

KIPP: ADELANTE COUNTY OF SAN DIEGO
PREPARATORY ACADEMY

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December 5, 2014

County of San Diego Board of Supervisors
1600 Pacific Highway, RM 335
San Diego, CA 92101

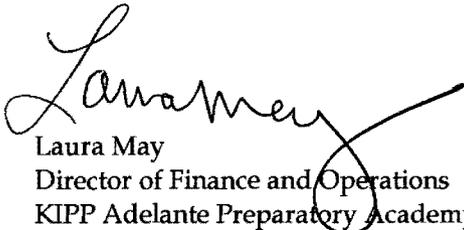
CLERK OF THE BOARD
OF SUPERVISORS

Dear County of San Diego Board of Supervisors:

Please accept this letter as our formal request for the County of San Diego Board of Supervisors to review and approve the Conflict of Interest Code for KIPP Adelante Preparatory Academy. I've attached a copy of our Conflict of Interest Code for your review and approval.

KIPP Adelante requests that our Conflict of Interest Code is adopted by the Board of Supervisors. Thank you. Please contact me directly if you have additional questions.

Sincerely,



Laura May
Director of Finance and Operations
KIPP Adelante Preparatory Academy

Attachment: Conflict of Interest Code

CONFLICT OF INTEREST CODE

1. Standard Code of FPPC: The Political Reform Act of 1975 (Government Code 81000 *et seq*) requires each state and local government agency to adopt and promulgate a conflict of interest code. KIPP Adelante Preparatory Academy is therefore required to adopt such a code. The Fair Political Practices Commission (FPPC) has adopted a regulation (2 Cal. Code of Regs. 18730) which contains the terms of a model conflict of interest code, which can be incorporated by reference as an agency's code. After public notice and hearing, the regulation may be amended by the FPPC to conform to amendments in the Political Reform Act.
2. Adoption of Standard Code of FPPC: The terms of 2 Cal. Code of Regs. 8730 and any future amendments to its duly adopted by the FPPC are hereby adopted and incorporated herein by reference. This regulation and the Appendix attached hereto designating officials and employees and establishing disclosure policies shall constitute the Conflict of Interest Code of KIPP Adelante Preparatory Academy. This code shall take effect when approved by the Board of Supervisors for the County of San Diego, and shall thereupon supersede any and all prior codes adopted by KIPP Adelante Preparatory Academy.
3. Filing of Statements of Economic Interests: Pursuant to Section 4 of the model cpde set forth in 2 Cal. Code of Regs. 18730(b), designated employees set forth in the Appendix shall file statements of economic interests (Form 700) with the Director of Finance and Operations of KIPP Adelante Preparatory Academy. Upon the receipt of the statements of the members of the Board of Directors, the Director of Finance and Operations shall make and retain copies and forward the original statements to the Clerk of the Board of Supervisors for the County of San Diego. Statements for all other designated employees shall be retained by the Director of Finance and Operations.

APPROVED AND ADOPTED by the Board of Directors of KIPP Adelante Preparatory Academy on the 16th day of May, 2013.

Christa Coleman
Principal, KIPP Adelante Preparatory Academy

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Purpose. The purpose of the conflicts of interest code is to protect the KIPP Adelante Preparatory Academy's (the "Corporation") interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or Director of the Corporation. This code is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations.

Definitions.

(a) Interested Person. Any Director, principal officer, or member of a committee with Board-delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

(b) Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment or family --

- (1) an ownership or investment interest in any entity with which the Corporation has a transaction or arrangement, or
- (2) a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or
- (3) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

Procedures.

(a) Duty to Disclose. In connection with any actual or possible conflicts of interest, an interested person must disclose the existence of his or her financial interest and all material facts relating thereto to the Board of Directors.

Disclosure Categories

Category 1. All-Inclusive Reportable Investments

A designated employee in this category shall report all reportable investments, as defined in Gov. Code 82034, in business entities located in, doing business in, planning to do business in, or having done business in the previous two (2) years in San Diego County which operate or provide any of the following:

Accounting or auditing services
Banks and savings and loans
Conflict of Interest Policy (May 2013)

Computer hardware of software, or computer services or consultants
Communications Equipment or services
Educational services, supplies and materials
Entities or persons who have filed claims against KIPP Adelante Preparatory Academy or have pending claims against KIPP Adelante Preparatory Academy
Insurance brokers and agencies
Insurance adjusting, claims auditing or administration, or underwriting services
Office Equipment or supplies
Personnel and employment companies and services
Printing or reproduction services, publications, and distribution
Securities, investment or financial services companies
Title Insurance and escrow

Category 2. Reportable Interests in Real Property

A designated employee in this category shall disclose all interests in real property, as defined in Gov. Code 82033 and 82035, that is

- (a) Within or not more than within two (2) miles outside of the boundaries of San Diego County that has situated on it any business entity named in the category no. 1 above; or
- (b) Within two (2) miles of any facility or real property owned or used by KIPP Adelante Preparatory Academy.

Category 3. Reportable Income

A designated employee in this category shall disclose all income as defined in Government Code 82030 of the designated employee from the below-listed sources located in, doing business in, planning to do business in, or having done business in the previous (2) years in San Diego County during the reporting period.

Accounting or auditing services
Banks and savings and loans
Computer hardware of software, or computer services or consultants
Communications Equipment or services
Educational services, supplies and materials

- (a) The name and address of each business entity in which he or she is a director, officer, partner, trustee, employee, or in which he or she holds any position of management;
- (b) A description of the business activity in which the business entity is engaged; and
- (c) The designated employee's position within the entity.

(b) Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts relating thereto, and after any discussion thereof, the interested person shall leave the Board of Directors' meeting

while the financial interest is discussed and voted upon. The remaining Board of Directors shall decide if a conflict of interest exists.

(c) Procedures for Addressing the Conflict of Interest.

- (1) An interested person may make a presentation at the Board of Directors, but after such presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest.
- (2) The Chairman of the Board shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- (3) After exercising due diligence, the Board of Directors shall determine whether the Corporation can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
- (4) If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board of Directors shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the Corporation's best interest and for its own benefit and whether the transaction is fair and reasonable to the Corporation and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

(d) Violations of the Conflicts of Interest Policy.

- (1) If the Board of Directors has reasonable cause to believe that 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.
- (2) If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the Board of Directors determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

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Records of Proceedings. The minutes of the Board of Directors and all committees with Board-delegated powers shall contain --

(a) Names of Persons with Financial Interest. 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 Board of Directors' decision as to whether a conflict of interest in fact existed.

(b) Names of Persons Present. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

Annual Acknowledgements. Each Director, principal officer and member of a committee with Board-delegated powers shall annually sign a statement which affirms that such person --

- (a) Receipt. Has received a copy of the conflicts of interest policy.
- (b) Read and Understands. Has read and understands the policy.
- (c) Agrees to Comply. Has agreed to comply with the policy.
- (d) Tax Exemption. Understands that the Corporation is a charitable organization and that, in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Annual Statements of Economic Interests. Each Director, principal officer and member of a committee with Board-delegated powers shall annually complete a Statement of Economic Interests disclosing any financial interests which represent an actual or potential conflict of interest.

Periodic Reviews. To ensure that the Corporation operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, the Corporation may conduct periodic reviews.

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Exhibit A

<u>Designated Position</u>	<u>Assigned Disclosure Category</u>
Members of the Governing Board	I, II, III
Principal/CEO	I, II, III
Business Manager/CFO	I, II, III
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 Principal 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 not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultants duties and, based upon that description, a statement of the extent of disclosure requirements. The Principal'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. (Govt. Code 81008.)

ACKNOWLEDGEMENT

By signing this document I acknowledge the following:

1. I have personally received this Conflict of Interest Code;
2. I have read and I understand the Corporation's Conflict of Interest Code;
3. I understand that the Corporation is a nonprofit public benefit corporation and that, in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax exempt purposes;
4. I agree to comply with the Corporation's Conflict of Interest Code; and
5. I declare that I ___ do ___ do not have financial or other interests that would qualify me as an Interested Person as specified in the Corporation's Conflict of Interest Code
6. Annually, I will complete and submit a Statement of Economic Interests.

Signature

Name (please print)

Date