

Today's Fresh Start Charter School

Conflict of Interest Statement

For any transaction to which the Today's Fresh Start Charter school is a party and the other party is:

- (a) an officer or employee of the charter school or of an organization having financial interest in the charter school; or
- (b) a partner or controlling stockholder or an organization having a financial interest in the charter school; or
- (c) a family member of a person having a financial interest in the charter school, the transaction(s) shall be fair and reasonable and conducted at arm's length.

Based on corporate law (Corporations Code sections 310, 5233-5234, 7233 and 9243 as applicable) the general rules that would be followed to ensure that transactions are conducted "at arm's length" include:

- (1) prior to consummating the transaction, the governing body should authorize or approve the transaction in good faith and the board should require the interested party, or parties, to make full disclosure to the board both in writing and during the board meeting where the transaction is being discussed and
- (2) all parties having a financial interest in the transaction should refrain from voting on the transaction and it should be so noted in the board minutes.

If the transaction involves the renting of property, either land or buildings, owned by affiliated organizations, officers or other key personnel of the charter school or their families, the board of directors shall request the interested party to obtain a "fair market rental estimate" from an independent appraiser. If the charter school has no board or is a sole proprietor, the requirement for a "fair market rental estimate" shall also apply.