

**CONFLICT S OF INTEREST CODE FOR
LIFELINE EDUCATION CHARTER SCHOOLS, INC.**

The following reflects a conflicts of interest code for Lifeline Education Charter Schools, Inc. (referred to herein as "Lifeline") These rules are adopted subject to any new regulations issued by the Board of Education and will be updated when such regulations are issued.

As a Charter School, Lifeline must comply with the California Code of Regulations, Title 5 regarding Conflict of Interest. Under those regulations, the following rules hold:

Assets and income of public officials which may be materially affected by their official actions should be disclosed and in appropriate circumstances the officials should be disqualified from acting in order that conflicts of interest may be avoided."
Gov. Code section 81002(c)

"No public official at any level of state or local government shall make, participate in making or in any way attempt to use his official position to influence a governmental decision in which he knows or has reason to know he has a financial interest."
Gov. Code Section 87100

A Charter school is a quasi-government agency and as such, Lifeline takes the position that its directors, consultants and employees are subject to the rules and regulations applicable to public officials. The Political Reform Act prevents conflicts of interest in two ways -- disclosure and disqualification. (See Gov. Code Sections 87100-87350.)

Disclosure

The purpose of financial disclosure is to alert public officials to personal interests that might be affected while they are performing their official duties, i.e., making governmental decisions. Disclosure also helps inform the public about potential conflicts of interest.

Public officials at every level of state and local government must disclose their personal financial interests. This rule applies the Board of Directors of Lifeline and to employees who make purchases or approve of contracts for goods or services used by Lifeline, i.e. this would include the Executive Director, for example ... If an employee merely contracts for goods and services, that employee need not disclose real estate interests, but must disclose investments in and income from individuals and entities that supply equipment, materials, or services to the agency.

Unpaid members of boards and consultants to state and local government agencies also may be required to disclose their personal financial interests if they make or participate in making governmental decisions that could affect their private financial interests.

Disclosure is made on a form called a "statement of economic interests" (Form 700). The form must be filed each year. Filed forms are public documents that must be made available to anyone who requests them.

Disqualification

If a Board members, consultant, committee member or employee has a conflict of interest, the official may be required to disqualify himself or herself from making or participating in a governmental decision, or using his or her official position to influence or attempt to influence a governmental decision.

See the fact attached fact sheet which addresses the issue of, Can I Vote? Conflicts of Interest Overview .

To determine whether an official has a conflict of interest many factors must be analyzed. For example , is it reasonably foreseeable that the official's interest will be affected by a particular decision? Will the decision have a significant monetary impact on the financial interest or is the impact minimal? Will the decision affect the official's interest differently than members of the general public? Is the official even making a governmental decision?

In many cases, an official will need guidance from the Commission or an attorney to determine whether disqualification is required.

In light of the forgoing, the following reflects the conflict of interest code for Lifeline:

The Lifeline Education Charter School, Inc. and any affiliates and all Officers, Directors, Committee members, and employees who have the power to make purchases of any kind for Lifeline or who have the power to hire anyone for Lifeline, whether an employee or independent contractor, scrupulously shall avoid any conflict between their respective personal, professional or business interests and the interests of the Association, in any and all actions taken by them on behalf of the Association in their respective capacities.

If any Officer, Director, Committee member or employee of Lifeline has any direct or indirect interest in, or relationship with, any individual or organization that proposes to enter into any transaction with Lifeline, including but not limited to transactions involving:

- a. the sale, purchase, lease or rental of any property or other asset;
- b. employment, or rendition of services, personal or otherwise;
- c. the award of any grant, contract, or subcontract ;
- d. the investment or deposit of any funds of the Association ;

such person shall give notice of such interest or relationship and shall thereafter refrain from discussing or voting on the particular transaction in which he has an interest, or otherwise attempting to exert any influence on the Association , or its components to affect a decision to participate or not participate in such transaction .

In addition, each officer, director , committee member or employee of Lifeline who exercises the power to purchase or retain the services of employees, vendors , contractors, agents or other persons shall file a Form 700 if such is required and in a manner required by the State Board of Education.

All decisions made by the Board in conducting the business of Lifeline shall be conducted pursuant to the Brown Act., i.e. the meetings shall be "open and public."