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## **SCCLC Instructions for Statement of Economic Interests (Form 700)**

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To help everyone with our new filing requirement, I've compiled these simplified instructions from (a) the SCCLC Conflict of Interest Code ("the Code"), (b) instructions on Form 700, (c) email advice from attorneys at MYM. These instructions are accurate to the best of my knowledge, and have been reviewed by legal counsel in April 2011. .

### ***What is this all about, and why do I have to do this?***

Now that SCCLC is an autonomous nonprofit corporation with full responsibility for spending public funds, we need to be transparent about potential conflicts-of-interest. A "conflict of interest" here means something specific: a situation where a decision maker may have some personal *financial* benefit as a result of their decision. California law requires SCCLC to have a Conflict of Interest code (which we do), and that Code specifies exactly what financial interests we need to report.

### ***What does a Statement of Economic Interests look like?***

Turns out, there's a standard form, "Form 700", published by the California Fair Political Practices Commission. I've emailed copies of the PDF file to all initial SCCLC filers. You can also download it from <http://www.fppc.ca.gov/index.php?id=500>. Everybody must fill out the cover page (page 5 of the PDF file); additional pages could be needed.

### ***When and where to file?***

For now, I'll simply designate myself as the "filing officer", although it will probably be more practical to have this role filled by the Coordinator of Operations and Community Relations (Gwynne).

Either get your Statement to me personally, or to the SCCLC office. I'll ask Gwynne to keep a folder at the front desk to collect these during the week.

### **Initial Statements for the new Code—one time only (April 2011)**

All required filers need to submit original signed versions within 30 days after the effective date of the Code (which was March 10, 2011 – meaning our initial deadline is Saturday, April 9. **Late Statements are subject to a \$10 per day late fine up to \$100 for each day the statement is late.** (I'm not sure who enforces this, but it's in a boxed statement in the Reference Pamphlet for Form 700).

### **Future Statements**

Statements need to be filed annually, and within 30 days of assuming or leaving office.

Candidates for the GC (*including incumbents*) need to file no later than the final filing date for declaration of candidacy. Exception: a candidate statement is not required if you filed any statement (other than a leaving office statement) within 60 days of filing a declaration of candidacy.

Newly-elected GC members need to file an assuming office statement within 30 days of assuming office.

Departing GC members need to file a leaving office statement within 30 days of the end of your term.

Officers and other designated officials need to file assuming office statements within 30 days of assuming office, and leaving office statements within 30 days of leaving office.

All designated officials need to file annual statements no later than April 1 if you held office the preceding year. If you assumed your office after October 1 of the preceding year and you filed an assuming office statement, you don't need to file a new annual statement until the next year.

### ***How to fill out the Cover Page—step by step suggestions***

I used the built-in fields of the PDF file to enter my form data; you can do this, or print a blank form and then type or print in ink.

The top line is just your name. You should use your full name.

#### **Section 1: Office, Agency, or Court**

For Agency Name, use “San Carlos Charter Learning Center”.

Leave “Division, Board, Department, District, if applicable” blank.

Your Position:

- GC members (and GC candidates) list “Governing Board Member”
- Administration positions list “School Director”, “Director of Curriculum and Resources”, or “Educare Program Director”
- Corporate Officers should list your office, such as “President”, “Treasurer” or “Corporation Secretary”.

If you are required to file for multiple positions (such as GC + Treasurer, or School Director + President), add the second position in the last 2 fields of section 1, under “Agency:” (again, “San Carlos Charter Learning Center”), and “Position:” (your second position).

#### **Section 2: Jurisdiction of Office**

Check “Other”, and enter “Charter School located in San Carlos Elementary School District”.

#### **Section 3: Type of Statement**

Initial statements for April 2011 (one time only): check “Assuming Office” and enter the date “3 / 10 / 11”.

Newly elected or appointed official: check “Assuming Office” and enter the effective date.

GC candidates: check “candidate” and enter the current year.

Departing officials: check “Leaving Office” and fill in the date.

#### **Section 4: Schedule Summary**

Be sure to fill this section out. After reviewing all the reportable interests (see later in this note), either check which schedules are attached -OR- check the “None” box. Also, be sure to fill in the total number of pages field.

#### **Section 5: Verification**

Form 700 is a “public document”, which means that anyone can request to copy and/or distribute it whenever or however they want. As a result, the instructions recommend using the agency address rather than your home address.

For reference, our mailing address is **750 Dartmouth Ave, San Carlos, CA 94070**, and our daytime telephone number is **(650) 508-7343**. I left the email address blank.

The form 700 instructions point out that **when you sign your statement, you are stating under penalty of perjury, that it is true and correct**. Also, only the filer has authority to sign the statement, and an unsigned statement is not considered filed and you may be subject to late filing penalties.

#### ***Disclosure Categories***

I’m summarizing the exact categories, with specific instructions about *how* to disclose interests that you have. Please refer to our actual Code to see the exact definitions of each disclosure category. Note that ownership of businesses through a diversified mutual fund does *not* need to be disclosed.

Currently, everyone who is subject to our Code must disclose interests in all the categories listed below.

#### **Stuff that needs to be disclosed**

**Category 1 – A:** Interest in real property (real estate) located either within the boundaries of SCSD, or within 2 miles of the boundaries of SCSD.

This means real estate that you or your spouse own. *A residence used exclusively as a personal residence (such as your home or a vacation home) is NOT required to be disclosed*. If you own rental property within 2 miles of the SCSD boundary, that DOES have to be disclosed.

If you or your spouse owns 10% or more of a business entity or trust that owns real estate within 2 miles of the SCSD boundary, then that real property needs to be disclosed. If you own shares of a REIT (real estate investment trust), you don’t need to figure out if the REIT owns any San Carlos property unless you own 10% or more of the entire REIT.

If you have real property that needs to be disclosed, fill out **Schedule B**.

**Category 1 – B:** Investments in or income from contractors or subcontractors which perform **building construction or design** within the boundaries of SCSD (currently or within the past 2 years).

If you have investments in construction contractors within the District, fill out either Schedule A-1 (ownership is less than 10%) or Schedule A-2 (ownership is 10% or greater). If you have personal income from construction contracting within the District, that income needs to be disclosed using Schedule C.

**Category 1 – C:** Investments in or income from real estate sales within the District. Basically, if you are a real estate agent or work for or own a real estate brokerage, this applies to you. Also, if you hold any “debt instruments” (loan) from such a business, that counts as an investment.

Loans or mortgages from commercial lending institutions do not need to be disclosed.

Disclose investments on Schedule A-1 or A-2. Personal income is disclosed on Schedule C.

**Category 2 – A:** Investments in or income from businesses that make or sell stuff (supplies, books, machinery or equipment) of the type used by SCCLC. Examples of this probably include Office Depot, makers of educational supplies, and so on. If you work for such a business, then your income from that business needs to be disclosed.

Disclose investments on Schedule A-1 or A-2. Personal income is disclosed on Schedule C.

**Category 3 – A:** Investments in or income from businesses that contract or sub-contract in the performance of work or services of the type utilized by SCCLC. Example of this include our janitorial service and Sonitrol (the alarm service).

Disclose investments on Schedule A-1 or A-2. Personal income is disclosed on Schedule C.

### **Stuff that you DON'T need to disclose**

Form 700 is used for all public disclosures of economic interest in California, from our little charter school up to the Governor and members of the state legislature. There are lots of areas within Form 700 that just don't apply to us – we only need to disclose interests described in the SCCLC Conflict of Interest Code. Some of what we *don't* need to disclose includes:

- Gifts
- Salaries (other than income described in our Code)
- Travel payments
- Interests held by adult children or other extended family members (other than your spouse/registered domestic partner, and your dependent children)
- Stocks or other investments that are worth less than \$2000.
- Stocks or other investments that are not related to the narrow business categories listed in our Code.
- Any mutual funds registered with the SEC.