



MAGNOLIA PUBLIC SCHOOLS

Board Of Directors

Board Agenda Item #	III D
Date:	07.21.2016
To:	Magnolia Board of Directors
From:	Caprice Young, Ed.D.,CEO & Superintendent
Staff Lead:	David Yilmaz, Chief Accountability Officer
RE:	Approval of Conflict of Interest Policy and Conflict of Interest Code

Proposed Board Recommendation

I move that the board approve the Conflict of Interest Policy and the Conflict of Interest Code.

Background

MPS' old Conflict of Interest Code needs to be updated in light of the new designated positions and consultants. Attached is the new Code which includes updates. Also, our original Code and Policy used to be one single document. LAUSD requires that the Code and the Policy be two separate documents. The Policy is now a separate document and it supplements the Code.

Budget Implications

There are no budget implications.

Name of Staff Originator:

David Yilmaz, Chief Accountability Officer

Attachments

Board Governance Policies – Conflict of Interest Policy
Board Governance Policies – Conflict of Interest Code

MAGNOLIA EDUCATIONAL & RESEARCH FOUNDATION
CONFLICT OF INTEREST POLICY

I. PURPOSE

The purpose of this Conflict of Interest Policy (“Policy”) is to protect Magnolia Educational & Research Foundation’s (“Charter School”) interests when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Charter School. This Policy is intended to supplement, but not replace, (i) any applicable state and federal laws governing conflicts of interest applicable to California public charter schools; and (ii) the Charter School’s Conflict of Interest Code, adopted pursuant to the Political Reform Act (Government Code Section 81000 *et seq.*), including the exhibits attached thereto.

II. DESIGNATED EMPLOYEES

Employees of this Charter School, including members of the Board of Directors (“Board”) and candidates for election and/or appointment to the 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 “Appendix A,” which is hereby incorporated by reference, attached to the Charter School’s Conflict of Interest Code.

III. 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.

IV. MANNER OF DISQUALIFICATION

A. Non-Board Member Designated Employees

When a non-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. Board Member Designated Employees

Board members shall disclose a disqualifying interest at the meeting during which consideration of the decision takes place. After disclosure of the disqualifying interest and all material facts, he/she shall leave the Board meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board members shall decide if a conflict of interest exists.

This disclosure shall be made part of the Board's meeting minutes. The Board meeting minutes shall include the names of the persons who disclosed or otherwise were found to have a disqualifying interest in connection with an actual or possible conflict of interest, the nature of the disqualifying interest, any action taken to determine whether a conflict of interest was present, and the Board's decision as to whether a conflict of interest in fact existed.

The Board member shall refrain from participating in the decision in any way (i.e. the Board member with the disqualifying interest shall refrain from voting on the matter and influencing or attempting to influence the vote on the matter) and comply with any applicable provisions of the Charter School bylaws.

MAGNOLIA EDUCATIONAL & RESEARCH FOUNDATION
CONFLICT OF INTEREST CODE

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 California Code of Regulations §18730) that contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendices, designating positions and establishing disclosure categories, shall constitute the conflict of interest code for the **Magnolia Educational & Research Foundation (MERF)**.

Individuals holding designated positions shall file statements of economic interests with the **MERF**, which will make the statements available for public inspection and reproduction. (Government Code § 81008) All statements will be retained by **MERF**.

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APPENDIX A
DESIGNATED POSITIONS

<u>Designated Positions</u>	<u>Disclosure Category</u>
Members of the Governing Board	1, 2
Corporate Officers (e.g., CEO/President, CFO/Treasurer, Secretary)	1, 2
Chief External Officer	1, 2
Regional Director – South	1, 2
Regional Director – North	1, 2
Chief Operations Officer	1, 2
Chief Academic Officer	1, 2
Chief Accountability Officer	1, 2
Chief of Human Resources/Director of Human Resources	1, 2
Chief Growth Officer (Consultant)	1, 2
Directors of New School Development	1, 2
Director of Partnerships	1, 2
Director of Information Technology/IT Director	1, 2
Principals	1, 3
Business Managers/Senior Financial Analysts	1, 3
Manager of Capital Projects and Facilities	1, 3
IT Manager	3
Office Managers	3
Contract Compliance Manager	3
Accounts Payable – Vendor Relations	3
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 CEO/President or designee 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 CEO/President or designee’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)

APPENDIX B

DISCLOSURE CATEGORIES

Category 1:

Designated positions assigned to this category must report:

- a. Interests in real property located in whole or in part within two (2) miles of any facility utilized by MERF's charter school, including any leasehold, beneficial or ownership interest or option to acquire such interest in real property.
- b. Investments and business positions in business entities, or sources of income (including gifts, loans, and travel payments) 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 or 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 MERF.

Category 3:

Designated positions assigned to this category must report:

- a. Investments and business positions in business entities or 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. For the purpose of this category a Principal's department is his/her entire school.