be supplied by the Charter School. All Statements shall be filed with the Charter School. The Charter School’s filing

officer shall make and retain a copy of the Statement and forward the original to the County Board of Supervisors.

V. DISQUALIFICATION

No designated employee shall make, participate in making, or try to use his/her official position to influence any Charter School 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.

VI. MANNER OF DISQUALIFICATION

A. Non-Governing Board Member Designated Employees

When a non-Governing Board member 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 the Charter School Principal, 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.

B. Governing Board Member Designated Employees

Where a Governing Board member has a personal, material financial interest in a contract, the Board must either: (1) not enter into the contract, as Government Code Section 1090 prevents the entire board from voting on the contract; or (2) prior to the Board of Director's discussion of and/or taking any action on the contract at issue, the Board member must resign from the Board of Directors. The resignation shall be made part of the Board's official record. Abstention and disclosure will not rescue a vote.

EXHIBIT A

Designated Positions

Persons occupying the following positions are designated employees and must disclose financial interests in all categories defined below.

- A. Members of the Governing Board
- B. Corporate Officers (e.g., Board Chair/President, Treasurer, Secretary)
- D. Principal of Charter School

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.

(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 10% interest or greater.)

- B. Investments in or income from persons or business entities which are contractors or sub-contractors 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.)

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 Charter School.

Category 3 Reporting:

- A. Investments in or income from business entities which are contractors or sub-contractors engaged in the performance of work or services of the type utilized by the Charter School. Investments include the interests described in Category 1.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of Ararat Charter School, a California nonprofit public benefit corporation; that the Conflict of Interest Policy, consisting of 3 pages, is the policy of this corporation as adopted by the Governing Board at a Board meeting held on December 14, 2010; and that these bylaws have not been amended or modified since that date.

Executed on December 13, 2014, at Van Nuys, California.

Sylva Karayan, Ph.D., Secretary