# How to Complete Form 700

Webinar for

Charter School Governing Board Members and Other Designated Filers

February 22, 2022

Presented by: Caitlin O'Halloran

CSDC School Governance and Policy Specialist

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### **About the Presenter**

## CSDC School Governance and Policy Specialist Caitlin O'Halloran

- More than two decades as a staff member to California State Legislators
- Former lobbyist for California Department of Education
- Former Commissioner, Advisory Commission on Charter Schools
- Charter school founder and former school director
- Current member of the Dixon Unified School District Governing Board
- · Former member of the Dixon Montessori Charter School Board

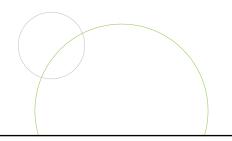




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### **Goals for this Presentation**

- What is the Form 700 and why is it filed?
- What is the Conflict of Interest Code and how does it relate?
- How/where to File Form 700?
- A step-by-step walk thorough the "schedules."
- What to do it you make a mistake?
- Resources



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### What is Form 700?

- In the aftermath of Watergate (1974) CA voters passed Prop 9, know as the Political Reform Act. The Fair Political Practices Commission (FPPC) was created to administer and enforce this landmark ethics law
- Form 700 has been required of elected state officers, judges, state board and commission members, legislative staffers, and traditional school board members (among others) for decades
- SB 126 (2019) made this disclosure mandatory for all charter school board members



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### Where? When? Wait...Come Again?!

- Form 700 discloses financial interests to elected officials and public employees.
- Forms will be filed with a board member's charter school (keep on hand for up to seven years). The authorizing agency may request a copy as well.
- Filing deadline is April 1 for annual statement, but the form must also be completed when assuming office, running for office and leaving office.
- This is a PUBLIC DOCUMENT. Everything written here may be viewed by the public and the press.



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### Who is Required to Fill Out Form 700?

- Conflict of Interest Code outlines who must fill out the Form 700
- Do you...
  - · Make or participate in making decisions?
  - Help to direct/spend state dollars?
- · Examples are:
  - Governing Board
  - Executive Director



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### What is a Conflict of Interest Code?

- Under the Political Reform Act, all public agencies are required to adopt a conflict of interest code (COIC). This includes charter schools.
- The code has three main parts:
  - **Terms of the code:** This is the main body of a code and includes things like the manner to report financial interests, the disqualification procedures, etc. This will call out Form 700 as the reporting document.
  - **Designated positions**: Positions should be specifically listed and may include positions that involve voting on school matters, negotiating contracts or making purchases without oversight.
  - **Disclosure categories:** The code could require disclosure of investments, interest in real property and income among other things.



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### More on the COIC...

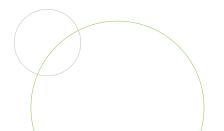
- · Charter schools are obligated to have a conflict of interest code/policy on file
  - · This code should be updated and current
- · CSDC has a template, also a charter school's legal counsel can write one
- Code must be sent to the County Board of Supervisors unless it is requested by the FPPC



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### How to File...

- Use the Form 700 available at the website www.fppc.ca.gov
- New this year! Use *either* a "wet" signature or an electronic signature (not a cut and paste signature), it must meet certain criteria.
- Now...for more details...

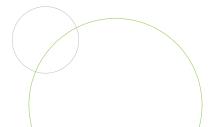




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### **Annual Statement - Form 700**

- Period covered is January 1, 2021 to December 31, 2021
- Do not change the pre-printed dates on the form
- Form is due (to charter school office) on Friday April 1, 2022



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### **Other Statements (and Deadlines)**

- Assuming Office Statements:
  - Due within 30 days of starting your new job
- · Leaving Office Statements:
- Due within 30 days of leaving your job
- Candidate Statements (this does not apply to charter school board members):
  - Due no later than the final filing deadline for the declaration of candidacy
- Amendments:
  - Due as soon as possible after you notice the error or omission



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## The FPPC's Things to Keep in Mind

- · If you are in doubt about whether to disclose something, the conservative answer is to disclose it.
- You only need to report as much as your disclosure category(ies) in your conflict of interest code requires.
- Filers get fined if they don't disclose something. They generally do not get fined if they disclose something on the wrong schedule.
- Generally, you disclose a financial interest only once on the Form. You should not double report it.
- Amendments are attached to and retained with the original statement. The original statement is not destroyed.



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### **Cover Page of Form 700**

- Like the rest of the document, this must be typed or printed in ink
- FPPC says a charter school's "Jurisdiction of Office" is "other," unless the school
  is a county-wide benefit charter
- Save the Schedule Summary for the end; complete the cover page last
- Remember to sign the statement
- Indicate the number of pages you are including in your form.
- TOCHARTIC GENERAL SCHOOL'S mailing address rather than your home address DEVELOPMENT CENTER

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This is an example of a cover page.

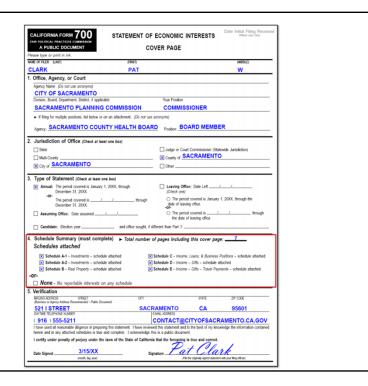
Note:

#2 the "jurisdiction of office" box

#3 type of statement

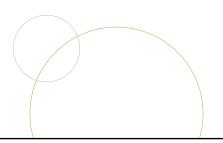
#4 schedule summary

#5 business address and signature



### Schedule A-1

- If you have a business located in, doing business in or planning to do business in your charter school's jurisdiction and that business is owned by you, your spouse or registered domestic partner or your dependent children AND it had a total benefit of \$2,000 or more, you need to report that interest on this schedule.
- Reportable investments include: stocks and bonds, family farms, and even a 10% or greater interest in a living trust.





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**Schedule A-1 continued** 

You do **NOT** need to report:

- Diversified mutual funds
- Insurance policies
- Money in a checking or savings account
- CalPERS/CalSTRS accounts
- Retirement accounts (non-reportable interest)

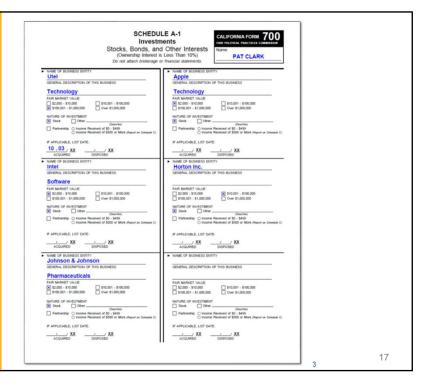
General description of the business—can be very general, e.g.: technology



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If you have stocks, like Apple, you will list them here and list the fair market value of the individual stock.

You do not need to list diversified funds or money in a checking or savings account.

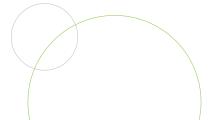


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### Schedule A-2

On this schedule you MUST report:

- · Your business or your spouse's business (community property)
- Family trust
- Partnership interests
- Rental property held by a business or trust
- Stocks



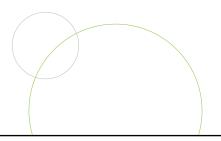
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### Schedule A-2

You do **NOT** need to report:

- Insurance policies
- Government bonds
- Your personal residence
- · Vacation properties used for leisure and not rental
- · CalPERS/CalSTRS accounts

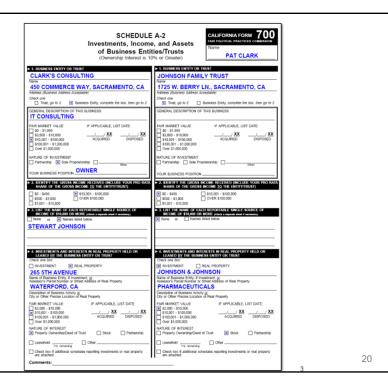


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If you or your spouse own 10% or more of a business or trust, and the business is located in or doing business in your school's jurisdiction OR if the trust holds investments worth \$2,000 or more, list them on this form.



### Schedule B - Real Property

What is "real property?"

 It has to be within, or located within two miles outside the boundaries of the jurisdiction of the charter school

Real Property can include a deed of trust, an easement or an option to acquire property. It can also include a mining lease or an interest in real property that you, your spouse or your minor children own at least a 10% share in.

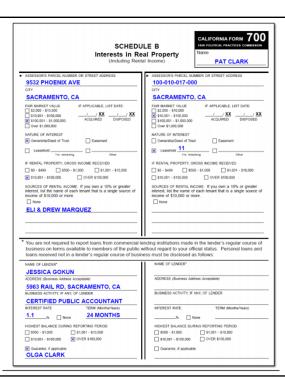
- You are NOT required to report a home or vacation cabin used exclusively as a residence. But if you rent out rooms in the vacation cabin, the portion claimed as a tax deduction is reportable.
- You are not required to report your own personal residence



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On this form, you'll list the address of the property, the fair market value, and sources of rental income.



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### Schedule C - Income, Loans & Business Positions

Report the source and amount of gross income you or your spouse received if:

- · it was over \$500 gross income and
- it is from an entity outlined in your charter school's conflict of interest code, or
- it is from an entity that does business in your jurisdiction
- This may be salary/wages, per diem, or reimbursement for expenses including travel payments provided by your employer.
- Repayment of loans made to others
- May also be commission income, prizes or awards, gross income from the sale of a car or house



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### Schedule C - Income, Loans & Business Positions

You do **NOT** need to report:

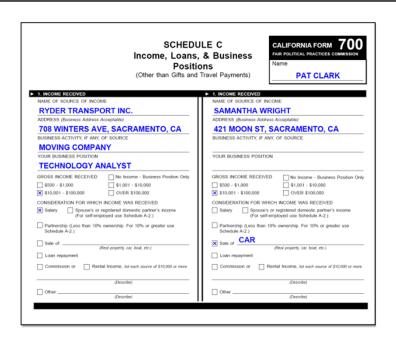
- Government income (state, federal, local)
- · Stock dividends or sale
- Income from PERS/STRS
- Inheritance
- Income earned by dependent children
- Alimony or child support payments
- · Loans made to others



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On this schedule you will report your income or your spouse's income or things like the sale of a car.

Fill out the name or source of the income and check the gross amount in addition to the consideration for which the income was received.



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### Schedule D - Gifts

### Reportable Interests:

- Accepting a gift even if you don't use it, makes it reportable.
- A gift is reportable if its fair market value is \$50 or more
- The gift limit is \$520 (2021) from a single source
- Gifts from lobbyists are limited to \$10 per month
- Commonly reportable gifts include: tickets or passes to events, food, beverages and accommodations, wedding gifts, forgiveness of a loan received by you



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### Schedule D - Gifts

You do **NOT** need to report:

- · Gifts of similar value exchanged on birthdays, holidays, etc.
- Unused gifts returned within 30 days
- Informational material to help you in your work
- SWAG at an event where you speak
- Plaques or trophies valued less than \$250
- · Disaster relief



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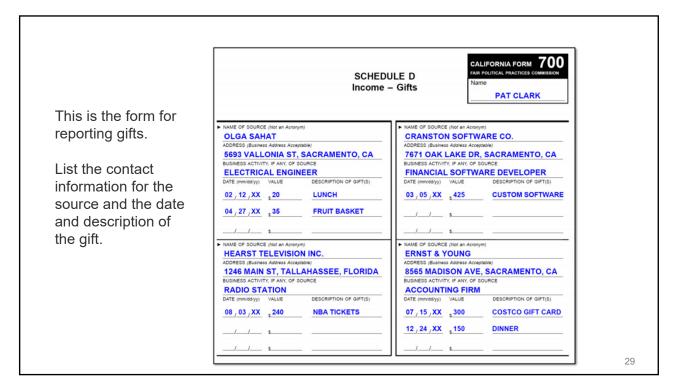
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### Oooops... I took a gift and shouldn't have...

- Here are your options:
  - · return the gift to the giver within 30 days.
  - pay the giver the fair market value of the gift within 30 days.
  - pay the giver the excess amount over the gift limit within 30 days.
  - · donate the (unused) gift to charity within 30 days.



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## Schedule E – Gifts, Travel Payments, Advances, and Reimbursements

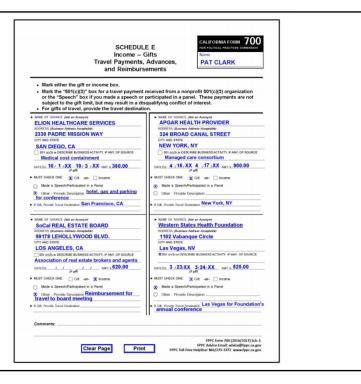
- You are NOT required to report travel payments from government agencies if you have provided services of equal or greater value than the payment
- You are NOT required to disclose travel payments received from your employer in the normal course of your employment
- You ARE required to report travel payments that are gifts if you did not provide services equal to or greater in value than payments received
- When reporting travel payments as income, you have the burden of proving income and describing services



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Use this form to report travel payments.

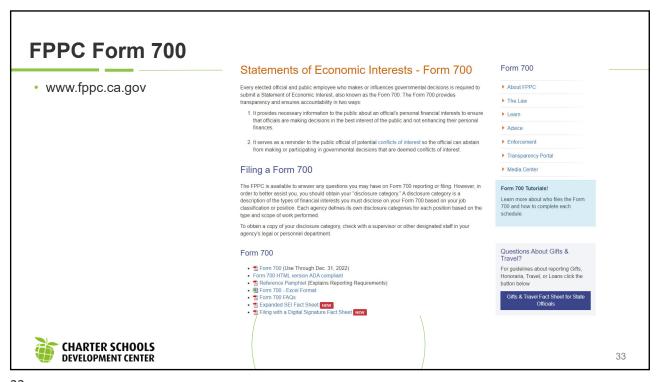
Again, list the contact information for the source of the payment, as well as information about business activity and the nature of your participation.



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### **Questions?**



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### **Shameless Affinity Group Plug...**

- Governing Board Members Affinity Group February 24, 2022 3:00PM
- Advocacy Affinity Group February 24, 2022 11:00AM

Please join us!

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