

## **LA PROMISE FUND**

### CONFLICT OF INTEREST CODE

#### **I. ADOPTION**

In compliance with the Political Reform Act of 1974, California Government Code Section 87100, et seq., LA Promise Fund, which operates LA Promise Charter Middle School and LA Promise Charter High School, hereby adopts this Conflict of Interest Code (“Code”), which shall apply to all governing board members and all other designated employees of LA Promise Fund, as specifically required by California Government Code Section 87300.

#### **II. DEFINITION OF TERMS**

As applicable to California public charter schools, 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 LA Promise Fund, including governing board members, 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 Code and incorporated by reference herein.

#### **IV. STATEMENT OF ECONOMIC INTERESTS: FILING**

Each designated employee, including governing board members, shall file a Statement of Economic Interest (“Statement”) at the time and manner prescribed by California Code of Regulations, title 2, section 18730, 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 LA Promise Fund. All Statements shall be supplied by the LA Promise Fund. All Statements shall be filed with the LA Promise Fund. The LA Promise Fund’s filing official 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 LA Promise Fund 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 President/CEO, who shall record the employee's disqualification. In the case of the President/CEO, this determination and disclosure shall be made in writing to the Governing Board.

### **B. Governing Board Member Designated Employees**

The Corporation shall not enter into a contract or transaction in which a director directly or indirectly has a material financial interest (nor shall the Corporation enter into any contract or transaction with any other corporation, firm, association, or other entity in which one or more of the Corporation's directors are directors and have a material financial interest).

**EXHIBIT A**

**Designated Positions**

<u>Designated Position</u>	<u>Assigned Disclosure Category</u>
Members of the Governing Board	1, 2
President/CEO	1, 2
Chief Program Officer	1, 2
Director of Finance	1, 2
Director of Operations	1, 2
Director of Schools	1, 2
Principals	1, 2
Consultants/New Positions	*

\*Consultants/New Positions shall be included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code, subject to the following limitation:

The President/CEO may determine in writing that a particular consultant or new position, although a “designated position,” is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultant’s or new position’s duties and, based upon that description, a statement of the extent of disclosure requirements. The President/CEO’s determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code (Government Code § 81008).

## EXHIBIT B

### Disclosure Categories

#### Category 1

Designated positions assigned to this category must report:

- a) Interests in real property that are located in whole or in part within a two-mile radius:
  - of any school district that has authorized an LA Promise Fund charter school, or
  - of any facility utilized by an LA Promise Fund charter school, or
  - of a proposed site for an LA Promise Fund charter school facility.
  
- b) Investments and business positions in business entities, and sources of income (including gifts, loans, and travel payments) of the type that engage in the purchase or sale of real property or are engaged in building construction or design.

#### Category 2

Designated positions assigned to this category must report:

- a. Investments and business positions in business entities and sources of income (including receipt of gifts, loans, and travel payments) that are contractors engaged in the performance of work or services, or sources that manufacture, sell, repair, rent or distribute school supplies, books, materials, school furnishings or equipment of the type to be utilized by LA Promise Fund charter schools.

#### Category 3

Designated positions assigned to this category must report:

- a. Investments and business positions in business entities and sources of income (including receipt of gifts, loans, and travel payments) that are contractors engaged in the performance of work or services, or sources that manufacture, sell, repair, rent or distribute school supplies, books, materials, school furnishings or equipment of the type to be utilized by the designated position's department.