

**CONFLICTS OF INTEREST CODE PURSUANT TO THE POLITICAL REFORM ACT  
OF 1974 (GOVERNMENT CODE §§ 87100, ET SEQ.)**

**I. Adoption**

The Board of Directors (“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 Excelsior Charter Group (“ECG”).

**II. Definitions**

“Designated Employees” are employees of ECG, 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. The designated positions are listed in Exhibit “A” attached to this policy and incorporated herein by reference.

“Common Directors” are those Board members that sit on the Board of Directors of ECG and the board of directors of another corporation with which ECG is considering entering a contract or transaction.

“Interested Directors” are those Board members, or their family members, compensated by ECG for services rendered to it within the previous 12 months, whether as a full- or part-time employee, independent contractor or otherwise, excluding any reasonable compensation paid to a director as director.

**III. Disclosure Statements**

**A. Statement of Economic Interest**

Each designated employee, including governing board members and candidates, 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 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.

**Contents of Statements**

**Initial Statements:** Initial Statements shall disclose any reportable investments, interests in real property, 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.

**Assuming Office Statements:** Assuming Office Statements shall disclose any reportable investments, business positions, interests in real property held on, and income received during the 12 months before the date of assuming office or the date of being appointed or nominated.

**Annual Statements:** Annual Statements shall disclose reportable investments, business positions, interests in real property and income held or received at any time during the previous calendar year or since the date the designated employee took office if during the calendar year.

**Leaving Office Statement:** Leaving Office Statements shall disclose reportable investments, business positions, interests in real property and income held or received at any time during the period between the closing date of the last statement required to be filed and the date of leaving office.

### **Timing of Filings**

An initial Statement shall be filed by each designated employee within 30 days after the effective date of the Code. Thereafter, each new designated employee shall file a Statement within 30 days after assuming office. Each designated employee shall file an annual Statement 30 days after the charter school's annual meeting. Every designated employee who leaves office shall file a Statement within 30 days of leaving office.

### **Statements Filed With the Charter School**

All Statements shall be supplied by ECG on forms prescribed by the Fair Political Practices Commission. All Statements shall be filed with ECG.

## **IV. Disqualification**

**Designated Employees:** No Designated Employee may make, participate in making, or in any way use or attempt to use his/her official position to influence any ECG 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 Designated Employee or a member of his or her immediate family on:

- Any business entity or real property in which the designated employee has a direct or indirect investment or interest worth two thousand dollars (\$2,000) or more.
- Any source of income totaling five hundred dollars (\$500) 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.)
- The designated employee's personal finances or those of his/her immediate family. A

decision will have an effect on this economic interest if the decision will result in the personal expenses, income, assets or liabilities of the designated employee or his/her immediate family increasing or decreasing.

- Any business entity in which the designated employee is the director, officer, partner, trustee, employee, or any kind of manager.
- Any business entity that is a parent or subsidiary of, or is otherwise related to, a business entity in which the designated employee has an interest.
- Any donor, or intermediary or agent of a donor, of gifts totaling \$360 or more in value provided to, promised to, or received by the designated employee within twelve months prior to the time when the decision is made.

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.)

**Common Directors:** No Common Director may make, participate in making, or in any way use or attempt to use his/her official position to influence any ECG decision which involves the Common Director's other directorship.

**Interested Directors:** Not more than 49 percent of the persons serving on the Board of ECG may be Interested Directors.

### **Manner of Disqualification**

**Designated Employees:** 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 the Chief Financial Officer, who shall record the employee's disqualification. In the case of the Chief Financial , this determination and disclosure shall be made in writing to the Board.

Board members shall orally disclose a disqualifying interest at the meeting during which consideration of the decision takes place. This disclosure shall be made following the announcement of the agenda item, but before the discussion or vote commences. This disclosure shall be made part of the Board's official record. The disqualified Board member shall then refrain from participating in the decision in any way, but may remain seated if desired.

If the decision is made during a closed session, the member's disqualification may be made orally during the open session before the body goes into closed session and shall be limited to a declaration that his/her recusal is because of a conflict of interest under Government Code section 87100. The declaration shall be made part of the official public record. The member shall not be present when the decision is considered in closed session or knowingly obtain or review a recording or any other non-public information regarding the decision.

The following must be confirmed in the affirmative prior to the Board's acceptance of a contract or transaction with a Designated Employee or Common Director:

- That the transaction is entered into for the benefit of ECG;
- That the transaction was fair and reasonable for ECG at the time it enters into the transaction;
- That after reasonable investigation under the circumstances, the Board determines, in good faith, that ECG could not have obtained a more advantageous arrangement with reasonable effort. Documentation of the results of the investigation shall be retained either in the Board minutes and/or in the school's financial files.

Disqualified Designated Employees and Common Directors shall not be counted toward achieving a quorum while the item is discussed.

Adopted: 01/25/2018

Amended: 07/24/2018

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 Board of Directors
  - B. Candidates for Member of the Board of Directors
  - C. Members of Committees of the Board of Directors
  
  - G. Chief Financial Officer
  
- II. Persons occupying the following positions are designated employees and must disclose financial interests defined in Category 1 of Exhibit B.
  
- III. Persons occupying the following positions are designated employees and must disclose financial interests defined in Categories 2 and 3 of Exhibit B.

EXHIBIT B  
Disclosure Categories

Category 1 Reporting:

- A. Interest in real property which is located in whole or in part either (1) within the geographical service area of ECG, 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 \$2,000.

(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 sub-contractors which are or have been within the previous two-year period engaged in the performance of building construction or design within the geographical service area of ECG.

- C. Investments in or income from persons or business entities engaged in the acquisition or disposal of real property within the geographical service area of ECG.

(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 \$2,000. No source of income is reportable unless the income received by or promised to the public official aggregates \$500 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 sub-contractors 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.