

**CONFLICT OF INTEREST POLICY
OF
PUBLIC POLICY CHARTER SCHOOL**

ARTICLE I

Purpose

The purpose of the conflict of interest policy is to protect this tax-exempt organization's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

The Public Policy Charter School will comply with California Government Code 1090: Members of the Legislature, state, county, district, judicial district, and city officers or employees shall not be financially interested in any contract made by them in their official capacity, or by any body or board of which they are members. Nor shall state, county, district, judicial district, and city officers or employees be purchasers at any sale or vendors at any purchase made by them in their official capacity.

ARTICLE II

Definitions

1. Interested Person

Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
- b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

ARTICLE III

Procedures

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest.

2. Violations of the Conflicts of Interest Policy

- a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

ARTICLE IV

Records of Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain the names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.

ARTICLE V

Compensation

- a. A voting member of the governing board may not receive compensation, directly or indirectly, from the Organization for services.
- b. A voting member of any committee whose jurisdiction includes compensation matters may not receive compensation, directly or indirectly, from the Organization for services.

ARTICLE VI

Annual Statements

Each director, principal officer and member of a committee with governing board-delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and

- d. Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

ARTICLE VII

Periodic Reviews

To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

ARTICLE VIII

Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

ARTICLE IX

Statement of Economic Interests

Individuals holding designated positions (see Appendix A) shall file their statements of economic interests with Public Policy Charter School, which will make the statements available for public inspection and reproduction. (Gov. Code Sec. 81008.) All statements will be retained by the Pathways Community School.

The Undersigned, Secretary of this Corporation, hereby certify that Conflict of Interest Policy of this Corporation was duly adopted as of the 27 day of March, 2014.

By _____
Secretary

Appendix A: Designated Positions

<u>Designated Position</u>	<u>Assigned Disclosure Category</u>
Members of the Board	1, 2
Executive Director	1, 2
Consultants	*

*Consultants are 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 Executive Director may determine in writing that a particular consultant, 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 Executive Director'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. (Gov. Code Section 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 the boundaries (and a two mile radius) of any facility utilized by Public Policy Charter School.
- b. Investments and business positions in business entities and income (including gifts, loans, and travel payments) from sources of the type that engage in the acquisition or disposal of real property or are engaged in building construction or design within the boundaries of any county in which Pathways Community School operates.

Category 2

Designated positions assigned to this category must report:

- a. Investments and business positions in business entities and all sources of income (including gifts, loans, and travel payments) from sources of the type that engage in the performance of work or services or sources which manufacture, sale, repair, rental or distribution of school supplies, books, materials, school furnishings or equipment to be utilized by Public Policy Charter School.